



DEPARTMENT OF THE NAVY

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Aloha Stakeholder,

This is my sixth Red Hill stakeholder letter. As I draft this letter, our Navy is confronting several situations in which some individuals acted improperly and, through their actions, are bringing great discredit to our service. Our Chief of Naval Operations, Adm. John Richardson, put all Sailors on notice this week as investigations move forward: "Individuals who can't live up to our professional standards in competence and character are not welcome in our Navy." We do not tolerate individuals who purposely violate the law, disrespect others or act dishonestly. As a Navy, we hold each other accountable to act with honor, courage and commitment.

While the acts of a small number can tarnish all, please know that the vast majority of service members, civilians and families are good citizens and neighbors. Locally, we are part of the ohana in Hawai'i. Working together as a team, we are clearly improving our shared environment. So, in honor of Earth Month in April, I'll shift gears and discuss how our strong relationship is working together to mālama 'āina.

Our volunteers work with community neighbors in cleanups at Loko Pa'aiau Fishpond, Kalauao Stream, Pearl Harbor Bike Path, and various beaches. We are partnering in energy security initiatives including solar energy, biofuels and other renewables. And, working with other stakeholders, we're achieving success in albatross relocation, marine mammal protection, shearwater fallout prevention, honeybee and hive protection, and sea turtle nesting and hatching monitoring. The Chief of Naval Operations also announced this week that Fleet Logistics Center Pearl Harbor won an Environmental "Sustainability Individual/Team" award.

Here are a couple examples where your Navy overcame obstacles to demonstrate environmental accountability and partnership. We spent \$9.2 million in federal funds to help restore the track and field area at Radford High School after workers discovered debris our military left there many decades ago. Just recently, we closed legacy cesspools that predated joint-basing in order to comply with state law. Our Navy is not perfect, but we are committed to confronting what is not right or not in the nation's best interest. We are accountable for our

actions, and we are committed to doing the right thing. We are equally committed to presenting science-based evidence to enhance our understanding and thus highlight the best and most practicable solutions for Red Hill.

Since my December update, there has been a fair amount of news coverage and open discussion about the Administrative Order on Consent (AOC) and how it will impact our future Red Hill operations. The AOC is a very important document, and I believe that people must understand it before they can trust what it will do for us. So please allow me to briefly review the consent order.

As the Environmental Protection Agency (EPA) states on their website, "In response to the January 2014 fuel release from the facility, EPA and Hawai'i Department of Health (HDOH) negotiated an enforceable agreement, also known as an Administrative Order on Consent (AOC), with the U.S. Navy and the Defense Logistics Agency (DLA). The Order requires the Navy and DLA to take actions, subject to HDOH and EPA approval, to address fuel releases and implement infrastructure improvements to protect human health and the environment."

Within the AOC is a Statement of Work (SOW) that lays out the specific tasks the Navy and DLA must implement to address the January 2014 fuel release and to improve the facility. The SOW contains eight sections that address overall project management, environmental investigation and remediation (fixing issues) and tank infrastructure improvements. So here are the SOW sections and what they mean to stakeholders and consumers:

- **Section 1** covers overall project management, to include subject matter experts and community involvement, communications between parties, quality assurance and compliance with underground storage tank regulations.
- **Section 2** covers tank inspection, repair, and maintenance, and from that you may see the acronym "TIRM."
- **Section 3** may be the subject you hear about in the news, and that is the study of tank upgrade alternatives and, yes, another acronym - "TUA."
- **Section 4** covers release detection and tank tightness testing, to include testing frequency and fuel release monitoring systems reports.
- **Section 5** addresses corrosion and metal fatigue practices.
- **Section 6** covers release investigation and remediation (again, how do you fix the problems caused by a release).
- **Section 7** focuses on groundwater protection and evaluation; and
- **Section 8** is a risk/vulnerability assessment.

Sections 2-8 will deliver decisions and a way forward. Yes, we are making good progress and are on schedule. For section 2, we held the final decision meeting February 21, and we will

complete the decision document/implementation plan by April 24. That section will capture the work we accomplished, current improvements we are making, and future improvements we will adopt moving forward. So in plain English, the team of experts took what we learned from the release in 2014 and applied it to improve how we do quality control and quality assurance work.

As previously reported, state and federal regulators approved the Section 3 scope of work back in December 2016, and together we will complete the final report by December 8, 2017. That report is one of the most anticipated AOC products because it will include detailed analysis about each of the six tank upgrade alternatives (three single-wall alternatives and three secondary containment - double wall - alternatives) under consideration. With that information, we will be able to make the best informed decision about which tank upgrade alternative to install at Red Hill. To be clear, the experts are actively looking at the question about double-walling the tanks. Using the AOC will ensure that our upcoming decision will be based on best engineering data, available technology and science-based facts.

As you may recall, Navy, DLA and HDOH recently opposed legislation, SB1259. We did that because the bill mandated a specific and unproven solution without the technical underpinning or research to support it. It put the "cart before the horse" and could not explain why that proposal was the best solution. Now that state-elected officials tabled the bill, the subject matter expert engineers and scientists can continue their thorough assessment, as the AOC requires. There are also AOC provisions that allow us to evaluate newer technologies as they emerge in the future.

Using current state-of-the-art technology, we successfully completed tank tightness tests on all operating tanks in February. We again confirmed, the tanks are not leaking. Release Detection/Tank Tightness Testing section scoping (investigation and discussion) will close out this month. We will continue to evaluate the emerging technology to make sure we are using the best monitoring equipment at Red Hill. Now, to set realistic expectations and achieve the quality we need, we will continue to conduct tech refreshes at a responsible pace, which includes rigorous testing and protocols before we adopt and install any prospective system. I think we should expect

nothing less. That being said, we're looking into how to increase our detection sensitivity and accuracy because an improvement like that would decrease the likelihood of another release like we had in 2014.

We will submit the scope of work for Section 5 to the EPA and HDOH on May 27 to validate our confidence in the non-destructive testing used at Red Hill - currently our process is the industry standard. This is important to know because it helps us better understand the chemical processes associated with the steel tank liners, which helps prevent leaks. "We will accomplish this by testing samples of the existing steel liner, as well as scientifically approved samples, and comparing the accuracy of the results using sound statistical methods." OK, my engineers wanted me to use that wording; bottom line is we are making sure that the non-destructive testing (using monitoring tools like x-rays, sonograms, etc. vs. drilling or removing part of the liner) is giving us accurate information about the condition of the tank liners and walls over time. Again, we want to use science-based facts to inform our decisions.

We also made great progress with our Investigation and Remediation of Releases and Groundwater Protection Evaluation section since last December. We submitted three reports to EPA and HDOH for review thus far. We are working with experts to better understand how the groundwater flows in and around Red Hill. Earlier this month we began drilling at our newest monitoring well location, our 13th groundwater monitoring site. We're studying the data to see how much additional monitoring wells, outside Navy's property, will improve the quality of our groundwater flow models - there will come a point where investing in additional wells will not deliver a positive return on our investment. We completed our third of three monthly split groundwater samplings with HDOH and EPA and will use that data to confirm/validate the independent third party, EPA-approved laboratory results. We expect to see final lab results in the next 2-3 months.

Some have advocated that we should accept nothing less than "zero risk." As the EPA stated in a letter in December, "This zero risk position is inconsistent with practices and management of fuel storage across the United States. Red Hill is an active facility, and as such, like all other facilities, it is not scientifically credible to state it must operate at zero risk." All parties share the same goal: to reduce risk as much as feasible. Here again is an area where the AOC is addressing key concerns we've heard from the community - Section 8 is the Red Hill risk and vulnerability assessment. We will submit the scope

of work on April 13, and we will compile the results into a report that will be an expert-developed tool to support and improve the decision-making process. Some folks have also inaccurately portrayed the AOC as "20 years to make a decision." This is simply not true. The AOC was carefully designed to include analysis, review and, most importantly, action - with real deadlines.

The AOC parties (Navy, DLA, EPA and HDOH) are working together and meeting AOC requirements and deadlines. The AOC is a very complex project that is working to define some issues that have never been defined before. As one would expect, sometimes technical issues arise where the stakeholders have different ideas on how to resolve them. Therefore we are embarking on initiatives to improve our team's trust, transparency and efficiency.

As part of our drive to be appropriately transparent, inclusive and accountable, I invite you to read the AOC/SOW at <https://www.epa.gov/red-hill/red-hill-administrative-order-consent>. And, if you would like more detailed information about its status or have questions, my staff or I are available to brief you.

Last month, we published our Red Hill Top 5 facts to help inform public conversations:

- The drinking water is safe and the U.S. Navy is committed to keeping it safe.
- The tanks are not leaking.
- The Administrative Order on Consent process is working and on track.
- Red Hill is a modernized facility.
- The Red Hill facility is essential to the Fleet and other DoD services.

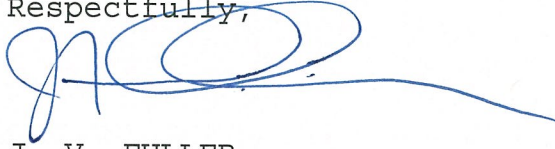
In the meantime let me continue to reassure you that the tanks are not leaking and our drinking water continues to be safe to drink. In fact, we received another "non-detect" result from our latest drinking water testing. The Navy uses an independent DOH-certified and EPA-certified laboratory to verify all of our testing.

I want to circle back to the words CNO Richardson recently used, "professional standards in competence and character..." Those are very profound words and I wanted to weave those concepts into this letter to show that we are applying technical rigor and accountability into everything we do, including Red

Hill. I'm also here to assure you that we will continuously apply those concepts in our unrelenting commitment to environmental stewardship and national defense. Finally, I hope you have a better understanding of the AOC and why using it gives us a solid plan and, I submit, the best path to address the concerns we have heard from of our extended ohana.

I thank you for your time and interest. To learn more, please visit: www.cnlic.navy.mil/redhill. We look forward to the next public meeting in the months ahead as we continue to share information about our continued progress. We will continue to do our part to protect and preserve our Hawai'i Nei - and not just during Earth Month, but always.

Best Regards and Very
Respectfully,

A handwritten signature in blue ink, appearing to read 'J. V. Fuller', with a long horizontal flourish extending to the right.

J. V. FULLER
Rear Admiral, U.S. Navy