



DEPARTMENT OF THE NAVY

COMMANDER
NAVY REGION HAWAII
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JBPBH, HAWAII 96860-5101

23 September 2016

Aloha Stakeholder,

This is my fourth Red Hill Bulk Fuel Storage Facility update letter. Since my last update, your Navy hosted and conducted the largest, most collaborative and - by all accounts - the most successful Rim of the Pacific (RIMPAC) exercise to date. RIMPAC brought nearly 25,000 participants from more than two dozen countries to Hawaii. We achieved the Pacific Fleet Commander's goals and provided training that fostered and improved our ability to conduct a wide range of critical maritime missions. I'm pleased to report that the Red Hill Facility fueled RIMPAC 2016's success on and above the sea. A direct strategic and positive impact from RIMPAC was that our improved ability to operate together with our friends and allies bolstered stability and helped safeguard continued prosperity in the Indo-Asia-Pacific region.

In addition to RIMPAC, we maintained our local focus and continued our routine facility inspections and maintenance to ensure our equipment works properly, and we continued training our teams to ensure they remain proficient at safely operating the facility. Concurrently, we continued our planning and investing to keep the facility modern, which also enhances safety and operational proficiency. As in the past, testing and independent lab results clearly indicate that all drinking water near Red Hill - including neighboring drinking water used by the Honolulu Board of Water Supply - remains safe and meets all Federal and State safe drinking water standards.

To give you a little more detail about our continuous preventive maintenance program, our scheduled efforts most recently focused on the main fuel transfer pipeline, and it is in excellent working condition. As for our investments, we are on track to complete extensive, methodical upgrades to the facility's fire suppression, ventilation, and oil-tight door system by December 2017. With regard to Tank 5, which was the source for our 2014 release, our inspections and repairs continue. I assure you that we are applying - and will continue to actively apply - what we learned to improve our processes and that we will only return Tank 5 to service after certifying it is safe.

The Navy and the Defense Logistics Agency (DLA), in close coordination with the U.S. Environmental Protection Agency (EPA) and the State of Hawaii Department of Health (DOH) (the

Regulatory Agencies), continue to make substantive and meaningful progress as agreed to in the Administrative Order on Consent (AOC) and the Statement of Work (SOW). To date, we are on schedule to meet all key planned milestones and, where feasible and allowable, we will push ahead of schedule. This last statement is important, because Navy committed to work per the AOC/SOW requirements.

This past spring, we completed scoping meetings for sections 6 and 7: AOC/SOW release investigation/remediation measures and the groundwater flow monitoring and characterization. Navy is conducting ongoing discussions with the EPA/DOH as the Regulating Agencies finalize their comments and requirements on those sections. As previously reported, in order to gain additional data, the Navy planned to add four new groundwater monitoring wells to its monitoring network. Since my last update, we installed two of those four wells, putting a total of 12 groundwater monitoring wells in service. And, in coordination with EPA and DOH, we selected locations for the final two wells. We intend to install and begin operating the last two wells in early 2017. In June, after working closely with Regulatory Agencies and stakeholders, we concluded the final scoping meetings for section 2: tank inspection, repair and maintenance procedures, as well as section 3: identification/evaluation of tank upgrade alternatives.

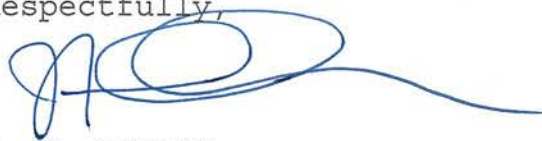
Most recently, we participated in EPA-hosted scoping meetings for section 8: the quantitative risk and vulnerability assessment, in San Francisco from August 30 through September 1, 2016. Navy, DLA, DOH leaders and subject matter experts outlined, in great detail, the assumptions and methodologies we will use to develop this assessment and how to implement and validate those assessments.

Looking forward, we will participate in DOH-hosted scoping meetings on Oahu from October 3 through 5, 2016 to discuss section 4: release detection/tank tightness testing, section 5: corrosion/material assessments, and sections 6 and 7: groundwater/drinking water risk assessments. On October 6, we will participate in the first Hawaii State fuel tank advisory committee meeting. Hawaii State Legislature Act 244 created a permanent committee to study, monitor and address issues related to leaks from field-constructed underground fuel storage tanks in the state. Finally, at 6 p.m. on October 6, we will join EPA, DOH and DLA to jointly host a Red Hill Public Meeting at Moanalua Intermediate School. We look forward to giving updates and sharing our progress with the public at this event.

Red Hill remains a strategic national asset that cannot be replicated. I want to assure you that your Navy fully understands that our national security interests and continued prosperity in the Pacific depend, in part, on our ability to operate the facility, and that those operations must be both safe within the facility and for the environment. Red Hill directly contributes to our Navy's ability to execute sea control and protect the shipping lanes that allow the free flow of commerce in the Pacific, including more than 90 percent of the goods we consume in Hawaii.

For the Navy's part, I pledge to continue to work in a transparent and collaborative manner with Regulatory Agencies and local stakeholders to develop enduring, science-based, and practicable solutions that continue to safeguard both this vital facility and our precious drinking water.

Best Regards and Very
Respectfully,

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

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