



DEPARTMENT OF THE NAVY

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HONOLULU CITY COUNCIL

Testimony on Resolution 19-270.CD1 Reaffirming the Council's Position as set forth in Resolution 18-266.CD1 adopted on March 8, 2019, Relating to the Red Hill Bulk Fuel Storage Facility Upgrade Alternative Options

Public Hearing Date and Time: November 6, 2019 10:00 AM

Testimony on behalf of Navy Region Hawaii

Thank you for the opportunity to speak on this important issue. The U.S. Navy and Defense Logistics Agency (Navy/DLA) operate in partnership with state and national agencies on Red Hill. The State Department of Health (DOH) and Environmental Protection Agency (EPA) regulate Navy/DLA and oversee the Red Hill facility and compliance with the 2015 Administrative Order on Consent (AOC). Regulators consistently inspect the Red Hill facility and find it meets or exceeds requirements. Tests performed every six months confirm the tanks are not leaking and that the "layers of protection" in place at Red Hill provide multiple ways of detecting a release in the highly unlikely event one should occur. Both Navy and Board of Water Supply (BWS) independent water quality reports show that Oahu's drinking water is safe.

Navy/DLA will provide secondary containment at the Red Hill facility or defuel the tanks. The AOC requires Navy/DLA submit a plan to install the Best Available Practicable Technology (BAPT) for the regulators to review, approve, and brief to Congress. Concurrent with AOC requirements, Navy/DLA will install the Best Available Practicable Technology by 2037. Although BAPT does not necessarily require secondary containment, by committing to secondary containment by 2045 Navy/DLA are exceeding the requirements of the AOC. Navy/DLA are committed to pursuing technologies that will provide secondary containment, or we will defuel the tanks in the 2045 timeframe. The Navy will be working with industry and academia – the best and brightest minds here in Hawaii as well as on the mainland – to develop practical methods of improving the facility.

Can "secondary containment" be added to the tanks at the Facility now? The Tank Upgrade Alternatives (TUA) report was a preliminary document that compared different options for upgrading the tanks at Red Hill. Although the report indicated a "tank within a tank" was possible, there are still large risks that require better understanding before proceeding with a project of this magnitude. Due to the size and unique structure of the tanks, a practical and feasible technological solution is not readily available today. However, by proposing secondary containment or defueling the tanks by 2045, Navy/DLA have committed to providing secondary containment. Because this

commitment is contained in the Tank Upgrade Alternatives and Release Detection Decision Document submitted to the regulators for their approval in September, we believe that this resolution is unnecessary.

Statistical studies assess risk. Navy/DLA contracted a Quantitative Risk and Vulnerability Assessment (QRVA). Some claim the QRVA suggests a 27% chance of a small release from the facility. However, regulators report that the facility continues to meet or exceed requirements and tests confirm the tanks are not leaking. Navy/DLA are not in agreement with the entirety of the QRVA results, but some findings were enlightening. For example, the assessment indicated the nozzles (piping between the tank and the first valve) actually present a higher potential risk of a release than the tanks themselves. Accordingly, Navy/DLA are now decommissioning the smaller nozzles to remove that risk.

The Red Hill facility is of vital strategic importance to our Nation, to Hawaii, and to the US Indo-Pacific Command. The United States Indo-Pacific Command's Major General Susan A. Davidson recently stated in her letter of 4 November 2019:

The Red Hill facility holds a significant percentage of petroleum war reserves required to defend national security interests in the Indo-Pacific region. As our strategic reserve, it supports all U.S. military forces throughout the theater, including those stationed in and transiting through Hawaii. It also supports the Hawaii Army and Air National Guard and is available to support civil authorities, should circumstances dictate. Its hardened, underground, cyber-protected, gravity-fed system to Joint Base Pearl Harbor-Hickam is unique, and there is no comparable U.S. owned facility anywhere from India to mainland USA.

Oahu's drinking water is safe to drink and Red Hill continues to operate safely with the improvements approved by the regulators through the AOC. This legally enforceable process provides enhanced oversight of the Red Hill facility with approval roles for DOH and EPA, and a notification requirement for the U.S. Congress.

In partnership with the stakeholders in Hawaii, the U.S. Navy is utilizing our combined resources and infrastructure to further leverage the great strategic importance of this state to the security and prosperity of our nation. Ours is a partnership that builds international cooperation, maintains peace by deterring conflict, and enables the maritime security needed to protect the vitally important free flow of commerce for Hawaii, and throughout the Indo-Asia-Pacific region.

Mahalo for the opportunity to testify today.