

Appendix R: Compliance Budget Overview

The Compliance Program includes resources that enable the Department of Defense's (DoD's) day-to-day operations to comply with federal, state, and local environmental laws and regulations. For example, DoD conducts environmental projects to replace and upgrade wastewater treatment plants to comply with Clean Water Act (CWA) standards, manage hazardous waste, test and remediate underground storage tanks (USTs), and monitor wastewater treatment systems.

DoD's recurring compliance costs fund day-to-day routine activities that installations must perform to support the mission and maintain compliance with environmental regulations and permit requirements. Recurring activities include routine sampling and analysis of discharges to air and water, as well as hazardous waste disposal. While all recurring costs associated with Manpower and Education & Training were reported separately under compliance in previous years, these costs were distributed across the appropriate environmental program budgets beginning in Fiscal Year (FY) 2007.

The Compliance Program also funds nonrecurring projects, or one-time events, such as projects to upgrade wastewater treatment facilities or install air pollution controls to meet current standards. Generally, the largest nonrecurring investment is compliance with CWA regulations, which requires substantial infrastructure investment in wastewater treatment plants and stormwater management. Nonrecurring investments in CWA projects fluctuate each year due to changing infrastructure requirements.

Figure R-1 DoD Compliance Budget Summary (millions)*†

Compliance Recurring Costs							
	FY2004 Actual	FY2005 Actual	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Appropriated	FY2010 Requested
Manpower	--	--	--	\$432.8	\$422.7	\$463.2	\$465.9
Education & Training	--	--	--	\$21.5	\$27.6	\$27.6	\$28.3
Permits & Fees	\$21.5	\$21.9	\$22.5	\$21.2	\$34.6	\$36.9	\$37.5
Sampling, Analysis, Monitoring	\$64.4	\$58.8	\$58.4	\$58.9	\$67.6	\$56.6	\$56.9
Waste Disposal	\$91.4	\$97.7	\$88.2	\$92.3	\$104.8	\$107.7	\$114.0
Other Recurring	\$221.7	\$236.8	\$212.2	\$215.8	\$292.9	\$290.6	\$299.2
Total	\$399.0	\$415.2	\$381.4	\$842.5	\$950.2	\$982.6	\$1,001.7
Compliance Nonrecurring Costs							
	FY2004 Actual	FY2005 Actual	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Appropriated	FY2010 Requested
Hazardous Waste	\$68.6	\$65.0	\$60.0	\$64.8	\$46.0	\$55.8	\$53.4
Solid Waste	\$16.6	\$18.4	\$15.4	\$12.2	\$48.4	\$17.9	\$12.8
Underground Storage Tanks	\$22.0	\$29.2	\$24.6	\$24.5	\$25.8	\$31.7	\$31.4
Clean Air Act	\$68.9	\$59.3	\$49.8	\$47.4	\$40.7	\$42.8	\$42.6
Clean Water Act	\$209.3	\$233.4	\$181.8	\$211.1	\$137.7	\$188.1	\$215.9
Planning	\$66.2	\$41.5	\$40.6	\$42.3	\$38.2	\$69.5	\$57.5
Safe Drinking Water Act	\$54.6	\$36.6	\$28.4	\$28.9	\$20.3	\$74.5	\$16.3
Other	\$209.0	\$212.4	\$190.7	\$157.3	\$186.9	\$208.6	\$186.3
Total	\$715.2	\$695.9	\$591.3	\$588.4	\$544.0	\$688.8	\$616.1
Compliance Program Costs							
	FY2004 Actual	FY2005 Actual	FY2006 Actual	FY2007 Actual	FY2008 Actual	FY2009 Appropriated	FY2010 Requested
Manpower	\$511.9	\$547.4	\$542.8	--	--	--	--
Education & Training	\$28.9	\$26.6	\$26.9	--	--	--	--
Recurring	\$399.0	\$415.2	\$381.4	\$842.5	\$950.2	\$982.6	\$1,001.7
Nonrecurring	\$715.2	\$695.9	\$591.3	\$588.4	\$544.0	\$688.8	\$616.1
Total	\$1,655.0	\$1,685.1	\$1,542.4	\$1,430.8	\$1,494.2	\$1,671.4	\$1,617.9

* Due to rounding, subtotals may not equal fiscal year totals.

† Beginning in FY2007, recurring costs included Manpower and Education & Training.

DoD

DoD manages compliance with federal, state, and local environmental laws and regulations. As depicted in Figure R-1, DoD invested approximately \$1.5 billion in compliance activities during FY2008. Of this FY2008 total, \$544.0 million were nonrecurring costs, \$499.9 million were recurring costs (other than Manpower and Education & Training), and \$450.3 million were Manpower and Education & Training costs. As depicted in Figure R-2, DoD's total compliance recurring costs increased in FY2007 due to the inclusion of Manpower and Education & Training. A significant amount of recurring costs is classified as Other recurring costs, which includes funds for supplies (e.g., spill team equipment, labels, and drums); updating spill response plans; manifests; National Pollution Discharge Elimination System (NPDES) permit records and reporting; biannual hazardous waste reporting (Resource Conservation Recovery Act Subtitle C); Clean Air Act (CAA) inventories (routine and recurring reporting); Federal Insecticide, Fungicide, Rodenticide Act (FIFRA) reporting; and environmental self-assessments.

DoD's compliance nonrecurring costs decreased in FY2008, as illustrated in Figure R-3. Significant projected increases in CWA costs in FY2009 and FY2010 are driven by large projects to repair and replace wastewater treatment plants and construct petroleum, oil, and lubrication storage facilities in compliance with the CWA. Other nonrecurring compliance costs remain high and include costs for radon and asbestos investigations and mitigation (including facility demolition if greater than 50 percent of the cost is required to meet environmental compliance standards), spill response plans, action to prevent pollution from ships, Toxic Substance Control Act and FIFRA compliance, and addressing munitions constituents on operational ranges. In FY2008, Solid Waste funding increased due to two Marine Corps military construction (MilCon) landfill projects, which account for a large part of DoD's overall nonrecurring costs.

Figure R-2 DoD Compliance Recurring and Nonrecurring Costs[†]

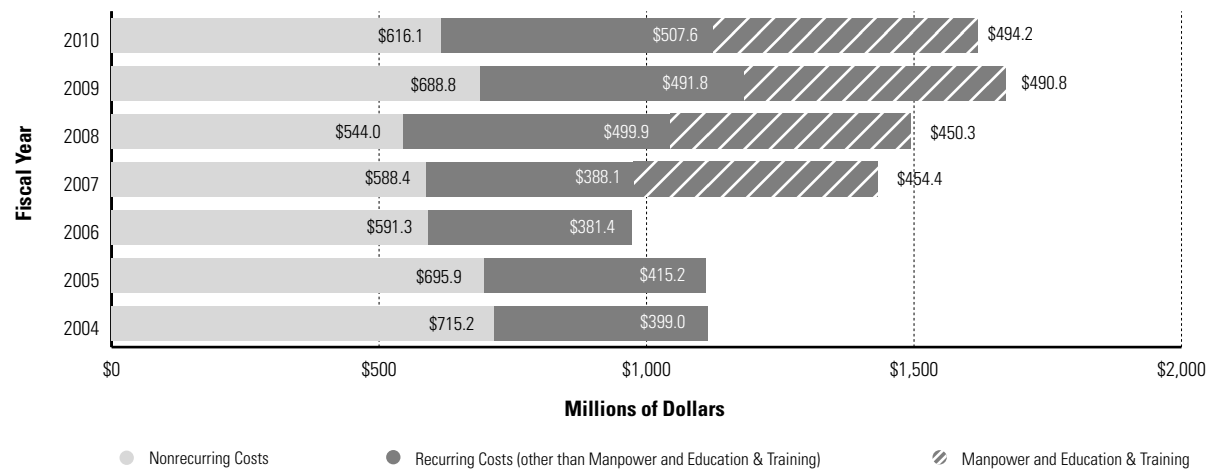
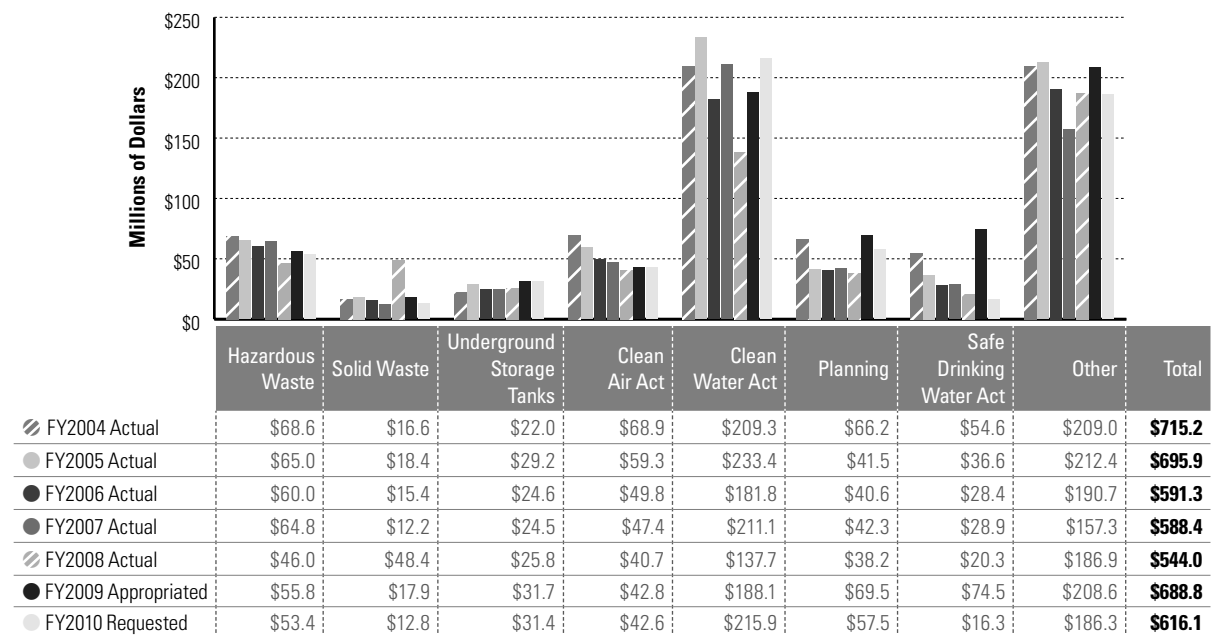


Figure R-3 DoD Compliance Nonrecurring Costs^{*}



* Due to rounding, subtotals may not equal fiscal year totals.

† Beginning in FY2007, recurring costs included Manpower and Education & Training.

Army

Army environmental compliance programs are a vital element of its sustainability ethic, as these programs build trust with the American public. While many factors influence the environmental budget, the Army is committed to spending funds in a way that provides the most comprehensive protection of human health and the environment. In FY2008, the Army invested approximately \$475.4 million in compliance activities, as depicted in Figure R-4. Of this FY2008 total, the Army invested \$127.9 million in nonrecurring costs, \$181.8 million in recurring costs (other than Manpower and Education & Training), and \$165.8 million in Manpower and Education & Training costs. Beginning in FY2007, recurring costs included Manpower and Education & Training activities, accounting for a majority of the increase in total compliance costs from FY2006. Other recurring compliance costs include routine sampling and analysis of air, water, soil, and waste; hazardous waste disposal; management of all environmental permits; and other associated environmental compliance activities.

Nonrecurring costs decreased beginning in FY2008 as a result of the realignment of resources as recurring activities, as illustrated in Figure R-5. Recurring costs now include all cyclical requirements for modeling in the Environmental Cost Standardization Model. Recurring and nonrecurring cost projections for FY2010 indicate increases due to all of the following: program growth; National Environmental Policy Act mitigation requirements resulting from construction and transformation; increases in compliance-related cleanup costs; and operational range assessment programs.

Figure R-4 Army Compliance Recurring and Nonrecurring Costs^{††}

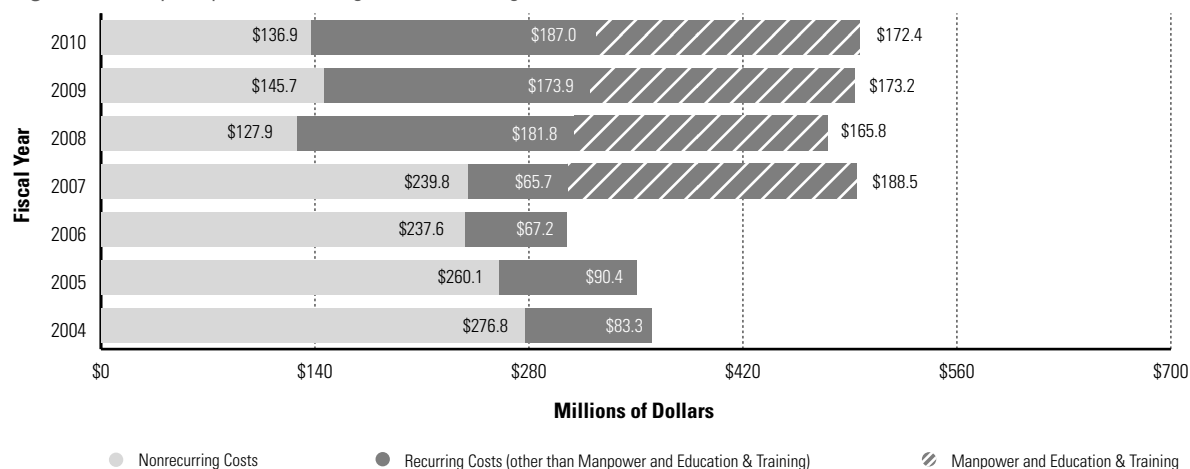
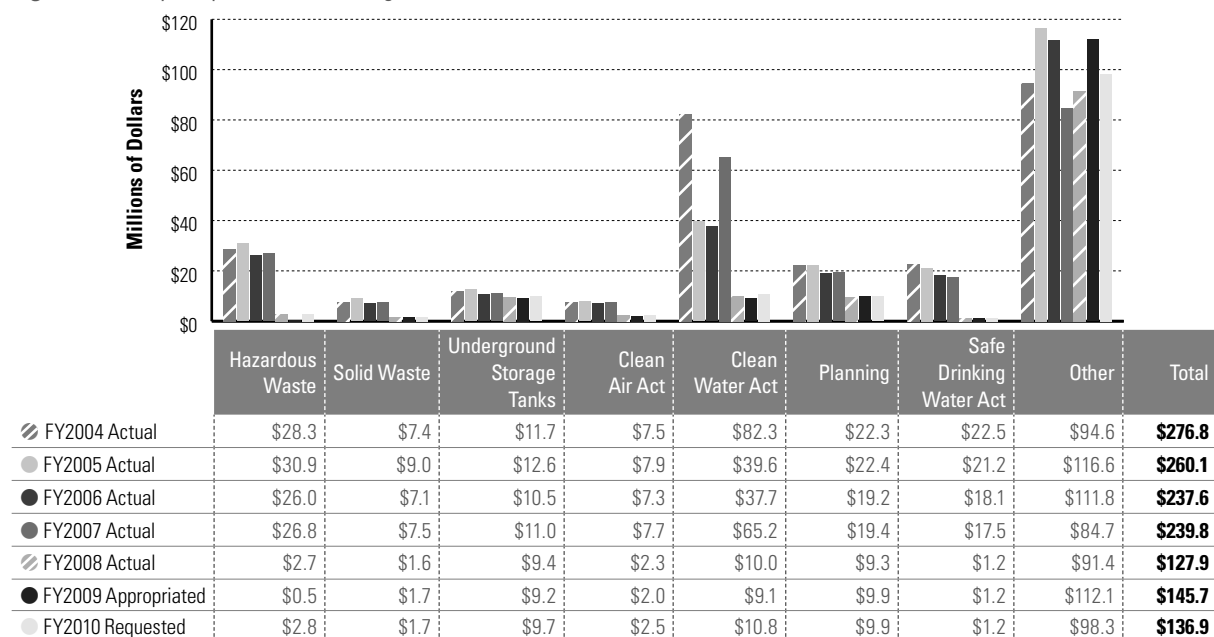


Figure R-5 Army Compliance Nonrecurring Costs^{*}



* Due to rounding, subtotals may not equal fiscal year totals.

† Beginning in FY2007, recurring costs included Manpower and Education & Training.

Navy and Marine Corps

The Department of the Navy's (DON's) compliance budget, which includes the Navy and Marine Corps, funds the following efforts: maintaining clean air and water, managing solid and hazardous wastes, conducting required compliance training, and managing salaries for environmental staff. In FY2008, DON invested approximately \$503.0 million in compliance activities, as illustrated in Figure R-6. Of this FY2008 total, DON invested \$171.9 million in nonrecurring costs, \$182.7 million in recurring costs (other than Manpower and Education & Training), and \$148.3 million in Manpower and Education & Training costs.

As depicted in Figure R-7, DON's funding for nonrecurring solid waste projects increased between FY2007 and FY2008, primarily as a result of two Marine Corps MilCon landfill projects. In FY2008, the significant decrease in CWA funding was due to the completion of wastewater treatment plants. The continued decrease in CAA funding since FY2004 is due to the completion of projects to install compliant refrigeration systems. DON requested additional funds under the Safe Drinking Water Act (SDWA) in FY2009 to construct a drinking water plant for the Marine Corps.

Figure R-6 Navy and Marine Corps Compliance Recurring and Nonrecurring Costs*

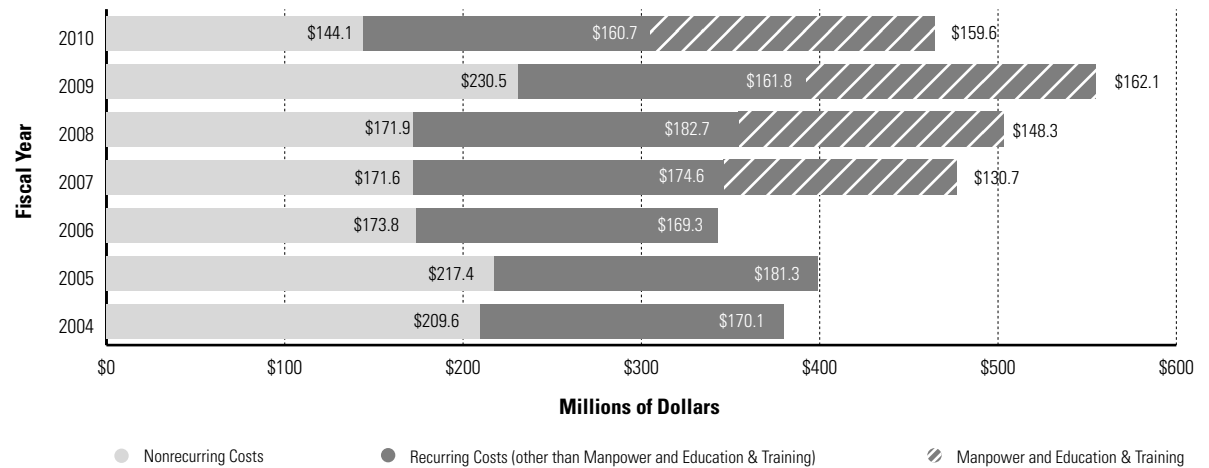
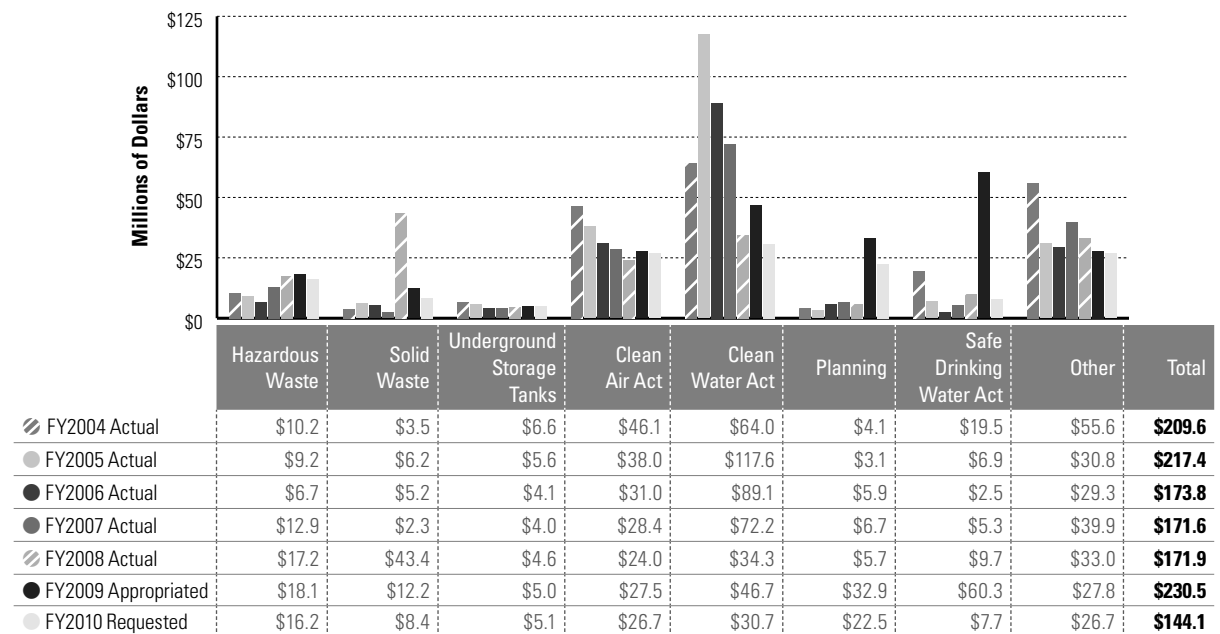


Figure R-7 Navy and Marine Corps Compliance Nonrecurring Costs*



* Due to rounding, subtotals may not equal fiscal year totals.

† Beginning in FY2007, recurring costs included Manpower and Education & Training.

Air Force

The Air Force's compliance budget includes funds to comply with federal, state, and local environmental laws. Figure R-8 illustrates the distribution of recurring and nonrecurring costs. In FY2008, of the total \$312.8 million compliance budget, the Air Force allocated \$118.3 million for nonrecurring projects, \$100.9 million for recurring efforts (other than Manpower and Education & Training), and \$93.6 million for Manpower and Education & Training costs. Recurring compliance costs include routine sampling and analysis of discharges to air and water, hazardous waste disposal, and managing NPDES permits and CAA inventories.

Increased funding allocations for nonrecurring projects through FY2010 allow the Air Force to sustain natural infrastructure to meet operational needs and applicable laws, regulations, executive orders, DoD policies, and international standards. As illustrated in Figure R-9, Air Force hazardous waste costs, which include Resource Conservation & Recovery Act cleanup costs, increased due to several final corrective action projects. Air Force CWA costs are expected to increase in FY2009 and FY2010 to maintain an aging infrastructure and comply with more stringent requirements.

Figure R-8 Air Force Compliance Recurring and Nonrecurring Costs^{††}

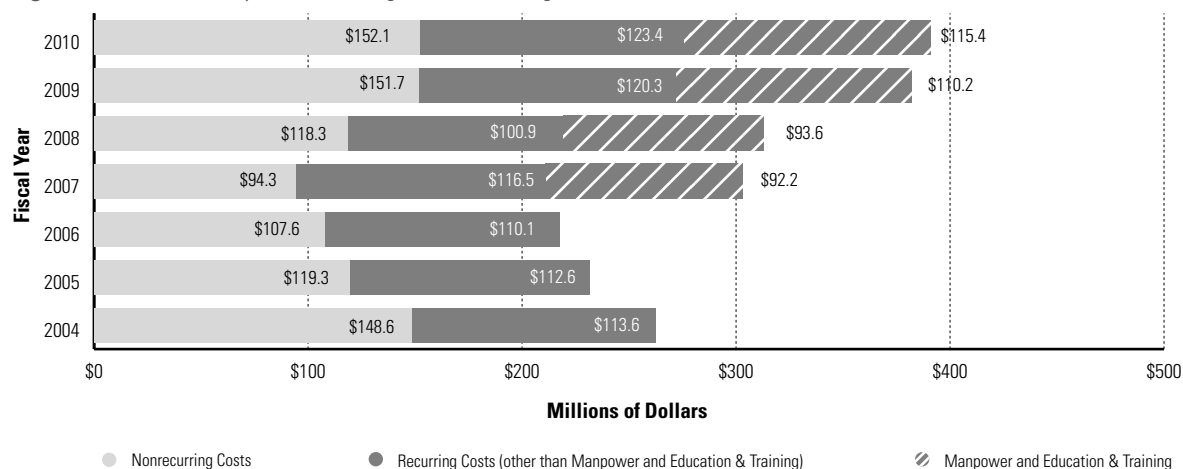


Figure R-9 Air Force Compliance Nonrecurring Costs*



* Due to rounding, subtotals may not equal fiscal year totals.

† Beginning in FY2007, recurring costs included Manpower and Education & Training.

DLA

The Defense Logistics Agency (DLA) is committed to protecting human health and the environment by achieving full and sustained compliance with all federal, state, and local environmental laws and regulations. The Compliance Program encompasses performance metrics, including requirements of the CWA, SDWA, and other environmental regulations. Compliance activities also include monitoring enforcement actions, fines, and penalties as measures of performance. Figures R-10 and R-11 illustrate recurring and nonrecurring costs for DLA's compliance efforts. In FY2008, DLA invested approximately \$148.7 million in compliance activities, with \$103.6 million for nonrecurring costs, \$22.8 million for recurring costs (other than Manpower and Education & Training), and \$22.4 million for Manpower and Education & Training costs. Any variation in nonrecurring funding between FY2005 and FY2009, such as CWA costs, is due to MilCon requirements to support Defense Energy Support Center projects.

Figure R-10 DLA Compliance Recurring and Nonrecurring Costs^{††}

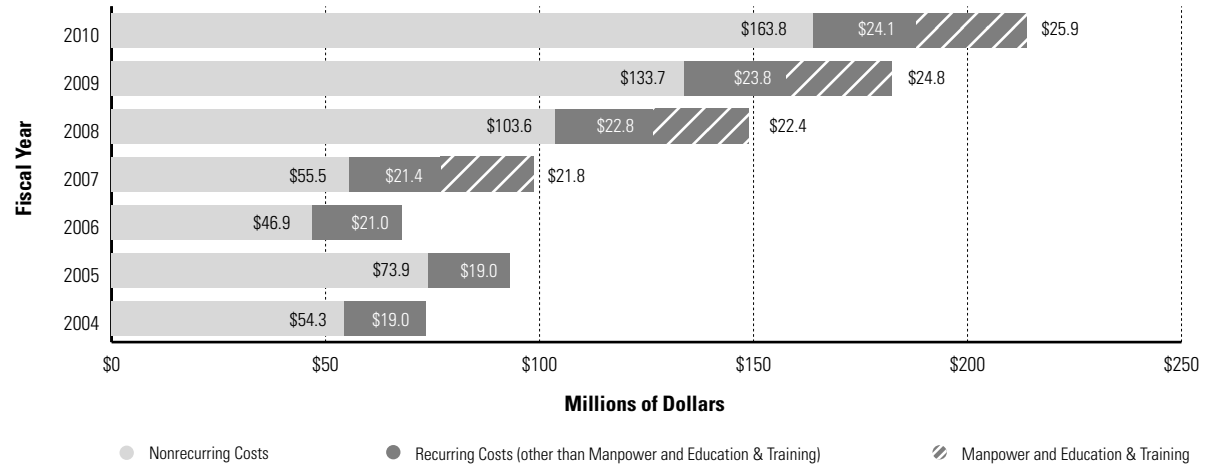


Figure R-11 DLA Compliance Nonrecurring Costs*



* Due to rounding, subtotals may not equal fiscal year totals.

† Beginning in FY2007, recurring costs included Manpower and Education & Training.

Other Defense-Wide Programs

Other Defense-wide programs include the Under Secretary of Defense for Acquisition, Technology, and Logistics; the Missile Defense Agency; the Defense Health Program; and other small agencies. As depicted in Figure R-12, DoD invested approximately \$54.2 million in other Defense-wide compliance activities in FY2008. Of this FY2008 total, DoD invested \$22.4 million in nonrecurring activities, \$11.6 million in recurring activities (other than Manpower and Education & Training), and \$20.2 million in Manpower and Education & Training. Recurring compliance costs include routine sampling and analysis of discharges to air and water, hazardous waste disposal, and managing NPDES permits and CAA inventories. Recurring costs increased in FY2007 to include Manpower and Education & Training.

As shown in Figure R-13, significant Other nonrecurring costs through FY2009 reflect the Congressional addition of the Native American Land Environmental Mitigation Program. Other nonrecurring costs are expected to decrease from \$15.9 million in FY2009 to \$7.6 million in FY2010. In addition, many other Defense-wide activities are tenants of other military department installations, reflecting low SDWA costs.

Figure R-12 Other Defense-Wide Programs Compliance Recurring and Nonrecurring Costs**

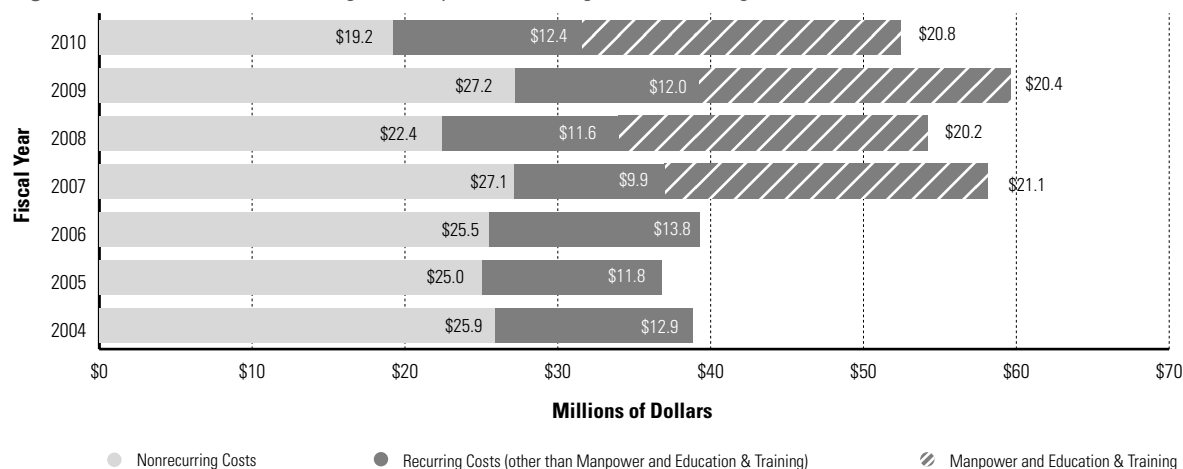
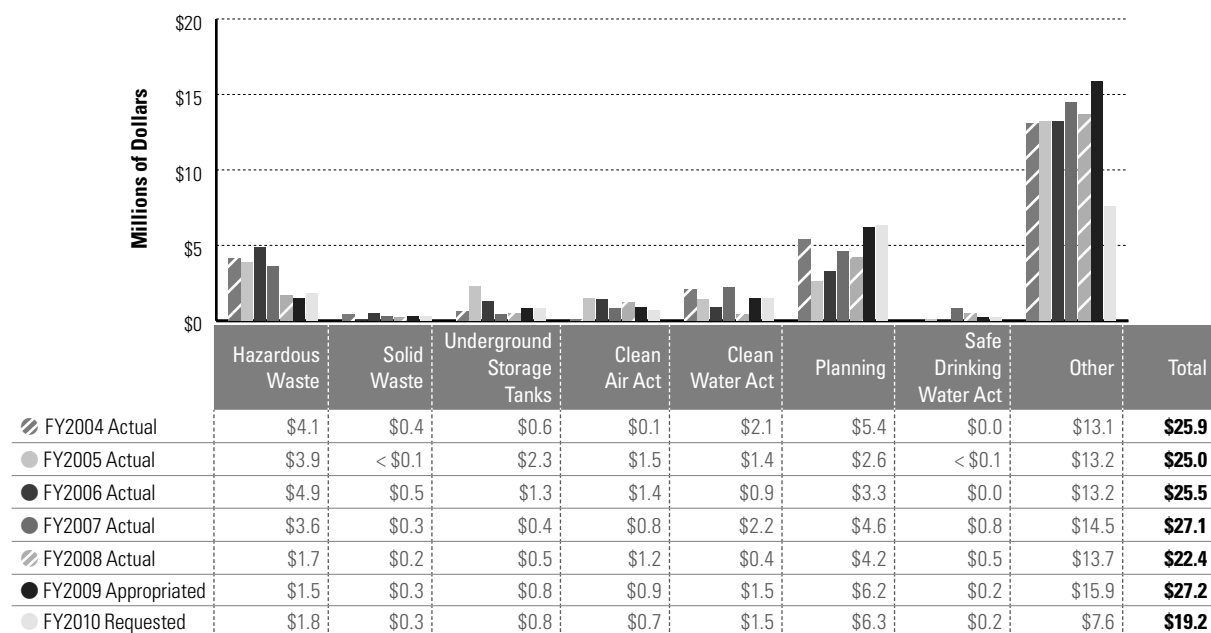


Figure R-13 Other Defense-Wide Programs Compliance Nonrecurring Costs*



* Due to rounding, subtotals may not equal fiscal year totals.

† Beginning in FY2007, recurring costs included Manpower and Education & Training.