

APPENDIX E: COMPLIANCE BUDGET OVERVIEW

Budget

The Compliance Program includes resources enabling the Department of Defense's (DoD's) day-to-day operations to comply with federal, state, and local environmental laws and regulations. For example, under the Compliance Program, DoD has 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.

Within the Compliance Program, DoD's recurring compliance costs are for those relatively constant activities that installations must complete 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, and hazardous waste disposal. The recurring compliance costs depicted in this appendix exclude manpower and other personnel costs, which are outlined in Appendix B: Environmental Management Budget Overview.

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 each year is compliance with CWA regulations, which requires substantial infrastructure investment in wastewater treatment plants and storm water management. Nonrecurring investments in CWA projects fluctuate each year depending on infrastructure requirements.

Figure E-1
DoD Compliance Budget Summary (millions)¹

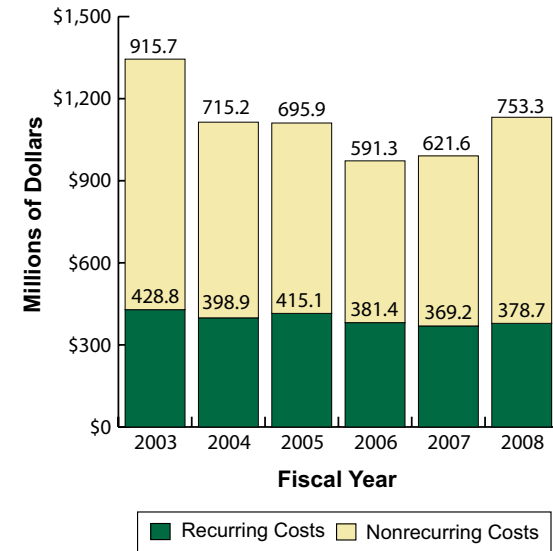
Compliance Recurring Costs						
	FY2003 Actual	FY2004 Actual	FY2005 Actual	FY2006 Actual	FY2007 Estimated	FY2008 Requested
Permits and Fees	\$24.2	\$21.5	\$21.9	\$22.5	\$20.9	\$20.3
Sampling, Analysis, and Monitoring	\$63.4	\$64.4	\$58.8	\$58.4	\$56.9	\$57.9
Waste Disposal	\$103.7	\$91.4	\$97.7	\$88.2	\$90.4	\$91.9
Other Recurring	\$237.5	\$221.7	\$236.8	\$212.2	\$200.9	\$208.6
Total	\$428.8	\$398.9	\$415.1	\$381.4	\$369.2	\$378.7
Compliance Nonrecurring Costs						
	FY2003 Actual	FY2004 Actual	FY2005 Actual	FY2006 Actual	FY2007 Estimated	FY2008 Requested
Hazardous Waste	\$89.5	\$68.6	\$65.0	\$60.0	\$70.2	\$68.0
Solid Waste	\$23.0	\$16.6	\$18.4	\$15.4	\$16.6	\$30.5
UST	\$49.2	\$22.0	\$29.2	\$24.6	\$27.8	\$27.2
Clean Air Act	\$148.6	\$68.9	\$59.3	\$49.8	\$50.4	\$47.9
Clean Water Act	\$213.2	\$209.3	\$233.4	\$181.8	\$181.5	\$285.3
Planning	\$51.1	\$66.2	\$41.5	\$40.6	\$44.3	\$57.8
Safe Drinking Water Act	\$125.1	\$54.6	\$36.6	\$28.4	\$34.2	\$35.7
Other Nonrecurring	\$216.0	\$209.0	\$212.4	\$190.7	\$196.5	\$200.9
Total	\$915.7	\$715.2	\$695.9	\$591.3	\$621.6	\$753.3
Compliance Total Costs						
	FY2003 Actual	FY2004 Actual	FY2005 Actual	FY2006 Actual	FY2007 Estimated	FY2008 Requested
Recurring and Nonrecurring	\$1,344.5	\$1,114.1	\$1,111.0	\$972.7	\$990.8	\$1,132.1
Manpower	\$435.7	\$511.9	\$547.4	\$542.8	\$533.8	\$544.9
Education and Training	\$30.7	\$28.9	\$26.6	\$26.9	\$27.7	\$28.7
Total	\$1,811.0	\$1,654.9	\$1,684.9	\$1,542.5	\$1,552.3	\$1,705.6

¹ Due to rounding, subtotals may not equal fiscal year totals.

DoD manages compliance with federal, state, and local environmental laws and regulations. As depicted in Figure E-1, in Fiscal Year (FY) 2006, DoD invested approximately \$1.54 billion in compliance activities. Of this total, \$381.4 million were recurring costs, excluding manpower, education, and training costs, and \$591.3 million were nonrecurring costs. As seen in Figure E-2, DoD's compliance recurring costs remain steady. The majority of recurring costs are classified as other recurring costs, which includes costs 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.

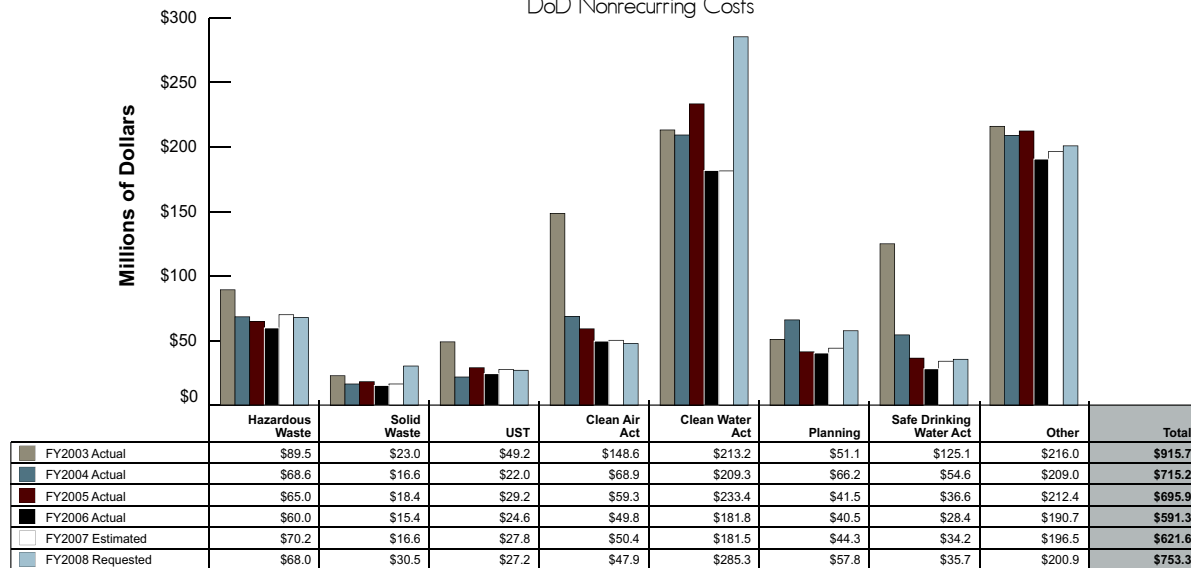
As seen in Figure E-3, DoD's compliance nonrecurring costs decreased in FY2006. The overall decrease is due the completion of one-time projects. Other nonrecurring compliance costs remain high and include costs for radon and asbestos investigations and mitigation (including facility demolition if greater 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.

Figure E-2
DoD Recurring¹ and Nonrecurring Costs



¹ Excludes manpower, education, and training costs, which are detailed in Appendix B: Environmental Management Budget Overview recurring costs figures.

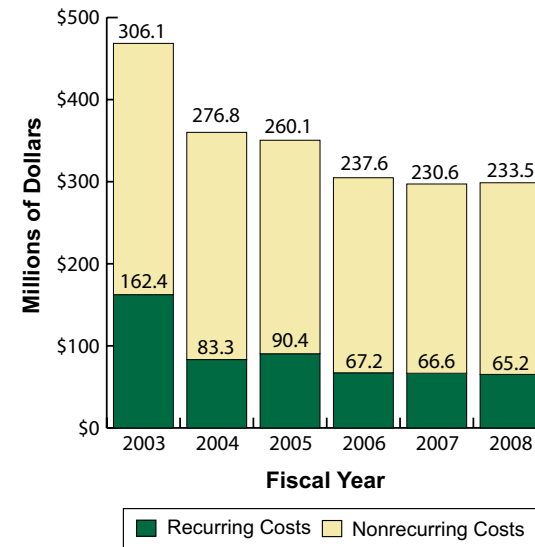
Figure E-3
DoD Nonrecurring Costs



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. Compliance with applicable statutes, regulations, and other legal requirements is crucial in order to promote environmental conservation and restoration efforts among the Components. As illustrated in Figure E-4, in FY2006, the Army invested approximately \$304.8 million in compliance activities. Of this total, \$67.2 million were recurring compliance costs excluding manpower, education, and training costs, while \$237.6 million were nonrecurring costs.

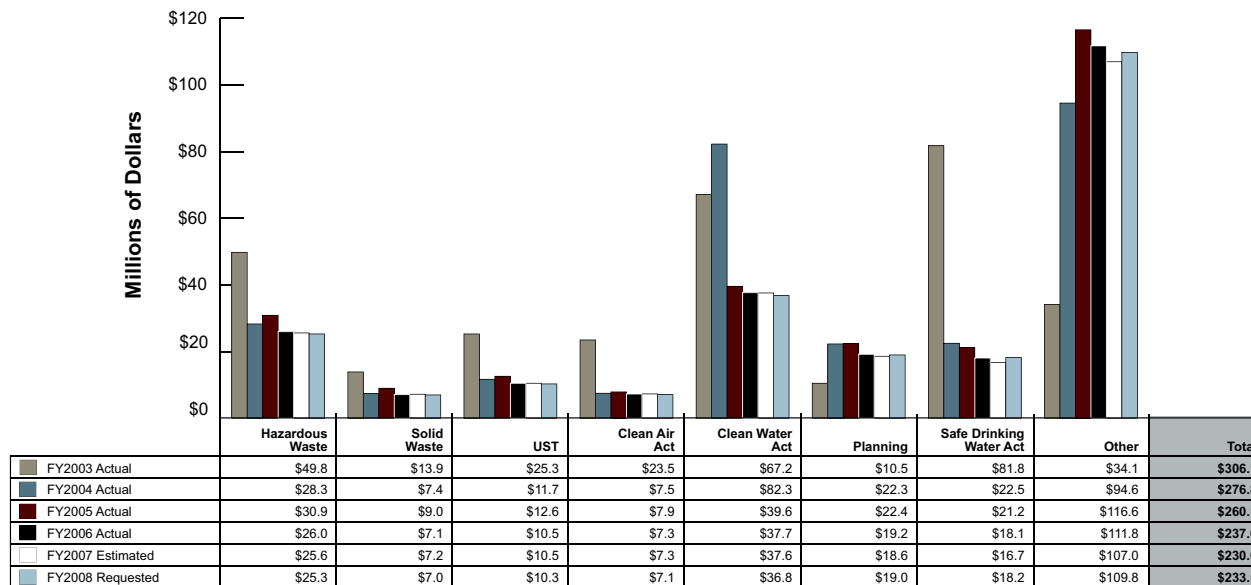
The Army's allocated compliance funding shows a decreasing trend in Figure E-5. The decrease in funding is a result of stationing and operating efficiencies (i.e., Base Realignment and Closure 2005, Global Defense Posture Repositioning, Lean Six Sigma, emergency management systems, and workforce management). Nonrecurring projects include upgrading wastewater treatment facilities and installing air pollution controls to meet current standards. For example, the decrease in CWA costs in FY2006 results from an increase in erosion control projects funded under other appropriate Army program areas.

Figure E-4
Army Recurring¹ and Nonrecurring Costs



¹ Excludes manpower, education, and training costs, which are detailed in Appendix B: Environmental Management Budget Overview recurring costs figures.

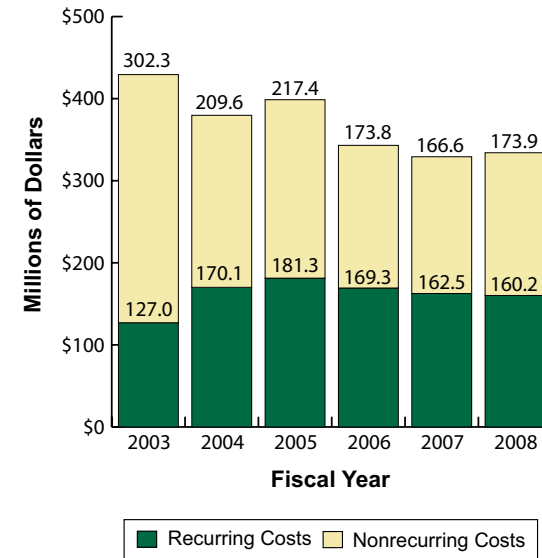
Figure E-5
Army Nonrecurring Costs



The Department of the Navy's (DON's) compliance budget, which includes the Navy and Marine Corps, includes funds for maintaining clean air and water, managing solid and hazardous wastes, conducting required compliance training, and salaries for environmental staff. In FY2006, DON invested approximately \$343.1 million in compliance activities, excluding manpower, education, and training, as shown in Figure E-6. While \$169.3 million was invested in recurring compliance costs, \$173.8 million went towards nonrecurring costs. DON's recurring costs have remained relatively stable. Any increases are due in part to the inclusion of range sustainment costs in other recurring costs beginning in FY2004. The first phase of the environmental assessments of operational ranges began in FY2004 and will proceed on a diminishing basis past FY2007.

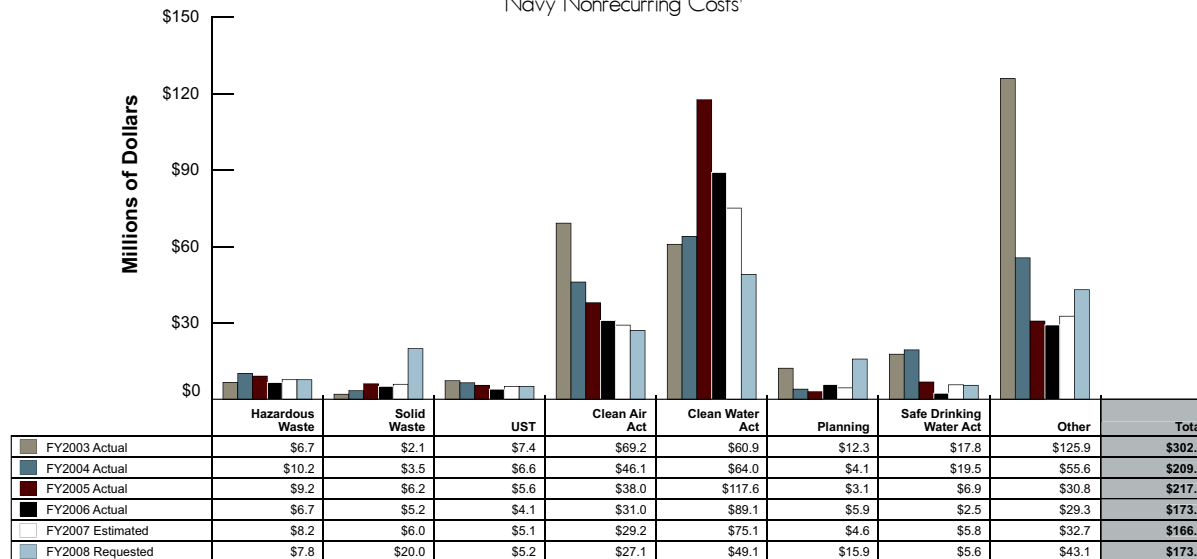
As depicted in Figure E-7, DON's funding for nonrecurring projects continues to decrease. The hazardous waste projects as part of DON's nonrecurring costs have reached a steady state that reflects the success of Navy and Marine Corps activities to substitute non-hazardous materials, and the successful management of the procurement, distribution, control, and disposal of necessary hazardous materials. The large increase in CWA costs in FY2005 is due to military construction water treatment projects in California, Guam, and Diego Garcia. The completion of other water projects in California in FY2006 and FY2007 led to the decrease in FY2008.

Figure E-6
Navy Recurring¹ and Nonrecurring Costs²



¹ Excludes manpower, education, and training costs, which are detailed in Appendix B: Environmental Management Budget Overview recurring costs figures.
² Department of the Navy includes Navy and Marine Corps.

Figure E-7
Navy Nonrecurring Costs¹



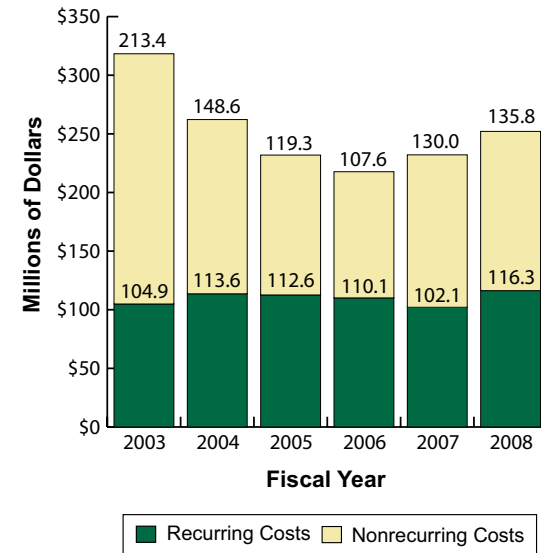
¹ Department of the Navy includes Navy and Marine Corps.

Air Force

The Air Force's compliance budget includes funds to comply with federal, state, and local environmental laws. The Air Force's FY2006 compliance funding decreased due to the deferment of some nonrecurring project until FY2007. Figure E-8 illustrates the distribution of recurring and nonrecurring costs. Of the total FY2006 \$217.7 million, the Air Force allocated \$110.1 million in recurring efforts, excluding manpower, education, and training costs. The remaining \$107.6 million was invested in nonrecurring projects. Recurring compliance costs include routine sampling and analysis of discharges to air and water, hazardous waste disposal, and managing NPDES permits and CAA inventories.

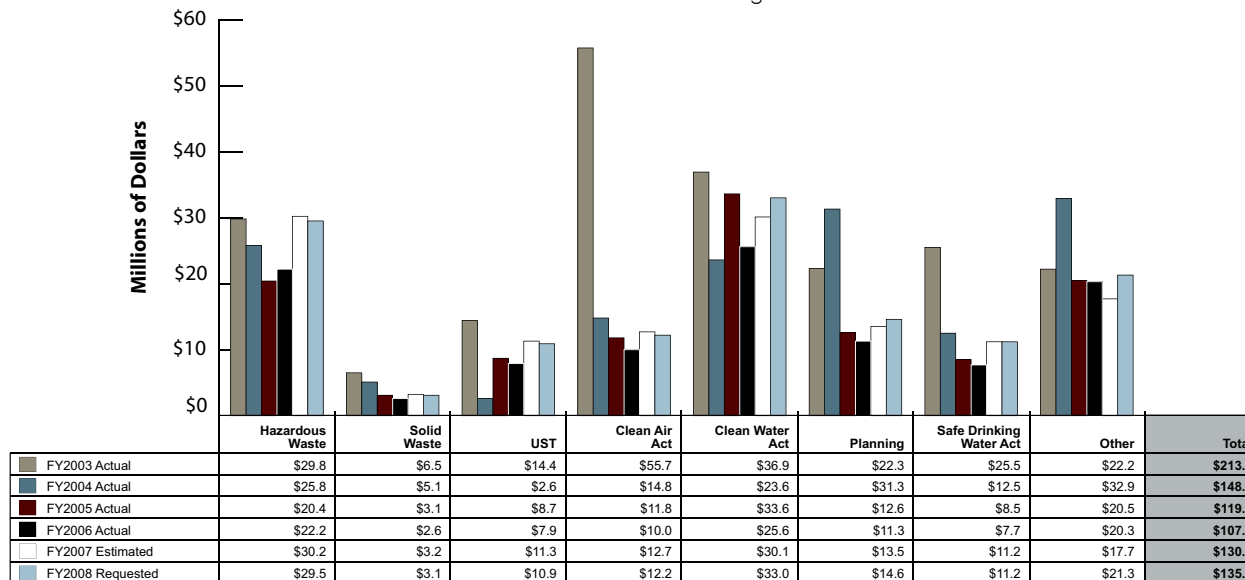
In FY2006, funding allocations for nonrecurring projects allow the Air Force to sustain natural infrastructure to meet operational needs and applicable laws, regulations, Executive Orders, DoD policies, and international standards. The funding requested for nonrecurring projects in FY2008 is relatively stable from FY2007 estimated funds as seen in Figure E-9. MilCon projects to meet CAA requirements drove the FY2003 investment. In addition, a new arsenic rule standard contributed to the FY2003 and FY2004 Safe Drinking Water Act (SDWA) increases. The other compliance nonrecurring costs are steady.

Figure E-8
Air Force Recurring¹ and Nonrecurring Costs



¹ Excludes manpower, education, and training costs, which are detailed in Appendix B: Environmental Management Budget Overview recurring costs figures.

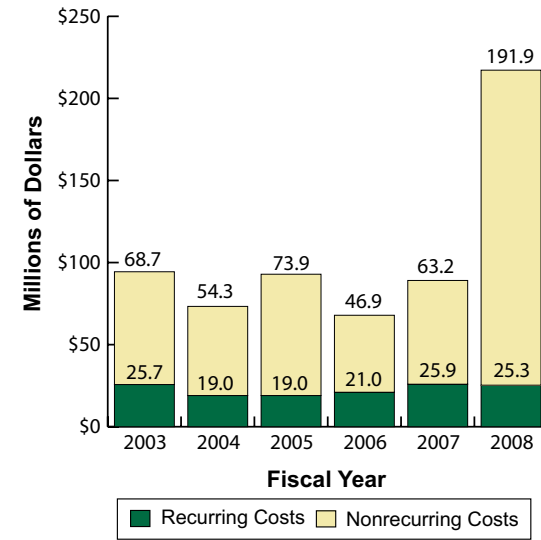
Figure E-9
Air Force Nonrecurring Costs



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 all other environmental regulations. Compliance activities also include monitoring enforcement actions, fines, and penalties as measures of performance. As seen in Figure E-10, in FY2006 DLA invested approximately \$67.9 million in compliance activities with \$21.0 million for recurring costs, excluding manpower and other personnel costs, and \$46.9 million in nonrecurring costs. DLA's projected funding requirements for recurring compliance efforts remain stable and adequately cover costs. Any variation in funding between FY2005 through FY2008 is due to MilCon requirements to support Defense Energy Support Center projects.

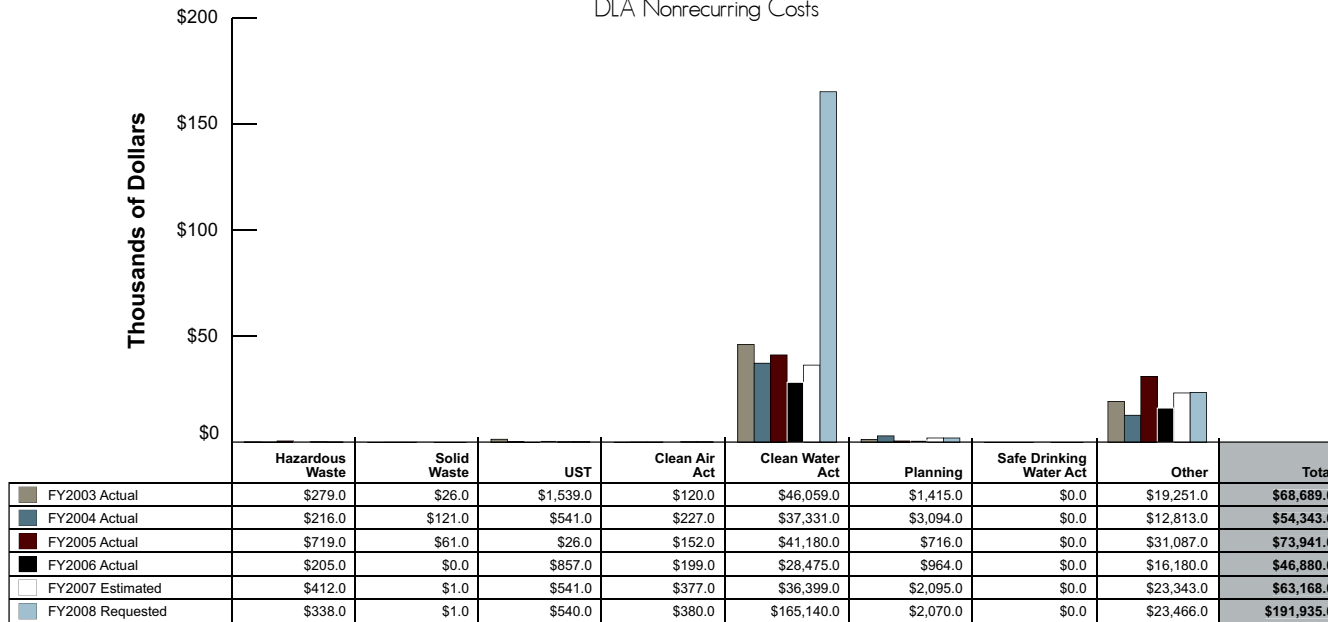
As seen in Figure E-11, DLA anticipates CWA costs to increase significantly in FY2008 due to MilCon projects. Other compliance costs are low compared to other Components because DLA is a smaller agency but remain stable.

Figure E-10
DLA Recurring¹ and Nonrecurring Costs



¹ Excludes manpower, education, and training costs, which are detailed in Appendix B: Environmental Management Budget Overview recurring costs figures.

Figure E-11
DLA Nonrecurring Costs

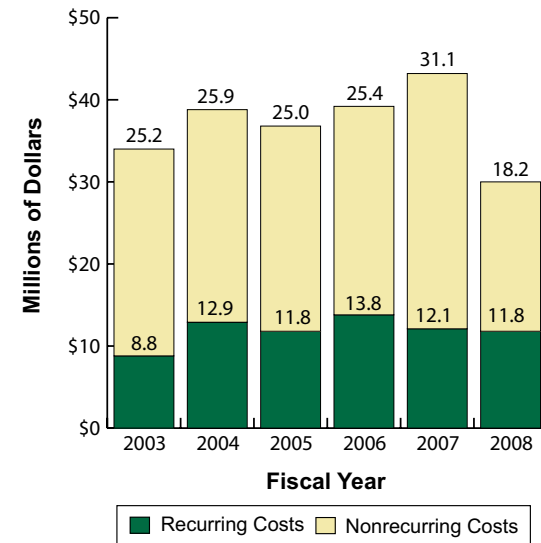


Other Defense-Wide Programs

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 seen in Figure E-12, DoD invested approximately \$39.2 million in other Defense-wide compliance activities in FY2006. Of this amount, \$13.8 million of the compliance budget was invested in recurring compliance costs excluding manpower and other personnel costs, \$25.4 million was spent on nonrecurring activities. Recurring compliance costs include routine sampling and analysis of discharges to air and water, hazardous waste disposal, and managing NPDES permits and CAA inventories.

As shown in Figure E-13, an increase in hazardous waste project costs resulted for the rising costs of the Defense Health Program medical waste disposals. The decline in other compliance costs in FY2008 reflects the Congressional addition for the Native American Land Environmental Mitigation Program for FY2007 and prior years. In addition, most other Defense-wide activities are tenants on other military department installations, reflecting low SDWA costs.

Figure E-12
Other Defense-Wide Programs Recurring¹ and Nonrecurring Costs



¹ Excludes manpower, education, and training costs, which are detailed in Appendix B: Environmental Management Budget Overview recurring costs figures.

Figure E-13
Other Defense-Wide Programs Nonrecurring Costs

