

National Aeronautics and Space Administration

Headquarters

Washington, DC 20546-0001



May 26, 2009

Reply to Attn of: Office of Infrastructure

BJ Penn
Assistant Secretary of the Navy
(Installations and Environment)
Washington, D.C. 20350-1000

Dear Mr. Penn:

Thank you for your letter of May 6, 2009. As you are aware, the Memorandum of Understanding dated 22 December 1992, transferred Moffett Field from the Department of the Navy to NASA, with Navy retaining responsibilities for environmental remediation and restoration. The property transferred smoothly and after years of joint efforts by the two Agencies, we are approaching fulfillment of the Navy's agreed-upon environmental obligations. To focus our joint efforts toward the point at which Navy will have fulfilled its environmental responsibilities for Moffett Field, Navy and NASA entered into another MOU dated December 12, 2008, memorializing the intent of our agencies that NASA ultimately assume responsibility for remediation sites at Moffett Field, except for Hangar One and Crows Landing Naval Air Station.

Subsequent to the December 12, 2008 MOU, Navy (Navy BRAC Office, San Diego) and NASA (Ames Research Center) met to address the details of Navy's fulfillment of its remediation and restoration responsibilities at Moffett Field (as documented in the December 22, 1992, MOU). While these initial discussions were unsatisfactory to both parties, an issue of this level of complexity requires perseverance, and we remain committed to resolution in the best interest of Navy and NASA.

With respect to Hangar One, Navy and NASA agreed in the December 2008, MOU to "strive to coordinate response activities." As previously stated, NASA's preference is for an adaptive reuse of Hangar One, after Navy's fulfillment of its remediation and restoration obligation. Per Navy's Engineering Evaluation/Cost Analysis (EE/CA), dated July 30, 2008, Navy's remediation and restoration obligation may be satisfied by a number of options. Navy's preferred options (per the EE/CA) are estimated to cost \$25.8M and \$26.3M, respectively. We note that Navy does not consider replacing the siding and roofing after removal, which Navy has estimated to cost \$14.9M, to be part of its remediation and restoration obligation.

NASA relied on Navy's \$14.9M estimate for the re-siding as the basis for support from an industry partner interested in the re-use of Hangar One. However, NASA's

subsequent analysis through an independent engineering firm estimated \$40M for re-siding. Unfortunately but understandably, NASA's potential partner has rescinded the financial support previously offered. As a result, although NASA supports the concept of adaptive re-use of Hangar One, we do not have the funds necessary to execute the re-siding of Hangar One that would be required should Navy implement its most preferred remediation option, which includes removal but not replacement of the siding and roofing. We believe it untenable to pursue a course of action that would result in the structural framework of Hangar One being left exposed by Navy's removal of the exterior siding and roofing, with no follow-on plan for the re-siding necessary for a subsequent adaptive re-use.

Consistent with the December 12, 2008, MOU, NASA joined with Navy to discuss the specific terms of NASA's ultimate assumption of responsibility for remaining remediation sites at Moffett Field, "for an amount of appropriated funds to be negotiated between the agencies." As mentioned earlier, the results of those initial discussions were unsatisfactory to both parties and an agreement was not achieved. In keeping with our mutual interest in completion of environmental remediation activities at Moffett Field, Navy's remediation continues as detailed in the December 22, 1992, MOU as we continue to work on the details in the best interest of NASA and Navy. To enable Navy's planning for ultimately ending direct involvement in environmental activities at Moffett Field, NASA will assume responsibility for the operations and maintenance of remaining Moffett Field remediation sites after remedial actions are completed at each of those sites, as determined by EPA Region 9. Two of those sites are presently ready for immediate transfer to NASA responsibility.

In closing, NASA remains committed to the MOUs agreed upon by our respective agency's leadership on December 12, 1992, and December 22, 2008. NASA's representative for this matter is Dr. James W. Wright, P.E., Deputy Assistant Administrator for Infrastructure. Dr. Wright can be reached at (202) 358-2800 and james.w.wright@nasa.gov.

Sincerely,



Olga Dominguez
Assistant Administrator for Infrastructure
NASA
Washington, DC