



Hearing Statement to Board of Supervisors

Hunters Point Naval Shipyard

14 May 2018

Good afternoon Supervisor Cohen and other distinguished board members. Thank you for the opportunity to discuss the Department of the Navy's work at the former Hunters Point Naval Shipyard. Hunters Point is an important part of the City of San Francisco's history; it played a vital role in support of our National Defense - especially during World War II, and afterwards, all with the support of the Bayview community.

Since the BRAC closure in 1991, the Navy has undertaken a complex environmental cleanup resulting from many years of important industrial work at the shipyard. At this EPA Superfund site, we have invested nearly \$1 billion dollars on environmental cleanup of petroleum, chemical, metals and low-level radiological contamination, more than any other Navy BRAC installation. The vast majority of work, in excess of \$750 million dollars, has been



successfully completed. We are proud of our efforts and will be here until it is properly completed.

The most challenging issue has been the radiological cleanup work. This would be true under any circumstance due to low levels of radiation that are near the levels that are naturally occurring in the environment, commonly referred to as background levels. However, the larger issue, and why we are here today, is that some portion of the roughly \$250 million dollars of radiological analysis and cleanup work performed by Tetra Tech EC has been questioned.

The company currently known as Tetra Tech EC began radiological work on the site in 2002. The Navy originally discovered irregularities in radiological data through its ongoing internal quality control procedures in 2012. We initially worked with Tetra Tech EC and the regulatory agencies to address those issues and rework was performed from 2012 to 2014. In 2014 Tetra Tech EC released an Anomalous Soil Sample Report as documentation. In 2013 Tetra Tech EC self-reported they had deviated from the approved work plans when conducting radiological building surveys throughout Hunters Point. As a



result, the California Department of Public Health suspended their Radiological Unrestricted Release Recommendation in 2015 and Tetra Tech EC re-performed radiological building surveys from 2015 to 2016.

Subsequently, the Navy identified additional issues. Then former Tetra Tech EC employees came forward with specific claims of deliberate falsification of tests, improper work and fraudulent recordkeeping. At this point, the Navy paused the radiological program for a comprehensive review.

After exploring the allegations, in 2016, the Navy initiated and led an extensive data evaluation and analysis effort with support from a group of radiological experts consisting of independent contractors and a consortium of universities linked to Oak Ridge National Laboratory. In November 2017, the Navy concluded that there were more problems with Tetra Tech EC's radiological cleanup data at Hunters Point, which created uncertainty with their overall work. This conclusion was reinforced by a second data evaluation performed by the EPA using a different methodology.



We understand that credible, reliable data is imperative to establishing that the property is safe to transfer to the local community. That is why we have halted all remaining transfers of the property at Hunters Point, and have been working closely with EPA and the California regulatory agencies on the next steps.

We are in agreement with EPA that all of Tetra Tech EC's radiological work areas must be reevaluated. The Navy will be releasing a draft work plan on Parcel G for public comment within the next month, this will allow us to retest and certify that the property is safe for transfer.

The Navy is taking actions against Tetra Tech EC for its unsatisfactory and non-compliant work. We are in the process of analyzing all contractual remedies available to the Navy for Tetra Tech's non-compliant work. Additionally, we have provided the Department of Justice with our findings reports to aid in their investigations. Earlier this month, two former Tetra Tech EC employees received criminal sentences for their part in fraudulent work at Hunters Point. Both the Navy and the Department of Justice are fully



committed to pursuing and prosecuting contractor fraud to the fullest extent of the law.

We have been and will continue to be open and transparent with the local community on the environmental work at Hunters Point. We hold four regular Community Meetings throughout the year, host bus tours of the shipyard and provide the latest information on our BRAC website. Last year, we hired a radiological technical expert, the Head of the Oregon State University School of Nuclear Science and Engineering who has a Ph.D. in Radiological Health Sciences and is a Certified Health Physicist and a local Bayview resident to assist us with community outreach efforts. Contact information can be found on our BRAC website. On May 7, 2018, we held a meeting with the residents of Parcel A to explain the history of the property and listen to their concerns. Federal and state regulators have repeatedly verified the safety of Parcel A, which was investigated, cleared and removed from the Superfund program in 1999 and EPA surveyed Parcel A twice before transfer in 2004. Parcel A is safe. I would live there. However, we understand that the broader issues have sparked concern among Parcel A homeowners;



therefore we have engaged with the regulatory agencies to evaluate options to provide additional information to reinforce the property's safety.

I would like to briefly mention the most recent allegations regarding improper soil disposal, originating from Hunters Point. We are reviewing the internal control processes for soil disposal that were established at Hunters Point. There are procedures in place designed to ensure that the soil is characterized, manifested, transported and disposed of in the proper landfill. However, those procedures were not designed to prevent fraudulent activity. The Navy is reviewing our soil disposal oversight process and we intend to work with the landfill owners to address their concerns. For many years, the Navy has worked closely with EPA, California Department of Public Health and Department of Toxic Substances Control to achieve our common goal of environmental cleanup that is protective of human health and the environment. We also have a positive and productive working relationship with the City of San Francisco and we look forward to continuing that relationship in the future. We are appreciative of the funding provided by Congress to support this site and the extensive cleanup effort.



As we move forward, the City of San Francisco residents and policy makers can trust that the Navy and regulatory agencies will uphold our mutual goal of ensuring that the environmental work is properly completed and the remaining 850 acres are safely transferred to the City of San Francisco. The Navy has put additional protective measures in place to ensure the credibility and quality of the work, including additional quality assurance, compliance and oversight measures.

Again, thank you for allowing us the opportunity to discuss our extensive cleanup efforts at the former Hunters Point Naval Shipyard today. We look forward to moving forward with retesting and a successful conclusion to our work at Hunters Point. We are determined that our legacy here will be positive.