



DEPARTMENT OF THE NAVY
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SENATE COMMITTEE ON AGRICULTURE AND THE ENVIRONMENT
SENATE COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL, AND
MILITARY AFFAIRS

Additional Testimony on Senate Concurrent Resolution 35, Urging the United States Environmental Protection Agency and the Hawai'i State Department of Health to reject the approval of a single wall tank upgrade alternative option for the Red Hill Bulk Fuel Storage Facility and to reject the conclusions presented in the Groundwater Protection and Evaluation Considerations for the Red Hill Bulk Fuel Storage Facility Report dated July 27, 2018.

Hearing Date and Time: Wednesday, March 20, 2019 at 1:15 p.m.

Testimony on behalf of Navy Region Hawaii by CAPT Marc Delao,
Commander, Naval Facilities Engineering Command Hawaii

Aloha Chair Gabbard, Chair Nishihara, and Committee Members,

Thank you for the opportunity to submit testimony on Senate Concurrent Resolution 35. The Navy fully recognizes and respects the public and legislative concern in protecting the fresh water aquifer at Red Hill. We not only share that concern, but work every day to ensure this important facility is monitored, operated and upgraded to protect against any release of fuel. We all want to protect our aquifer and we are working under the oversight of the State Dept. of Health (DOH) and Environmental Protection Agency (EPA) in an Administrative Order on Consent (AOC) to do just that.

The AOC process is working. The Navy and Defense Logistics Agency (DLA) have invested significantly and faithfully in the carefully negotiated AOC, expending over \$45 million complying with the AOC and over \$260 million in Red Hill since 2006. We again extend an invitation to all of the members of the legislature to tour our facility and meet the individuals who are responsible for keeping our storage facility environmentally safe and ready for any emergency. The Navy believes we fill an important role in the protection of our country and Hawaii. To help ensure you have all the facts and see for yourselves, rather than take our word for it, we ask legislators again to tour the Red Hill facility before your final decision on this resolution.

We are concerned that there have been non-Navy reports that offered a premature and incorrect assessment of tank-wall thinning based on subjective observations and imprecise measurements, derived outside of the AOC process. For example, earlier media reports indicated that the ten steel samples, called coupons, removed from tank

No. 14 demonstrated that the corrosion was far worse than the Navy expected. Laboratory measurements found no area on any of the coupons to be less than twice the industry minimum standard. Last week the Navy met with the Regulators where the laboratory results of these coupons were thoroughly scrutinized. For the coupon questioned in the media, the Regulators probed the laboratory in detail. The laboratory confirmed that the area of the coupon depicted in the newspaper was inaccurate. Included below is a copy of the non-Navy photo (with the ruler, Figures 1 and 2) which was used to allege that corrosion of this coupon was worse than the Navy anticipated. Also included is a laboratory photo (Figure 3) of the same coupon which show, after proper preparation and precise measurements, significant metal thickness remains in this area.

The laboratory report is an interim product that will be further evaluated and used to form the content of a larger report expected to be submitted in July as part of the Administrative Order on Consent between Navy, EPA and DOH.

The Navy continues working with industry experts to evaluate cutting-edge technologies and procedures to improve the ability to “see” the backside of the steel to further protect the environment and drinking water. For example, on March 14, the Navy hosted a leading robotics firm to conduct a live demonstration at Red Hill of their company’s capabilities to scan tank walls using robotic techniques. The demonstration looked promising and the Navy will be pursuing this concept in greater detail.

The drinking water is safe. The Board of Water Supply and other independent tests confirm drinking water meets all applicable standards. Tests performed every six months confirm the tanks are “tight” and not leaking. Each Red Hill tank is made of several feet of reinforced concrete with a steel liner. The tanks also have been secured into basalt rock with Gunitite, a type of cement that is pressure injected to fill the space between the outer tank wall and the basalt rock. Effectively, the liner, cement walls, Gunitite and the basalt rock become the tank that holds the fuel.

Many people understand what a vital strategic asset Red Hill is for the military’s mission, just as Pearl Harbor Naval Shipyard and the Pacific Missile Range Facility on Kauai are. But not many realize how fully committed the Navy is to serving as the safety net for Hawaii’s energy needs under the Defense Support for Civil Authorities. We are capable of delivering fuel from Red Hill to Honolulu Harbor, the Daniel K. Inouye International Airport, Barbers Point and Hawaiian Electric Company for commercial ships, airplanes and generating electricity, all via existing fuel lines. The delivery system is through gravity feed and does not require any additional energy, which is important in any emergency when the power goes out.

Thank you for the opportunity to submit this testimony today.



Figure 1: Edge of Coupon #7. Image from non-Navy source alleging the thickness of the remaining steel at the location shown alleging thickness less than the Navy's predictions.



Figure 2: Image taken after coupon removal, prior to receipt by lab. What appears to be a deep corrosion pit was actually rust-covered staining of the edge surface.



Figure 3: Detail of sandblasted surface. The sandblasting revealed that the feature was not a corrosion pit, as shiny metal was revealed when the red-colored staining was removed.



**U.S. INDO-PACIFIC COMMAND
(USINDOPACOM)
CAMP H.M. SMITH, HAWAII 96861-4028**

March 5, 2019

Testimony on the Red Hill Bulk Fuel Storage Facility

Aloha and thank you for the opportunity to submit written testimony about Red Hill.

USINDOPACOM, commanded by Admiral Phillip S. Davidson, is the highest level DoD headquarters in the Indo-Pacific region. It provides command and control of assigned forces from the Army, Navy, Air Force, and Marines operating in the Indo-Pacific. The Red Hill Fuel Storage Facility is owned and maintained by the U.S. Navy, with support by the Defense Logistics Agency (DLA).

The purpose of my testimony is to inform the Committees of the vital strategic significance of the Red Hill Fuel Storage Facility, and to communicate USINDOPACOM's resolve and commitment to conduct operations in an environmentally responsible and compliant manner.

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.

Admiral Davidson maintains Red Hill is a "vital strategic asset" to USINDOPACOM and Service components "during contingency operations" throughout the Indo-Pacific region. He also fully supports the Navy and DLA's commitment to be good stewards of the environment and protect the water we all drink on Oahu. Therefore, USINDOPACOM will continue to support the binding Administrative Order on Consent and its objectives to ensure the groundwater is protected and Red Hill is operated and maintained in an environmentally protective manner.

I am happy to provide additional information as necessary.

A handwritten signature in black ink, appearing to read "Susan Davidson", is positioned above the typed name.

SUSAN A. DAVIDSON
Major General, U.S. Army
Director for Logistics, Engineering and
Security Cooperation