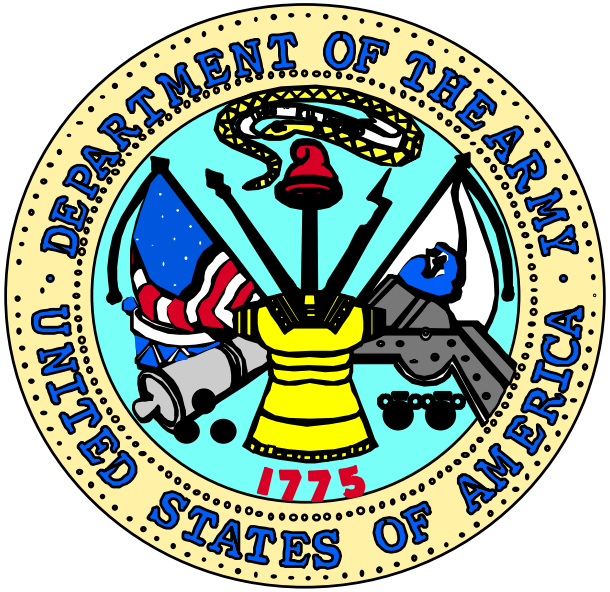
DEPARTMENT OF THE ARMY

FISCAL YEAR (FY) 2003 BUDGET ESTIMATE

SUBMITTED TO CONGRESS FEBRUARY 2002



CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

DEPARTMENT OF THE ARMY
BUDGET ESTIMATE SUBMISSION FOR FY 2003
CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

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DEPARTMENT OF THE ARMY
JUSTIFICATION OF FY 2003 BUDGET ESTIMATE SUBMISSION
CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

APPROPRIATION LANGUAGE

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of Section 1412 of the National Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materiel that are not in the chemical weapon stockpile, $1,490,199,000 to become available on October 1, 2002 of which $974,238,000 shall be for Operation and Maintenance, to remain available until September 30, 2004; $213,278,000 shall be for Procurement, to remain available until September 30, 2005; and $302,683,000 shall be for Research and Development, to remain available until September 30, 2004.

DEPARTMENT OF THE ARMY
JUSTIFICATION OF FY 2003 BUDGET ESTIMATE SUBMISSION
CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

APPROPRIATION JUSTIFICATION

(In Thousands of Dollars)

FY 2003 Estimate	**$1,490,199**
FY 2002 Budget	**$1,097,873**
FY 2001 Actual	**$ 977,946**

Part I – Purpose and Scope

The Chemical Demilitarization Program is a national program of high significance to the Army, the Departments of Defense and State, the Administration, the Congress, and the world. This is a Congressionally mandated program. The objective of the Chemical Demilitarization Program is to destroy the U.S. inventory of lethal chemical agents and munitions and related (non-stockpile) materiel, thus avoiding future risks and costs associated with the continued storage of chemical warfare materiel. The Chemical Demilitarization Program supports the international initiatives to rid the world of chemical weapons, as enunciated in the Chemical Weapons Convention (CWC).

The Chemical Demilitarization Program is based on Section 1412 of the National Defense Authorization Act for Fiscal Year 1986 (Public Law 99-145) which directs the Department of Defense to destroy the complete unitary chemical stockpile by September 30, 1994 or the date established by a U.S. ratified treaty banning the possession of chemical agents and munitions. Public Law 99-145 was subsequently amended by the National Defense Authorization Act for Fiscal Year 1989 (Public Law 100-456), the National Defense Authorization Act for Fiscal Year 1992 (Public Law 102-190), and the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484) which extended program completion to April 30, 1997; July 31, 1999; and December 31, 2004, respectively.

The United States ratified the Chemical Weapons Convention (CWC) on April 25, 1997. The CWC is an international treaty banning development, production, stockpiling and use of chemical weapons. More specifically, each ratifying country is prohibited, under any

circumstances, from: developing, producing, acquiring, retaining or transferring chemical weapons to anyone; using chemical weapons; engaging in any military preparations to use chemical weapons; and from assisting, encouraging or inducing, in any way, anyone engaging in any activity prohibited under the CWC. The CWC also requires each ratifying country possessing chemical weapons to destroy them in an environmentally safe manner. It specifically forbids the disposal of chemical weapons by open pit burning, land burial, or dumping in any body of water. Under the treaty, chemical weapons are to be destroyed by April 29, 2007, with a possible one-time extension until April 29, 2012. All nations that are party to the CWC must comply with international law and are subject to a stringent inspection regime conducted by an international agency, the Organization for the Prohibition of Chemical Weapons. The Department's policy is to safely destroy the U.S. lethal chemical stockpile as soon as possible.

The Chemical Demilitarization Program consists of the Chemical Stockpile Disposal Project, the Chemical Stockpile Emergency Preparedness Project, the Non-Stockpile Chemical Materiel Product, the Alternative Technologies and Approaches Project, and the Assembled Chemical Weapons Assessment Program. The Program Manager for Chemical Demilitarization has the mission to execute chemical materiel destruction by providing centralized management of the demilitarization and disposal of the United States' stockpile of lethal chemical warfare agents and munitions and all non-stockpile chemical materiel. The Program is a Major Defense Acquisition Program (Acquisition Category ID), and the Defense Acquisition Executive is the milestone decision authority.

Each of the Chemical Demilitarization Program elements funded by the Chemical Agents and Munitions Destruction, Army (CAMD,A) appropriation are discussed in detail below.

The Chemical Stockpile Disposal Project (CSDP): The Project Manager for the CSDP is responsible for the safe and efficient destruction of the United States unitary chemical stockpile. To accomplish this mission, the Project Manager manages, plans, and coordinates all phases of the chemical disposal project. This includes design, construction, equipment acquisition and installation, training, systemization testing, operations, and closure. The Project Manager also ensures that physical security, safety, and environmental requirements associated with the project are identified, are in compliance with all Department of Defense and Department of the Army directives and Federal, State, and local laws, and are integrated into the entire technical effort.

The Chemical Stockpile Emergency Preparedness Project (CSEPP): The CSEPP is an effort complementary to the Chemical Stockpile Disposal Project to enhance protection of the civilian population during storage and destruction of the United States' chemical weapons stockpile. The Army and the Federal Emergency Management Agency (FEMA) provide emergency response/preparedness to the communities surrounding the eight continental United States (CONUS) disposal sites, and jointly manage the projects. FEMA has total responsibility and accountability for working with State and local governments to enhance the required off-post emergency preparedness within established resources. The Army manages on-post emergency preparedness and provides technical support for both on-post and off-post emergency preparedness. An Integrated Process Team (IPT) concept is the primary management tool used by the Army, FEMA, and the States to address States' concerns and meet Defense Acquisition Program requirements.

The Non-Stockpile Chemical Materiel Product (NSCMP): In 1991, the Deputy Secretary of Defense directed that the Department of the Army be fully accountable for all Department of Defense chemical warfare related materiel destruction and designated the Secretary of the Army as Defense Executive Agent. The Product Manager for NSCMP, under the supervision of the Program Manager for Chemical Demilitarization, was established with the mission to provide centralized management and direction to the Department of Defense Agencies for disposal of non-stockpile chemical materiel in a safe, environmentally sound, and cost effective manner. The Army has defined five broad categories of non-stockpile materiel: binary chemical weapons, recovered chemical weapons, miscellaneous chemical warfare materiel, support to recoveries and remediation, and former production facilities.

Major NSCMP functions include: Identifying the magnitude of the non-stockpile program in terms of locations, types of agents and materiel, and quantities that require treatment; developing and implementing transportation, characterization, and destruction equipment and procedures; supporting ratified treaties; and developing and implementing schedule and cost estimates.

The Alternative Technologies and Approaches Project: In August 1994, based on recommendations in the National Research Council's Report, "Recommendations for the Disposal of Chemical Agents and Munitions," the Army initiated an aggressive research and development project on two low-temperature, low-pressure alternative technologies to the

baseline process. Three additional commercial technologies were selected for consideration in November 1995 and were evaluated for potential use to destroy the stockpile at the two bulk-only sites, Aberdeen Proving Ground (APG), Maryland and Newport Chemical Depot (NECD), Indiana. In December 1996, after careful review, the Army concluded that chemical treatment followed by biodegradation for APG and chemical treatment followed by super critical water oxidation for NECD were the most promising alternatives and should proceed to pilot testing. In January 1997, the Department of Defense authorized the Army to proceed with activities to pilot test the chemical treatment-based processes for APG and NECD. Environmental permits have been obtained for both APG and NECD. Systems contracts have been awarded to complete designs, construct and test the chemical treatment-based full-scale pilot process(es) for the destruction of the two bulk-agent stockpiles. Facility construction is in progress at both sites. In January 2002, the Aberdeen Site has been approved for accelerated agent neutralization in order to reduce risk to the public. This submission reflects the revised schedule of the accelerated agent neutralization plan at Aberdeen. However, associated costs to implement this plan are currently being finalized and are not reflected in this submission. Any additional funding required to implement the accelerated agent neutralization plan will be accommodated either through a Supplemental request or reprogramming action.

The Assembled Chemical Weapons Assessment Program: The Omnibus Consolidated Appropriation Act for FY 1997 (Public Law 104-208) directed that the Under Secretary of Defense for Acquisition and Technology (USD A&T), now Under Secretary of Defense for Acquisition, Technology and Logistics (USD AT&L), conduct a demonstration program to identify and demonstrate not less than two alternatives to the baseline incineration process for the demilitarization of assembled chemical munitions. In compliance with Public Law 104-208, the Program Manager for the Assembled Chemical Weapons Assessment (PMACWA) Program conducted six demonstrations of alternative technologies. The results of the technical evaluations of these demonstrations were detailed in Supplemental Reports to Congress in September 1999 and June 2001. PMACWA also concluded in the supplemental reports that four technologies were viable to go to pilot testing. PMACWA is currently developing Engineering Design Packages to support the certification requirements of Public Law 105-261. Public Law 105-261 authorizes PMACWA to continue to manage the development and testing (including demonstration and pilot-scale testing) of technologies for the destruction of lethal chemical munitions that are potential or demonstrated alternative to the baseline incineration program. Prior to proceeding with pilot testing of these

technologies, the USD(AT&L) must certify to Congress in writing that the alternative technology(s) is/are: (1) as safe and cost effective as the baseline incineration process; (2) capable of destroying the assembled chemical munitions on or before the later of the date by which if incineration were used or the deadline for completing the destruction of munitions under the CWC; and (3) will satisfy Federal and State environmental and safety laws for design, construction and operation of a pilot facility.

Part II – Justification of Funds Required

The funds requested in this budget submission are required to carry out the Congressional mandate of public law 99-145 and support the commitments of this nation under the Chemical Weapons Convention. This document provides justification for FY 2003 financial requirements in support of the Chemical Demilitarization Program, which is budgeted in the Chemical Agents and Munitions Destruction, Army appropriation. In order to provide a clear, non-fragmented accounting of the requirements necessary to meet the Congressional mandate, this document provides requirements for the construction of chemical disposal facilities budgeted in the Military Construction, Army appropriation.

In FY 2003, Chemical Stockpile Disposal Project activities will include the following items: continue closure activities at the Johnston Atoll Chemical Agent Disposal System; continue agent operations at Tooele Chemical Agent Disposal Facility; continue the Chemical Agent Munitions Disposal System support to the Chemical Stockpile Disposal Project; start agent operations at Anniston; complete systemization and start agent operations at Umatilla; continue construction and systemization at Pine Bluff; award the systems contract and start construction at Pueblo Chemical Agent Disposal Facility for the incineration process or alternative process(es); award a contract for the design, construction and operation for an incineration or alternative technology at Blue Grass; complete agent neutralization and begin final processing of empty ton containers at the Aberdeen Proving Ground Facility; and continue construction and initiate systemization at Newport Chemical Depot, Indiana. The Chemical Stockpile Emergency Preparedness Project will continue to sustain emergency preparedness activities at its on-post installations and continue to support CSEPP activities at CSEPP States and local communities. The Non-Stockpile Chemical Materiel Product will continue with the following activities: former production facility destruction and disposal at Newport Chemical Depot; Deploy Rapid Response System (RRS) for destruction of Chemical Agent Identification Sets (CAIS); begin systemization of the Munitions Assessment and Processing System (MAPS) at APG; complete

systemization of the Pine Bluff Munitions Assessment System; continue design and begin equipment fabrication for the Pine Bluff Non-Stockpile Facility (PBNSF); and conduct chemical sample destruction operations at four locations.

Part III – Program Descriptions and Milestones

Chemical Stockpile Disposal: The United States' stockpile of chemical agents and munitions is stored at eight sites within the CONUS and was stored at one outside the continental United States (OCONUS) site on Johnston Atoll in the Pacific. As of November 2000, the chemical munitions stockpile at Johnston Atoll was safely destroyed. The eight CONUS storage installations are located at Aberdeen Proving Ground, Maryland; Anniston Army Depot, Alabama; Blue Grass Army Depot, Kentucky; Newport Chemical Depot, Indiana; Pine Bluff Arsenal, Arkansas; Pueblo Chemical Depot, Colorado; Deseret Chemical Depot, Utah; and Umatilla Chemical Depot, Oregon.

The Army completed a Final Programmatic Environmental Impact Statement (FPEIS) in January 1988 that culminated in a Record of Decision in February 1988 to destroy the chemical stockpile at the eight chemical storage locations in CONUS utilizing the safest, most environmentally sound and most cost-effective method. Site-specific environmental impact statements (EIS), tied to the FPEIS, have been completed for seven sites (Johnston Atoll, Deseret (i.e., Tooele), Anniston, Umatilla, Pine Bluff, Aberdeen, and Newport). The draft site-specific EIS for Pueblo was released in May 2001. The final EIS will be released in 2nd Qtr FY 2002 after the completion of the Defense Acquisition Board Review scheduled in March 2002. The draft site-specific EIS for Blue Grass is scheduled for release in 2nd quarter FY 2002.

To date, over 24 percent of the total U.S. chemical agent stockpile (measured in tons of agent) has been destroyed collectively at the two operational locations (Johnston Atoll and Tooele). The first disposal plant, the Johnston Atoll Chemical Agent Disposal System (JACADS), began full-scale disposal operations in January 1994. As of November 2000, 100 percent of the original chemical agent munitions stockpile stored on the island has been destroyed. Closure activities at the JACADS facility are ongoing.

Operation of the first disposal facility in the CONUS, the Tooele Chemical Agent Disposal Facility (TOCDF) at Deseret Chemical Depot, Utah, commenced in August 1996 with

the destruction of M55 GB-filled rockets. Since then, the facility has safety destroyed GB-filled ton containers, GB-filled MC-1 bombs, GB-filled M55 rockets, M56 warheads, GB-filled 105mm and 155mm projectiles, and GB-filled MK116 Weteye Bombs. As of the December 31, 2001, TOCDF has destroyed over 41 percent of the original chemical agent stored at Deseret Chemical Depot.

In February 1996, a systems contract to construct and operate the Anniston Chemical Agent Disposal Facility (ANCDF) was awarded to Washington Group International. Construction activities commenced in June 1997 upon issuance of the necessary environmental permits by the State of Alabama. Construction of ANCDF was completed in June 2001 and systemization activities continue in FY 2002. Agent (GB) operations will begin in late FY 2002 and continue into FY 2003.

A systems contract for the Umatilla Chemical Agent Disposal Facility (UMCDF) was awarded to Washington Group International in February 1997; construction activities commenced in June 1997. Construction of UMCDF was completed in August 2001. Systemization activities are ongoing in FY 2002, and will continue into FY 2003. Agent operations will begin in late FY 2003.

A systems contract for the Pine Bluff Chemical Agent Disposal Facility (PBCDF) was awarded in July 1997 to Washington Group International with a limited notice to proceed provision. The Resource Conservation and Recovery Act (RCRA) permit was issued in January 1999 and construction activities commenced immediately. As of January 16, 2002, construction is 75 percent complete. Construction and systemization activities will continue in FY 2003.

Construction of both the Pueblo Chemical Agent Disposal Facility (PUCDF) and the Blue Grass Chemical Agent Disposal Facility (BGCDF) is presently on hold, pending completion of the requirements of the National Environmental Policy Act (NEPA), compliance with Public Law 105-261, and the technology decision for these sites. A Notice of Availability for public comments on the draft site-specific Environmental Impact Statement (EIS) and the draft Assembled Chemical Weapons Assessment (ACWA) programmatic EIS was published in the Federal Register in May 2001. The Record of Decision/technology decision for PUCDF is scheduled for 3rd quarter FY 2002. The PUCDF EIS addresses the two demonstrated technologies under the Assembled Chemical Weapons Assessment program, baseline incineration, modified baseline incineration, and the no-action alternative. A Notice of

Intent (NOI) for Blue Grass was signed and published in December 2000. The Notice of Availability for public comments on the draft EIS for Blue Grass is scheduled for release in 2nd quarter FY 2002. The Blue Grass EIS addresses one demonstrated ACWA technology and two additional technologies found viable during ACWA Demonstration, Phase II, along with baseline incineration and the no-action alternative. The Record of Decision/technology decision for Blue Grass is planned for 1st quarter FY 2003.

To carry out the Congressional mandate to safely and efficiently dispose of the unitary chemical stockpile, the Army is actively engaged in meeting all requirements of the National Environmental Policy Act (NEPA), the Resource Conservation and Recovery Act (RCRA), the Toxic Substance Control Act (TSCA), and the Clean Air (CAA) and Clean Water Acts (CWA). Additionally, the Army and the Federal Emergency Management Agency (FEMA) have developed and are implementing a Chemical Stockpile Emergency Preparedness Project to ensure that the public, the installations, and their surrounding communities are adequately protected.

Chemical Stockpile Emergency Preparedness (CSEP): Emergency preparedness is based on the calculated risk from all sources, including storage and demilitarization. The calculated risk from storage exceeds the risk of the demilitarization operations. Therefore, in terms of emergency preparedness, preparations for an accident involving chemical agents in the civilian community are essential both before and during the demilitarization process. Emergency responders must have the capability to immediately recognize the source and initiate protective actions for the general public and emergency workers. This preparation requires a coordinated effort among installation, local, and State officials. The U.S. Army storage installations are in programmatic maintenance, having completed all major preparedness enhancements. The majority of off-post essential systems designed to protect the public are in place and operational. Aggressive actions are being taken to bring the remaining systems into full compliance with the program's CSEP National Benchmarks. The U.S. Army and FEMA continue to provide technical support to both civilian and Army jurisdictions using the management structure agreed upon in October 1997. Close coordination and cooperation between the U.S. Army and FEMA fostered through the use of teaming continues.

Non-Stockpile Chemical Materiel: The Non-Stockpile Chemical Materiel Product (NSCMP) Survey and Analysis Report was submitted to Congress in November 1993. Plans for the

destruction of the non-stockpile chemical materiel were developed in 1995 and are updated as required. These plans reflect the approach needed to comply with the requirements of the Chemical Weapons Convention and include the destruction of lethal chemical weapons, agents, and contaminated materiel. The plan provides for the development of treatment systems for the destruction of the non-stockpile chemical munitions that are currently stored at active military installations and provides for development of treatment systems for on-site destruction of chemical warfare materiel that may be recovered from suspect burial sites.

The Rapid Response System (RRS) is a mobile system to be used for the destruction of Chemical Agent Identification Sets (CAIS). The RRS successfully completed developmental/operational testing in FY 2001 and transitioned to O&M funding for operations. Recovered CAIS operations will begin in FY 2003.

The Explosive Destruction System (EDS) is a mobile system to be used for the destruction of munitions requiring immediate destruction and small quantities of other chemical weapons. The EDS was recently used to safely destroy ten chemical agent-filled bomblets containing the nerve agent sarin (GB) discovered at Rocky Mountain Arsenal (RMA), Colorado. The EDS Phase 1, Unit 1, completed testing in FY 2001 and transitioned to O&M funding. Additional EDS Phase 1 units are being fabricated and will be delivered in FY 2002. EDS Phase 2, a system capable of handling larger chemical weapons and explosive charges, will be developed beginning in FY 2002. The EDS Phase 2 will undergo developmental testing in FY 2003.

The Mobile Munitions Assessment System (MMAS) is used to determine the probable content, and condition of munitions in order to establish the need for, and safety of, further processing. Components of the MMAS were used to non-intrusively verify the agent contents (type, quantity, condition) and other characteristics of the bomblets discovered at RMA. The MMAS Phase 2 completed testing in FY 2001 and will transition to O&M funding.

In addition to the mobile systems, two small and cost efficient fixed facilities are being established to process non-stockpile chemical materiel for Aberdeen Proving Ground (Munitions Assessment and Processing System (MAPS)) and for Pine Bluff Arsenal (Pine Bluff Non-Stockpile Facility (PBNSF)). The MAPS received an environmental permit in FY 2001 and construction activities began in FY 2001. The MAPS will start systemization in FY 2003. Design efforts have started on the PBNSF and construction is scheduled to start in

FY 2003.

Former Production Facility destruction efforts at Newport Chemical Depot (NECD) continue. Demolition of the Aberdeen Proving Ground Pilot Plant was completed in February 2000. Destruction of the former BZ Production Facility at Pine Bluff Arsenal was completed in October 1999. Disposal of the M687 binary projectiles and the associated M21 OPA canisters (258,548 each) were completed in July 1999. Site preparation and installation of an environmental enclosure for the destruction of the empty ton containers at Pine Bluff Arsenal (PBA) has begun. The Pine Bluff Munitions Assessment System (PBMAS) is being fabricated. The PBMAS will be used to determine the probable content and condition of munitions and CAIS items stored at PBA prior to disposal. The remaining category 3 items will be destroyed in FY 2002. This will meet the CWC milestone.

Alternative Technologies and Approaches: The Army has chosen to pilot test chemical treatment followed by on-site biodegradation at Aberdeen Proving Ground, Maryland (APG) and chemical treatment followed by super critical water oxidation (SCWO) at Newport, Indiana (NECD). The systems contractor for APG (Bechtel Aberdeen) was selected in October 1998 and for NECD (Parsons Infrastructure and Technology) in February 1999. The Resource Conservation and Recovery Act of 1976 (RCRA), the Clean Air Act of 1977 (CAA) and Clean Water Act of 1977 (CWA) permit applications were submitted to the State of Maryland for the APG site in June 1997, and the environmental permits were received in February 1999. The RCRA, CAA and the CWA permit applications were submitted to the State of Indiana for the NECD site in April/May 1998, and the permits were received in December 1999. APG pilot facility construction began in July 2000 and as of 16 January 2002 is 41 percent complete. As of January 2002, the Aberdeen Site has been approved for an accelerated agent neutralization project in order to reduce risk to the public. A simplified agent neutralization process will be implemented and agent neutralization will commence during FY 2002. Agent neutralization will be completed and ton container clean out activities will begin in FY 2003. NECD site preparation activities are complete. Facility construction began in November 2000 and as of 16 January 2002 is 21 percent complete. The engineering scale testing for the SCWO reactor to be used at the NECD site was completed in February 2001, and additional SCWO developmental testing will occur during 2nd quarter FY 2002. During FY 2003, process equipment that supports agent neutralization will be installed, SCWO long-lead equipment will be fabricated, laboratory systemization will begin, systemization planning for the balance of the plant will continue with preparation

of plant operating and maintenance procedures, and training will begin for the plant operations/maintenance workforce.

Assembled Chemical Weapons Assessment: The foundation of the Assembled Chemical Weapons Assessment (ACWA) Program is stakeholder involvement from each of the agent stockpile areas and their concerns about the program. The program was established by integrating a three-phased approach: program evaluation criteria development, detailed assessment of technologies, and the demonstration of not less than two technologies. The program criteria were established by integrating the stakeholder and technical criteria. Three demonstration tasks were awarded on July 29, 1998 to Burns and Roe, General Atomics, and Parsons/Allied Signal. Demonstration testing started in February 1999 instead of November 1998, due to a protest of the demonstration task awards and concluded in May 1999. In addition, Public Law 106-371 provided direction to demonstrate three remaining technologies not demonstrated in the first demonstration program. Demonstration II was completed in October 2000. The results of the demonstration tests were evaluated against the Implementation Criteria. The technical evaluations for six demonstrated technologies were provided to the Under Secretary of Defense for Acquisition, Technology and Logistics and to Congress. The Program Manager ACWA concluded in the supplemental reports that four of the six demonstrated technologies were viable to go to pilot testing. PM ACWA concluded that two Demonstration I technologies, neutralization followed by Super Critical Water Oxidation (SCWO) (General Atomics) and neutralization followed by biodegradation (Parsons/Honeywell), were viable for a pilot-scale facility at Pueblo, CO. In addition it was determined the technology, SCWO, is also viable for a pilot-scale facility at Blue Grass, KY. The two demonstration II technologies, neutralization followed by Super Critical Water Oxidation process, gas phased chemical reduction (Foster Wheeler/ECO Logic) and electrochemical oxidation (AEA Technologies) were viable for pilot-scale facility at Blue Grass. Public Law 105-261 provided authority to prepare for the immediate implementation of the alternative technologies. The preparation includes the establishment of program requirements, preparation of procurement documentation, development of environmental documentation, identification and preparation to meet the public outreach and public participation requirement, and preparation to award a contract for the design, construction, and operation of a pilot facility. Prior to proceeding with a pilot facility, the Under Secretary of Defense for Acquisition, Technology and Logistics shall certify to Congress that the alternative technologies are as safe and cost effective for disposing of assembled chemical munitions as incineration; are capable of completing

the destruction on or before the incineration completion date, or by the deadline date mandated by the Chemical Weapons Convention; and will satisfy Federal and State environmental and safety laws for design, construction and operation of a pilot facility.

Chemical Demilitarization Program Oversight: The Army receives assistance from such Federal agencies as the Department of Health and Human Services, U.S. Environmental Protection Agency, Department of Transportation, Federal Emergency Management Agency, and the President's Council on Environmental Quality in meeting its responsibility to carry out the Chemical Demilitarization Program in a safe and environmentally sound manner. The National Research Council of the National Academy of Sciences performs an oversight function for the Chemical Demilitarization Program. Although not in an oversight role, the MITRE Technical Corporation conducts independent studies on various aspects of the program at the request of the Army.

Additionally, the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484) directed the Army to establish a Chemical Demilitarization Citizens' Advisory Commission (CAC) for each low-volume site and for any state in which there is located a chemical stockpile storage site, if requested by the Governor. The CACs have been established for each state. Representatives from the Office of the Assistant Secretary of the Army (Installations and Environment) meet not less than twice a year with each commission to receive citizen and state concerns regarding the Army's ongoing Chemical Demilitarization Program.

Major Milestones for the Chemical Stockpile Disposal Project are as follows:

Johnston Atoll Chemical Agent Disposal System (JACADS):

Completed Operational Verification Testing (OVT)	March 1993
Initiated full-scale disposal operations of nerve agent (GB) rockets	January 1994

Completed Campaigns:

GB-filled M55 rockets	July 1995
MC1 GB-filled bombs	November 1995
MK-94 GB-filled bombs	February 1996
155MM GB-filled projectiles	May 1997
105MM GB-filled projectiles	November 1997
M426 (8-inch) GB-filled projectiles	March 1998
Rejected 155MM and 105MM GB-filled projectiles	June 1998
HD-filled M2A1 mortar cartridges	March 1999
155MM HD projectiles	July 1999
155MM Solomon Island rounds	July 1999
Mustard and nerve agent changeover	December 1999
M426 VX-filled (8 inch) projectiles	June 2000
M121/M121A/M122 VX-filled projectiles	June 2000
VX-filled ton containers	June 2000
VX landmines	November 2000
Began processing of waste, decommissioning and dismantlement	January 2001
Continue closure activities	FY 2003

Tooele Chemical Agent Disposal Facility (TOCDF):

Certified OVT completion and started systemization	August 1993
Completed systemization and started operations	August 1996
Processed GB-filled one-ton containers (1st campaign)	January to December 1997
Completed destruction of GB-filled M55 rockets (1st campaign)	March 1997
Completed destruction MC-1 GB-filled bombs	January 1998 to July 1998
Completed GB-filled M55 rockets (2nd campaign)	October 1998 to August 2001

Major Milestones for the Chemical Stockpile Disposal Project (Cont'd):

Tooele Chemical Agent Disposal Facility (TOCDF)(Cont'd):

Completed GB-filled Weteye bombs	October 2001 to December 2001
Process GB-filled one-ton containers (2nd campaign)	October 1998 to 4th Qtr FY 2002
Process GB-filled M360 projectiles	October 1998 to 4th Qtr FY 2002
Process GB-filled 155MM projectiles	June FY 2001 to 4th Qtr FY 2002
Process VX-filled munitions	1st Qtr FY 2003 to 2nd Qtr FY 2004

Anniston Chemical Agent Disposal Facility:

Contract awarded	February 1996
Construction started	June 1997
Completed construction	June 2001
Complete Systemization	4th Qtr FY 2002
Start GB Agent Operations	4th Qtr FY 2002
Continue GB Agent Operations	FY 2003

Umatilla Chemical Agent Disposal Facility:

Contract awarded	February 1997
Construction started	June 1997
Completed construction	August 2001
Complete Systemization	4th Qtr FY 2003
Start GB Agent Operations	4th Qtr FY 2003

Pine Bluff Chemical Agent Disposal Facility:

Contract awarded	July 1997
Construction started	January 1999
Continue construction/systemization	FY 2003

Major Milestones for the Chemical Stockpile Disposal Project (Cont'd):

<u>Pueblo Chemical Agent Disposal Facility</u>:
(Modified Baseline)

Receive Technology Decision	3rd Qtr FY 2002
Award Systems Contract	2nd Qtr FY 2003
Start Construction	4th Qtr FY 2003

<u>Blue Grass Chemical Agent Disposal Facility</u>:
(Incineration)

Receive Technology Decision	1st Qtr FY 2003
Award Systems Contract	4th Qtr FY 2003
Start Construction	4th Qtr FY 2004

Major Milestones for the Alternative Technologies and Approaches Project are as follows:

Army Submitted Final Report on Alternative Chemical Demilitarization Technologies to Congress	April 1994
Army provided recommendation to Department of Defense Overarching Integrated Product Team to conduct necessary National Environmental Policy Act analysis and continue Research and Development efforts to support pilot testing of alternative technologies at Aberdeen Proving Ground, Maryland and Newport Chemical Depot, Indiana	December 1996
Office of Secretary of Defense (OSD) Approval of Army Recommendation	January 1997

<u>Aberdeen Pilot Plant and Disposal Facility</u>

Contract awarded	October 1998

Major Milestones for the Alternative Technologies and Approaches Project (Cont'd):

Aberdeen Pilot Plant and Disposal Facility (cont'd)

Construction started	July 2000

Aberdeen Chemical Agent Neutralization Facility

Decision to proceed to accelerated project	January 2002
Award of contract modification	2nd Qtr FY 2002
Construction start	2nd Qtr FY 2002
Start agent neutralization operations	4th Qtr FY 2002
End agent neutralization operations	2nd Qtr FY 2003
Begin empty ton container operations	3rd Qtr FY 2003

Newport Pilot Plant and Disposal Facility

Contract Awarded	February 1999
Construction Started	November 2000
Systemization Complete	1st Qtr FY 2005
Decision to proceed from pilot to demil operations (MS III)	4th Qtr FY 2005

Major Milestones for Assembled Chemical Weapons Assessment Program are as follows:

Three Technologies Awarded Demonstration Task Orders	July 1998
Conducted Demonstration Testing	February 1999 to May 1999
Conducted Final Evaluation of Technologies	July 1999
Submitted Supplemental Report to Congress	October 1999
Awarded three additional demonstration task contracts	February 2000
Awarded engineering design study contracts	April 2000
Began demonstration testing (Phase II)	July 2000
Began engineering design studies testing (Phase I)	July 2000
Completed evaluations of technologies	February 2001
Began engineering design studies testing (Phase II)	March 2001
Awarded Engineering Design Study Contracts (Phase II)	April 2001

Major Milestones for the Assembled Chemical Weapons Assessment (Cont'd):

Published Pueblo Draft Environmental Impact Statement	May 2001
Submitted Supplemental Report to Congress	June 2001

Completed Engineering Design Studies Testing (Phase I)	October 2001
Completed Final Engineering Design Package (Phase I)	December 2001
Prepare Draft Blue Grass Environmental Impact Statement	2nd Qtr FY 2002
Complete Engineering Design Studies II Testing	2nd & 3rd Qtr FY 2002
Receive Record of Decision and Technology Selection for Pueblo	3rd Qtr FY 2002
Receive Record of Decision and Technology Selection for Blue Grass	1st Qtr FY 2003

Major Milestones for Chemical Stockpile Emergency Preparedness Project are as follows:

On-post Milestones:	
Sustainment Phase of the Improved Response Capabilities	September 1997
Off-post Milestones:	
Sustainment Phase of the Improved Response Capabilities	4th Qtr FY 2003
Conduct CSEPP Exercises at:	
Lexington, Kentucky	1st Qtr FY 2003
Anniston, Alabama	2nd Qtr FY 2003
Pine Bluff, Arkansas	2nd Qtr FY 2003
Pueblo, Colorado	3rd Qtr FY 2003
Aberdeen Proving Ground, Maryland	3rd Qtr FY 2003
Newport, Indiana	3rd Qtr FY 2003
Umatilla, Oregon	3rd Qtr FY 2003
Tooele, Utah	4th Qtr FY 2003

Major Milestones for the Non-Stockpile Chemical Materiel Product are as follows:

Programmatic:

Submitted Survey and Analysis Report to Congress	November 1993

Major Milestones for the Non-Stockpile Chemical Materiel Product (Cont'd):

Programmatic (Cont'd):

Developed and Validated Non-Intrusive Munitions Assessment Technology	November 1993
Completed Management Plan	April 1994

Developed Implementation Plan	August 1995
Submitted National Chemical Weapons Destruction Plan to Organization for the Prohibition of Chemical Weapons (OPCW)	April 1997
Submitted Initial Chemical Weapon Production Facility Destruction Plan to OPCW	April 1997
Received approval of Test Concept Plan	June 2000

Development of Assessment and Treatment Systems:

Mobile Munitions Assessment System (MMAS):

Fielding of MMAS Phase I by U.S. Army Technical Escort Unit	October 1997
Fabricated MMAS - Phase 2 prototype	November 1999
Completed Testing of MMAS - Phase 2	December 1999
Fielding of MMAS Phase 2 by U.S. Army Technical Escort Unit	April 2001

Explosive Destruction System (EDS):

Initiated Development and Design	September 1998
Completed Fabrication of Phase 1, Unit 1	April 1999
Initiated Developmental Testing of Phase 1, Unit 1 (UK)	March 1999
Conducted Developmental Agent Testing Phase 1, Unit 1 (UK&RMA)	April 2000 to July 2001
Conducted Operational Testing of Phase 1, Unit 1 (APG)	August 2001 to October 2001
Completed Fabrication of Phase 1, Unit 2	November 2001
Conduct Dev/Op Testing Phase 1, Unit 2	January 2002 to 3rd Qtr FY2002
Complete Fabrication of Phase 1, Unit 3	3rd Qtr FY 2002
Complete Fabrication of Phase 2	2nd Qtr FY 2002
Conduct Developmental Testing of Phase 2	1st Qtr FY 2003 to 4th Qtr FY 2003

Major Milestones for the Non-Stockpile Chemical Materiel Product (Cont'd):

Rapid Response System (RRS):

Initiated Design and Fabrication	October 1998
Initiated Agent Testing	September 2000
Began RRS Operations	February 2001

Munitions Management Device Version 1 (MMD-1):

Initiated Design and Fabrication	December 1993
Completed Fabrication	October 1996
Completed Systemization Testing	March 1997
Completed Phosgene Testing (Data Provided to PBNSF Design)	September 2000
Halted MMD-1 Development	June 2001

Munitions Assessment and Processing System (MAPS):

Initiated Design	January 1999
Began Site Preparation and Construction	June 2001
Initiate Systemization	4th Qtr FY 2003
Begin MAPS Operations	2nd Qtr FY 2004

Pine Bluff Non-Stockpile Facility (PBNSF):

Began Development of Preliminary Concept Design	September 2000
Begin Site Preparation and Construction	4th Qtr FY 2003
Initiate Systemization	4th Qtr FY 2005
Begin PBNSF Operations	3rd Qtr FY 2006

Destruction of Chemical Warfare Materiel (CWM) and Facilities [Missions]:

Binary Materiel:

Completed Binary M687 Projectiles and M21 OPA Canister Parity Destruction *	March 1999
Completed Binary M687 Projectile and M21	

Major Milestones for the Non-Stockpile Chemical Materiel Product (Cont'd):

Binary Materiel (Cont'd):

Canister Destruction	July 1999
Destroy Bulk DF, QL, and M20DF Canister	1st Qtr FY 2006 to 2nd Qtr FY 2007

*NOTE: First Major CWC Milestone Accomplished

Former Production Facility:

Completed BZ Production Facility Destruction	October 1999
Completed APG Pilot Plant Destruction	February 2000

Demolish NCD Production Facility steps 0,I,II	August 1998 to 3rd Qtr FY 2003
Demolish NCD Production Facility step III	4th Qtr FY 2002 to 1st Qtr FY 2007
Demolish PBA Integrated Binary Facility	1st Qtr FY 2004 to 3rd Qtr FY 2007
Demolish APG Ancillary Buildings	2nd Qtr FY 2006 to 4th Qtr FY 2007
NCD Production Facility step III Debris Disposal	1st Qtr FY 2007 to 4th Qtr FY 2009
PBA Integrated Binary Facility Debris Disposal	3rd Qtr FY 2007 to 4th Qtr FY 2007

Chemical Samples* (CS):

Destroy APG CS	January 2000 to 3rd Qtr FY 2006
Destroy DCD CS	3rd Qtr FY 2003
Destroy DPG CS	3rd Qtr FY 2003
Destroy PBA CS	2nd Qtr FY 2007 to 3rd Qtr FY 2007
Destroy PUCD CS	3rd Qtr FY 2004
Destroy ANAD CS	4th Qtr FY 2004 to 2nd Qtr FY 2005
Destroy UMCD CS	3rd Qtr FY 2004 to 3rd Qtr FY 2006
Destroy BGAD CS	4th Qtr FY 2006 to 2nd Qtr FY 2007

*NOTE: Schedules under study due to change in public law allowing use of Chemical Demilitarization Facilities.

Empty Ton Containers (TCs):

Began Destruction of APG Empty TCs	October 1996
Completed Destruction of DCD Empty TCs	February 2000

Major Milestones for the Non-Stockpile Chemical Materiel Product (Cont'd)

Empty Ton Containers (TCs)(Cont'd):

PBA Empty TCs:	
Install and Test Enclosure (R&D)	September 2001 to 2nd Qtr FY 2002
Begin Destruction (O&M)	1st Qtr FY 2003
Begin Destruction of APG Empty TCs (Aircraft Protect)	2nd Qtr FY 2006 to 3rd Qtr FY 2006

Metal Parts - Category 3 CWM:

Completed Burster Destruction	September 1996
Completed Destruction of Metal Parts	December 2000

Complete Destruction of Remaining Category 3 Materiel	April 2002

Recovered CWM (RCWM)

Begin RCWM Operations at:	
APG (MAPS)	2nd Qtr FY 2004 to 3rd Qtr FY 2007
PBA (PBNSF)	3rd Qtr FY 2006 to 2nd Qtr FY 2007
DPG *	1st Qtr FY 2007 to 3rd Qtr FY 2007

*NOTE: Schedules under study due to change in public law allowing use of Chemical Demilitarization Facilities.

Recovered Chemical Agent Identification Sets (CAIS):

Destruction of Recovered CAIS at:	
Johnston Atoll	3rd Qtr FY 2002
Fort Richardson	3rd Qtr FY 2003
Camp Bullis	1st Qtr FY 2006
Redstone Arsenal	4th Qtr FY 2006
Pine Bluff Arsenal	1st Qtr FY 2004 to 3rd Qtr FY 2007

BUDGET ACTIVITY 2: RESEARCH AND DEVELOPMENT

TITLE: DEMILITARIZATION TECHNOLOGY

(In Thousands of Dollars)

FY 2003 Estimate	**$302,683**
FY 2002 Budget	**$202,326**
FY 2001 Actual	**$273,796**

Purpose and Scope

This budget activity provides resources for the development of alternative technologies to incineration for disposal of chemical agents and the design, acquisition and testing of prototype equipment for the recovery and treatment of the non-stockpile chemical materiel.

Justification of Funds Required

Funds are required for Alternative Technologies and Approaches Project (ATAP) in FY 2003 to complete facility construction and equipment installation, initiate systemization, and perform Quantitative Risk Assessments at Newport, Indiana, and to complete agent neutralization, install and systemize equipment for ton container clean out, and begin ton container clean out operations at Aberdeen Proving Ground, Maryland. Funds are required for the Non-Stockpile Chemical Materiel Product (NSCMP) in FY 2003 to continue research and development efforts for innovative accessing and chemical treatment processes technologies, continuation of testing of the Explosive Destruction System (EDS), and design efforts and equipment fabrication for the Pine Bluff Non-Stockpile Facility (PBNSF).

BUDGET ACTIVITY 2: RESEARCH AND DEVELOPMENT

TITLE: DEMILITARIZATION TECHNOLOGY

Funded Financial Summary
(In Thousands of Dollars)

Title	FY2001 Actual	FY2002 Budget		FY2003 Estimate
Alternative Technologies and Approaches -				
Program Management	8,218	12,500		8,301
Alternative Technologies and Approaches -Mission				
Aberdeen Proving Ground, MD	63,525	68,397		144,281
Newport Chemical Depot, IN	69,435	70,654		99,663
Subtotal Alternative Tech and Approaches	**141,178**	**151,551**		**252,245**
Non-Stockpile Chemical Materiel Product-				
Recovered Chemical Warfare Materiel (CWM)	31,200	14,600		28,738
Miscellaneous CWM	8,311	2,300		0
Binary CWM				700
Program-Wide R&D	14,232	11,318		21,000
Subtotal Non-Stockpile Chemical Materiel Product -	**53,743**	**28,218**		**50,438**
Assembled Cml Weapons Assessment Program -				
Program Management	7,326	7,600		0
Pueblo, Co	22,049	0		0
Blue Grass, KY	49,500	14,957		0
Subtotal Assembled Cml Weapons Assessment	**78,875**	**22,557**		**0**
Funded Total	**273,796**	**202,326**	**0**	**302,683**

B. DESCRIPTION OF ELEMENT:

Alternative Technologies and Approaches Project:

This budget activity provides resources for research and development of alternatives to incineration for the disposal of bulk chemical agents. The Project Manager for Alternative Technologies and Approaches implemented a program including laboratory and bench-scale testing, pilot plant design, and preparation of environmental documentation for two low-temperature, low-pressure technologies, and facility construction to pilot test these alternative technologies. One technology is chemical neutralization followed by post-treatment for destruction of bulk mustard agent at Aberdeen Proving Ground, Maryland. The second technology is chemical neutralization followed by post treatment for destruction of bulk nerve (VX) agent at Newport Chemical Depot, Indiana. This course of action is consistent with the November 1996 recommendations of the National Research Council and was endorsed by the Defense Acquisition Executive in January 1997. In order to reduce risk to the public, as of January 2002 the Aberdeen Site has been approved for an accelerated agent neutralization project.

Non-Stockpile Chemical Materiel Product:

Funds are included to continue portions of the design and equipment fabrication for the Pine Bluff Non-Stockpile Facility (PBNSF) and for development of improved technologies for disposing of neutralized waste. Research will also continue on multi-agent chemical air monitoring and decontamination methods. Funds are also included to continue design efforts for the binary solution and continue testing of the EDS Phase 2.

Assembled Chemical Weapons Assessment Program:

The budget activity provides resources for a second round of demonstration testing of six alternative technologies to incineration for the potential disposal of chemical weapons with explosive components. The Program Manager for Assembled Chemical Weapons Assessment (PM ACWA) concluded that four of the six demonstrated technologies were found viable to proceed to pilot testing. The first two technologies utilize neutralization for

the destruction of chemical agents and energetics followed by treatment using either super critical water oxidation or biotreatment. The third technology uses an electrochemical process to treat the chemical agents and energetics, and the fourth technology uses neutralization followed by transpiring wall super critical water oxidation. The evaluation of the third and fourth technologies (identified above) took place between October 2000 and February 2001 and was conducted using the same criteria as the first two technologies (Public Law 104-208). The budget activity also provides resources to develop a pilot design for the successfully demonstrated technologies. Additionally, the budget activity also provides for the preparation of the necessary environmental documentation to support construction of two pilot facilities.

C. PROGRAM ACCOMPLISHMENTS AND PLANS:

FY 2001 Program:

Alternative Technologies and Approaches Project:

o Program Management: The budget of $8.2 million for program management includes internal operating budget costs for: labor, awards, and overtime for 10 core work years ($1.0 million) and 15 matrix work years ($1.9 million), travel ($0.1 million), Garrison Support, PCS, training and supplies ($0.1 million); and programmatic mission support costs for monitoring other technologies ($0.6 million), public outreach support ($0.5 million), program integration support ($0.5 million), and contract management and technical support ($3.5 million).

o Aberdeen Pilot/Disposal Facility: FY 2001 funds totaling $63.5 million were required for: systems contractor activities ($53.5 million) (180 work years) to include process design ($0.5 million), procurement of process equipment ($32.5 million), installation of process equipment ($1.8 million), and systems engineering/project management labor ($13.3 million), materials ($2.8 million) and Systemization ($2.6 million); and Non-Systems Contractor activities such as field office/technical support/contracting support ($4.0 million), design support ($5.5 million), and depot support ($0.5 million).

o Newport Pilot/Disposal Facility: FY2001 funds totaling $69.4 million were required for: Systems Contractor activities ($58.2 million) (286 work years) to include process design ($11.2 million), continued environmental activities such as minor permit modifications based on design updates ($0.6 million), procurement of process equipment and bulk material ($24.8 million), installation of process equipment and bulk material ($1.5 million), systemization activities and logistics support ($6.9 million), and systems engineering/ project management ($13.2 million); and Non-Systems Contractor activities such as field office/technical support/contracting support ($7.4 million); super critical water oxidation support ($1.8 million), safety and environmental assessments ($0.5 million); and depot support ($1.5 million).

Non-Stockpile Chemical Materiel Product:

o Recovered Chemical Warfare Materiel: Funds in the amount of $31.2 million were required to complete testing of MMD-1 ($8.6 million); continue design and fabrication of equipment to be used in the Pine Bluff Non-Stockpile Facility (PBNSF) and begin testing of the subsystem elements ($4.7 million); Explosive Destruction System (EDS) fabrication and EDS Phase 1 developmental/operational testing ($15.8 million); Single CAIS Access and Neutralization System (SCANS)($1.8 million); and Mobile Munitions Assessment System (MMAS) ($0.3 million).

o Miscellaneous Chemical Warfare Materiel: Funds in the amount of $8.3 million were required for site construction and preparation, and the installation of a temporary environmental enclosure for the empty ton container operations at Pine Bluff Arsenal.

o Program-Wide R&D: Funds in the amount of $14.2 million were required for studies and program support. This includes efforts to identify and develop alternative technologies for the treatment of non-stockpile chemical warfare materiel and neutralized waste ($6.9 million); continue efforts pertaining to decontamination research and Air Monitoring Studies ($3.3 million); Tennessee Valley Authority (TVA) technical support ($2.9 million); Army Materiel Systems Analysis Activity (AMSAA) test and evaluation support ($1.1 million).

Assembled Chemical Weapons Assessment Program:

o Program Management: Funds totaling $7.3 million were required for 13 core work years and three matrix work years of labor, overtime, awards ($2.2 million); travel ($0.1 million); other costs such as training, supplies and materials ($0.1 million); and ACWA mission support and contractual cost ($4.9 million).

o Pueblo Chemical Agent Disposal Facility: Funds totaling $22.0 million were required to complete the Engineering Design Studies I efforts in support of a potential alternative technology pilot facility ($18.0 million); and to continue support of the Resource Conservation and Recovery Act of 1976 (RCRA) and National Environmental Policy Act (NEPA) process($4.0 million).

o Blue Grass Chemical Agent Disposal Facility: Funds in the amount of $49.5 million were required to conduct Engineering Design Studies ($37.0 million) for the second of three technologies to develop an engineering design package which includes a design, life cycle cost and schedule ($11.3 million); and gather information to support a RCRA permit application ($1.2 million) for a potential alternative technology pilot facility.

FY 2002 Program:

Alternative Technologies and Approaches Project:

o Program Management: The budget of $12.5 million for program management includes internal operating budget costs for: labor, awards, and overtime for 12 core work years and 20 matrix work years ($3.9 million); travel ($0.2 million); other costs such as contractual services, employee relocation expenses, training and supplies ($0.3 million); and programmatic mission support costs for monitoring other technologies ($0.8 million); public outreach support ($0.6 million); program integration and life cycle cost management support ($2.3 million); contract management and technical support ($3.4 million); and studies ($1.0 million).

o Aberdeen Chemical Agent Neutralization Facility: FY 2002 funds totaling $68.4 million are required for: systems contractor activities ($49.3 million) (344 work years) to

include procurement of process equipment ($14.0 million), installation of process equipment ($5.1 million), and systems engineering/project management labor ($30.2 million); and Non-Systems Contractor activities such as field office/technical support/contracting support ($5.7 million), U.S. Army Solider Biological Chemical Command technical support ($7.0 million), other government agencies ($3.4 million), and pilot project termination costs ($3.0 million).

o Newport Pilot/Disposal Facility: FY2002 funds totaling $70.7 million are required for: systems contractor activities ($57.9 million) (310 work years) to include process design ($3.7 million), continued environmental activities such as minor permit modifications based on design updates ($0.7 million), procurement of process equipment and bulk material ($25.9 million), installation of process equipment and bulk material ($6.8 million), systemization activities and logistics support ($9.8 million), and systems engineering/project management ($11.0 million); and non-systems contractor activities such as field office/technical support/contracting support ($10.7 million); safety and environmental assessments ($0.4 million); and depot support ($1.7 million).

Non-Stockpile Chemical Materiel Product:

o Recovered Chemical Warfare Materiel: Funds in the amount of $14.6 million are required to complete fabrication and to begin Explosive Destructive System (EDS) Phase 2 developmental testing and training ($8.3 million); continue PBNSF design and efforts and environmental permitting ($4.5 million); Munitions Assessment System development and testing ($1.0 million); and the Single CAIS Access and Neutralization Systems (SCANS) ($0.8 million).

o Miscellaneous Chemical Warfare Materiel: Funds in the amount of $2.3 million are required to complete the installation of a temporary environmental enclosure for the empty ton container operations at Pine Bluff Arsenal.

o Program-Wide R&D: Funds in the amount of $11.3 million are required for studies and program support. This includes efforts to identify and develop alternative technologies for the treatment of non-stockpile chemical warfare materiel ($4.6 million); continue efforts pertaining to decontamination research ($1.7 million); Air Monitoring Studies

($0.6 million); Tennessee Valley Authority (TVA) technical support ($3.1 million); systems engineering services ($0.4 million); and test and evaluation support ($0.9 million).

Assembled Chemical Weapons Assessment Program:

o Program Management: Funds in the amount of $7.6 million are required for 12 core work years and 4 matrix work years of labor, overtime, awards ($2.0 million); ACWA mission support and contractual cost($5.3 million); and other costs such as training, supplies and materials ($0.3 million).

o Blue Grass Chemical Agent Disposal Facility: Funds in the amount of $14.9 million are required to continue testing and begin preliminary design for a potential alternative technology pilot facility.

FY 2003 Program:

Alternative Technologies and Approaches Project:

o Program Management: The budget of $8.3 million for program management includes: internal operating budget costs for labor, awards, and overtime for 12 core work years ($1.2 million) and 20 matrix work years ($2.9 million), travel ($0.2 million), other costs, such as contractual services, training and supplies ($0.1 million); and programmatic mission support costs for program oversight ($0.4 million), public outreach support ($0.6 million), program integration support ($2.1 million), and contract management and technical support ($0.8 million).

o Aberdeen Chemical Agent Neutralization Facility: (As of January 02, this facility was approved for an accelerated neutralization program.) FY 2003 funds totaling $144.3 million are required for: systems contractor activities ($77.8 million) (748 work years) to include equipment installation ($5.4 million), systems engineering/project management labor ($20.4 million); and ton container clean out processing ($52.0 million); and Non-Systems Contractor activities such as field office/contractor support services ($5.1 million), U.S. Army Solider Biological Chemical Command technical support

($18.8 million), other government agencies ($15.8 million), and pilot project termination costs ($26.8 million).

o Newport Pilot/Disposal Facility: FY 2003 funds totaling $99.7 million are required for: systems contractor activities ($85.2 million) (601 work years) to include process design ($1.5 million), continued environmental activities such as minor permit modifications based on design updates ($0.8 million), procurement of process equipment and bulk material ($16.2 million), installation of process equipment and bulk material ($15.0 million), systemization activities and logistics support ($26.4 million), and systems engineering/project management ($25.3 million); and Non-Systems Contractor activities such as field office/technical support/contracting support ($11.8 million), and depot support ($2.7 million).

Non-Stockpile Chemical Materiel Product:

o Recovered Chemical Warfare Materiel: Funds in the amount of $28.7 million are required to continue developmental testing of the EDS Phase 2 ($8.6 million); and continue design efforts and begin the equipment acquisition phase for the PBNSF ($20.1 million).

o Binary: Funds in the amount of $0.7 million are required to begin site design for the binary mission at Pine Bluff Arsenal.

o Program-Wide R&D: Funds in the amount of $21.0 million are required for studies and program support. This includes efforts to identify and develop alternative technologies for the treatment of NSCMP CWM ($12.7 million); continue efforts pertaining to decontamination research and Air Monitoring Studies ($3.4 million), Tennessee Valley Authority technical support ($3.6 million), systems engineering services ($ 0.6 million), and test and evaluation support ($0.7 million).

D. WORK PERFORMED BY:

The Project Manager for Alternative Technologies and Approaches is located at Aberdeen Proving Ground, Maryland, and is the government's technical organization involved

with research and development of alternative technologies to incineration for the disposal of bulk chemical agents. Materials of construction testing and engineering scale testing necessary to support design activities, are being performed by General Atomics as a subcontractor to Stone and Webster Engineering Corporation. Neutralization of Mustard Agent (HD) will be performed at Aberdeen Proving Ground, Maryland by Bechtel Aberdeen. Pilot Facility Test for nerve agent (VX) at Newport Chemical Depot, Indiana will be performed by Parsons Infrastructure and Technology. The Product Manager for Non-Stockpile Chemical Materiel is located at Aberdeen Proving Ground, Maryland, and is the government's technical organization involved with the destruction of the non-stockpile chemical materiel. Primary contractors or government agencies executing non-stockpile products are: Science Applications International Corporation, Abingdon, MD; Tennessee Valley Authority, Muscle Shoals, AL; Teledyne Brown Engineering, Huntsville, AL; UXB International, Ashburn, VA; Sandia National Laboratory, Albuquerque, NM; Idaho National Laboratory, Boise, ID; Stone & Webster Engineering, Boston, MA; Mason & Hangar, Newport, IN; and others. The Program Manager for Assembled Chemical Weapons Assessment is located at the U.S. Army Soldier and Biological Chemical Command, Aberdeen Proving Ground, Maryland and is the government's technical organization involved with the identification and demonstration of alternatives to the baseline incineration process for the demilitarization of assembled chemical munitions.

E. RELATED ACTIVITIES:

No unnecessary duplication of effort will occur within the Department of Defense (DoD) or the Army. Large-scale destruction of toxic chemical agents and munitions is solely the responsibility of DoD. The U.S. Army is the Executive Agent for the Chemical Demilitarization Program as designated by Office of the Secretary of Defense (OSD).

F. OTHER APPROPRIATION FUNDS:

Alternative Technologies and Approaches Project:

Military Construction, Army appropriation funds are required for construction activities. Referenced funds are: FY 2003, the Aberdeen site ($30.6 million) and the

Newport site ($61.5 million). There are no other funds related to the Alternative Technologies and Approaches research and development effort.

Non-Stockpile Chemical Materiel Product:

Operation and Maintenance funds in the Chemical Agents and Munitions Destruction, Army appropriation funds will be used to operate additional treatment systems once fielded. Referenced funds are: Operation and Maintenance funds in FY 2003 ($103.9 million). Military Construction funds will be used to continue design and construct the Pine Bluff Non-Stockpile Facility. Referenced funds are Military Construction, Army funds of $18.9 million in FY 2003.

BUDGET ACTIVITY 3: PROCUREMENT

(In Thousands of Dollars)

FY 2003 Estimate	**$213,278**
FY 2002 Budget	**$164,158**
FY 2001 Actual	**$105,470**

Purpose and Scope

This budget activity provides for the procurement of all process and support equipment used in the incineration disposal facilities for destroying the unitary chemical stockpile and the Chemical Stockpile Emergency Preparedness Project equipment. It includes costs for design, acquisition, fabrication and installation of equipment. Also included are costs for initial spare parts, freight, software, maintenance and operations manuals relating to specific equipment and design changes during construction and installation.

Justification of Funds Required

The FY 2003 budget request provides for engineering and technical services ($4.4 million); equipment modifications for Chemical Agent Munitions Disposal System ($3.1 million); equipment procurement and installation at Tooele Chemical Agent Disposal Facility ($19.1 million); design support for plant and equipment modifications and procurement of initial spare parts for Pine Bluff Chemical Agent Disposal Facility ($12.2 million); procurement of equipment to meet emerging metals removal requirements and multi-agent monitoring equipment to meet new agent standards for Anniston ($13.3 million); procurement of equipment to meet emerging metals removal requirements, mustard agent processing equipment and engineering change/design support for Umatilla Chemical Agent Disposal Facilities ($26.1 million); plant equipment and design modifications and procurement of initial spare parts for Pueblo Chemical Agent Disposal Facility ($82.7 million); design engineering for Blue Grass Chemical Agent Disposal Facility ($3.0 million); and acquisition of Chemical Stockpile Emergency Preparedness Project equipment and protective actions projects ($49.4 million).

BUDGET ACTIVITY 3: PROCUREMENT

Funded Financial Summary
(In Thousands of Dollars)

	FY2001 Actual	FY2002 Budget	FY2003 Estimate
Engineering Services	7,289	9,029	4,378
Johnston Atoll Chemical Agent Disposal System	400	0	0
Chemical Agent Munitions Disposal System	3,319	2,800	3,070
Tooele Chemical Agent Disposal Facility	1,874	6,200	19,115
Anniston Chemical Agent Disposal Facility	5,389	14,700	13,268
Umatilla Chemical Agent Disposal Facility	36,138	18,500	26,118
Pine Bluff Chemical Agent Disposal Facility	13,121	59,359	12,240
Pueblo Chemical Agent Disposal Facility	6,303	29,631	82,673
Blue Grass Chemical Agent Disposal Facility	0	1,000	3,000
Subtotal Chemical Stockpile Disposal Project	**73,833**	**141,219**	**163,862**
Cml Stockpile Emergency Preparedness Project On-Post	583	658	759
Cml Stockpile Emergency Preparedness Project Off-Post	22,359	5,982	48,657
Subtotal Cml Stockpile Emer Preparedness Project	**22,942**	**6,640**	**49,416**
Non-Stockpile Chemical Materiel Product- Recovered Chemical Warfare Materiel	8,695	16,299	0
Subtotal Non-Stockpile Chemical Materiel Product	**8,695**	**16,299**	**0**
Total	**105,470**	**164,158**	**213,278**

Engineering Services: In FY 2003, funds in the amount of $4.4 million are required for equipment acquisition services to include the completion of the control system software development and the completion of the procurement and delivery of the On-Site Containers in support of the Umatilla and Pine Bluff facilities ($2.9 million); and design engineering services ($1.5 million).

Chemical Agent Munitions Disposal System (CAMDS): Funding of $3.1 million is budgeted in FY 2003 for various plant and equipment modifications required to support baseline testing requirements.

Tooele Chemical Agent Disposal Facility (TOCDF): In FY 2003, funds in the amount of $19.1 million are required for systems contractor procurement and installation of the Carbon Micronization System and Mustard Ton Container Processing equipment and retrofit to the existing plant. Refer to Exhibit P-5A (Procurement History and Planning) for further delineation/description of requirements.

Anniston Chemical Agent Disposal Facility (ANCDF): In FY 2003, funds in the amount of $13.3 million are required for new equipment to meet emerging metals removal requirements. Refer to Exhibit P-5A (Procurement History and Planning) for further delineation/description of requirements.

Umatilla Chemical Agent Disposal Facility (UMCDF): In FY 2003, funds in the amount of $26.1 million are required for systems contractor equipment procurement to meet emerging metals removal requirements. Refer to Exhibit P-5A (Procurement History and Planning) for further delineation/description of requirements.

Pine Bluff Chemical Agent Disposal Facility (PBCDF): In FY 2003, funds in the amount of $12.2 million are required for plant equipment and design modifications, and procurement of initial spare parts. Refer to Exhibit P-5A (Procurement History and Planning) for further delineation/description of requirements.

Pueblo Chemical Agent Disposal Facility (PUCDF): In FY 2003, funds in the amount of $82.7 million are required for plant equipment and design modifications, and procurement of initial spare parts. Refer to Exhibit P-5A (Procurement History and Planning) for further delineation/description of requirements.

BUDGET ACTIVITY 3: PROCUREMENT

Blue Grass Chemical Agent Disposal Facility (BGCDF): In FY 2003, funds in the amount of $3.0 million are required for design engineering. Refer to Exhibit P-5A (Procurement History and Planning) for further delineation/description of requirements.

Chemical Stockpile Emergency Preparedness Project (CSEPP) On-Post: In FY 2003, funds in the amount of $.8 million are required for scheduled replacement of Army data automation equipment.

Chemical Stockpile Emergency Preparedness Project (CSEPP) Off-Post: The FY 2003 budget request of $48.7 million provides for the replacement of obsolete/non-supportable emergency response equipment and for the completion and sustainment of protective actions projects. Equipment replacement includes equipment to support administrative activities, Emergency Operations Centers, medical support, public outreach/education, and training programs ($0.5 million); alert and notification systems ($5.8 million); data automation systems ($3.6 million); communications systems ($9.3 million); and protective actions ($3.9 million). A total of $25.6 million is required for protective actions projects.

UNCLASSIFIED

REPORTS CONTROL SYMBOL
DD-COMP(AR) 1092

BUDGET ITEM JUSTIFICATION SHEET

DATE February-02

APPROPRIATION /BUDGET ACTIVITY	P-1 ITEM NOMENCLATURE:
Procurement/Budget Activity 3	Chemical Demilitarization Process Equipment

		FY01	FY02	FY03				
QUANTITY								
COST (IN MILLIONS)		105.5	164.2	213.3				

DESCRIPTION:

This budget activity provides for the purchase and installation of equipment for disposal facilities to be used for destroying the unitary chemical agent stockpile. This budget activity also provides for the purchase of equipment to support the Chemical Stockpile Emergency Preparedness Project (CSEPP).

JUSTIFICATION:

The FY 2003 budget requirements procures process design services for the Pine Bluff Chemical Agent Disposal Facility; equipment modifications/replacement for the Chemical Agent Munitions Disposal System; acquisition of process equipment for Pine Bluff Chemical Agent Disposal Facility; systems contractor equipment acquisition/installation for Tooele, Anniston, Umatilla, and Pine Bluff Chemical Agent Facilities; acquisition of CSEPP equipment and engineering and technical services, process design services and procurement of long lead equipment for the Pueblo Chemical Agent Disposal Facility, and process design services for the Blue Grass Chemical Agent Disposal Facility.

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REPORTS CONTROL SYMBOL
DD-COMP(AR) 1092

WEAPON SYSTEM COST ANALYSIS EXHIBIT

DATE February-02

APPROPRIATION /BUDGET ACTIVITY	P-1 ITEM NOMENCLATURE
Procurement/Budget Activity 3	Chemical Demilitarization Equipment

	MANUFACTURER NAME PLANT CITY/STATE LOCATION	WEAPON MODEL/SERIES/POPULAR NAME
	SEE P-5A	Chemical Demilitarization Equipment

Weapon System Cost Elements	IDENT CODE			TOTAL COST IN THOUSANDS OF DOLLARS FY 01 UNIT COST	Quantity TOTAL COST	FY02 UNIT COST	Quantity TOTAL COST	FY03 UNIT COST	Quantity TOTAL COST
1. Engineering Services	N/A				7,289		9,029		4,378
2. Johnston Atoll Cml Agent Disposal Facility	N/A				400		0		0
3. Chemical Agents and Munitions Disposal Facility	N/A				3,319		2,800		3,070
4. Tooele Chemical Agent Disposal Facility	N/A				1,874		6,200		19,115
5. Anniston Chemical Agent Disposal Facility	N/A				5,389		14,700		13,268
6. Umatilla Chemical Agent Disposal Facility	N/A				36,138		18,500		26,118
7. Pine Bluff Chemical Agent Disposal Facility	N/A				13,121		59,359		12,240
8. Pueblo Chemical Agent Disposal Facility	N/A				6,303		29,631		82,673
9. Blue Grass Chemical Agent Disposal Facility	N/A				0		1,000		3,000
Sub/Total Chemical Stockpile Disposal					73,833		141,219		163,862
10. Chemical Stockpile Emergency Preparedness Project On-Post	N/A				583		658		759
11. Chemical Stockpile Emergency Preparedness Project Off-Post	N/A				22,359		5,982		48,657
12. Non-Stockpile Chemical Materiel Product	N/A				8,695		16,299		0
TOTAL			0		105,470		164,158		213,278

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BUDGET PROCUREMENT HISTORY AND PLANNING EXHIBIT

DATE February-02

APPROPRIATION /BUDGET ACTIVITY	P-1 ITEM NOMENCLATURE
Procurement/Budget Activity 3	Chemical Demilitarization Equipment

COST ELEMENT/ FISCAL YEAR	CONTRACTOR AND LOCATION	CONTRACT METHOD & TYPE	CONTRACTED BY	AWARD DATE	DATE OF FIRST DELIVERY	QUANTITY	UNIT COST	SPECS AVAILABLE NOW	SPEC REV REQ'D	IF YES, WHEN AVAILABLE
Tooele Chemical Agent Disposal Facility										
Construction, Equipment and Operations Contract 1)										
	EG&G Inc.	C/CPAF	U.S. Army Engrg		N/A	N/A				
FY 2001			Spt Ctr, Huntsville	Nov 00			1,874			
FY 2002			(USAESC,H)	Dec 01			6,200			
FY 2003				Dec 02			19,115			
Total										
FY 2001							1,874			
FY 2002							6,200			
FY 2003							19,115			

REMARKS

1) Funds required in FY 2003 are for the procurement and installation of the carbon micronization system, mustard ton container processing equipment and retrofit to the existing plant, landmine handling equipment, and the ton container cleanout system.

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Procurement/Budget Activity 3

P-1 ITEM NOMENCLATURE

Chemical Demilitarization Equipment

COST ELEMENT/ FISCAL YEAR	CONTRACTOR AND LOCATION	CONTRACT METHOD & TYPE	CONTRACTED BY	AWARD DATE	DATE OF FIRST DELIVERY	QUANTITY	UNIT COST	SPECS AVAILABLE NOW	SPEC REV REQ'D	IF YES, WHEN AVAILABLE
Anniston Chemical Agent Disposal Facility										
Process Design 1)										
	Parsons	A/E/CPFF	USAESC,H		N/A	N/A				
FY 2001	Infrastructure and			Dec 00			2,023			
FY 2002	Technology Group						0			
FY 2003							0			
Anniston Chemical Agent Disposal Facility										
Construction, Equipment and Operations Contract 2)										
	Morrison Knudsen	C/FFP	U.S. Army		N/A	N/A				
FY 2001	Corp & Raytheon		Operations Spt	Oct 00			3,366			
FY 2002	(formerly		Cmd (USAOSC)	Oct 01			14,700			
FY 2003	Westinghouse			Nov 02			13,268			
	Electric Company)									
Total										
FY 2001							5,389			
FY 2002							14,700			
FY 2003							13,268			

REMARKS

1) There are no budgeted requirements for FY 2003.

2) Funds are required in FY2003 for equipment modifications to meet metals removal requirements and multi-agent monitoring equipment to meet new agent standards.

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APPROPRIATION /BUDGET ACTIVITY	P-1 ITEM NOMENCLATURE
Procurement/Budget Activity 3	Chemical Demilitarization Equipment

COST ELEMENT/ FISCAL YEAR	CONTRACTOR AND LOCATION	CONTRACT METHOD & TYPE	CONTRACTED BY	AWARD DATE	DATE OF FIRST DELIVERY	QUANTITY	UNIT COST	SPECS AVAILABLE NOW	SPEC REV REQ'D	IF YES, WHEN AVAILABLE
Umatilla Chemical Agent Disposal Facility										
Process Design 1)										
	Parsons	A/E/CPFF	USAESC,H		N/A	N/A				
FY 2001	Infrastructure and			Nov 00			1,000			
FY 2002	Technology Group						0			
FY 2003							0			
Construction, Equipment and Operations Contract 2)										
	Raytheon Engrs.	C/FFP	USAOSC		N/A	N/A				
FY 2001	and Constructors			Jan 01			35,138			
FY 2002				Dec 01			18,500			
FY 2003				Nov 02			26,118			
Total										
FY 2001							36,138			
FY 2002							18,500			
FY 2003							26,118			

REMARKS

1) There are no budgeted requirements for FY 2003.

2) This is a systems contract for construction, acquisition and installation of equipment, and disposal operations. FY 2003 requirements provide for procurement of equipment to meet metals removal requirements, mustard agent processing equipment, and engineering change proposals and design support.

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APPROPRIATION /BUDGET ACTIVITY	P-1 ITEM NOMENCLATURE
Procurement/Budget Activity 3	Chemical Demilitarization Equipment

COST ELEMENT/ FISCAL YEAR	CONTRACTOR AND LOCATION	CONTRACT METHOD & TYPE	CONTRACTED BY	AWARD DATE	DATE OF FIRST DELIVERY	QUANTITY	UNIT COST	SPECS AVAILABLE NOW	SPEC REV REQ'D	IF YES, WHEN AVAILABLE
Pine Bluff Chemical Agent Disposal Facility										
Process Design 1)										
	Parsons	A/E/CPFF	USAESC,H		N/A	N/A				
FY 2001	Infrastructure and			Dec 00			900			
FY 2002	Technology Group			Jan 02			1,800			
FY 2003				Nov 02			1,400			
Equipment Acquisition Contract 2)										
	Bechtel National	C/CPFF/FFP	USAESC,H		N/A	N/A				
FY 2001	Inc.			Dec 00			1,225			
FY 2002				Oct 01			800			
FY 2003				Oct 02			4,840			

REMARKS

1) The FY 2003 funding provides for design engineering updates.

2) The requirements for FY 2003 are for the purchase of initial spare parts for long lead equipment.

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APPROPRIATION /BUDGET ACTIVITY

Procurement/Budget Activity 3

P-1 ITEM NOMENCLATURE

Chemical Demilitarization Equipment

COST ELEMENT/ FISCAL YEAR	CONTRACTOR AND LOCATION	CONTRACT METHOD & TYPE	CONTRACTED BY	AWARD DATE	DATE OF FIRST DELIVERY	QUANTITY	UNIT COST	SPECS AVAILABLE NOW	SPEC REV REQ'D	IF YES, WHEN AVAILABLE
Pine Bluff Chemical Agent Disposal Facility (Cont'd)										
Construction, Equipment and Operations Contract 3)										
	Raytheon Engrs.	C/FFP	USAOSC		N/A	N/A				
FY 2001	and Constructors			Dec 00			10,996			
FY 2002				Dec 01			56,759			
FY 2003				Dce 02			6,000			
Total										
FY 2001							13,121			
FY 2002							59,359			
FY 2003							12,240			

REMARKS

3) This is a system contract for construction, acquisition and installation of equipment and disposal operations.
FY 2003 requirements provide for procurement and installation of equipment to meet metals removal requirements and for the procurement of Multi-Agent Air Monitoring equipment.

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P-1 ITEM NOMENCLATURE

Chemical Demilitarization Equipment

COST ELEMENT/ FISCAL YEAR	CONTRACTOR AND LOCATION	CONTRACT METHOD & TYPE	CONTRACTED BY	AWARD DATE	DATE OF FIRST DELIVERY	QUANTITY	UNIT COST	SPECS AVAILABLE NOW	SPEC REV REQ'D	IF YES, WHEN AVAILABLE
Pueblo Chemical Agent Disposal Facility										
Process and Design Contract 1)										
	SAIC (JACOBS)	C/CPFF	AMC Acqn Ctr		N/A	N/A				
FY 2001				Oct 00			6,303			
FY 2002				Oct 01	N/A	N/A	8,000			
FY 2003							0			
Equipment Acquisition Contract 2)										
	Bechtel National Inc.	C/CPFF	USAESC,H							
FY 2001							0			
FY 2002				Feb 02	N/A	N/A	21,631			
FY 2003							0			
Systems Contract 3)										
	Unknown	C/CPFF	USAOSC							
FY 2001							0			
FY 2002							0			
FY 2003				Feb 03			82,673			
Total										
FY 2001							6,303			
FY 2002							29,631			
FY 2003							82,673			

REMARKS

1) There are no budgeted requirements for FY 2003.
2) This is a support contract for equipment acquisition of long-lead equipment; there are no budgeted requirements for FY 2003.
3) Systems contract for design, acquisition, installation, construction, and operations of a chemical agent disposal facility. Requirements are for process design and long lead equipment such as the control system, material handling equipment, munition trays, pollution abatement systems, particulate filtration system, metal parts furnace, deactivation furnace, hydraulic modules, instrumentation, communication equipment, lab equipment, projectile mortar disassembly machine, non-agent monitoring equiptment, and spare parts.

P-1 SHOPPING LIST

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APPROPRIATION /BUDGET ACTIVITY	P-1 ITEM NOMENCLATURE
Procurement/Budget Activity 3	Chemical Demilitarization Equipment

COST ELEMENT/ FISCAL YEAR	CONTRACTOR AND LOCATION	CONTRACT METHOD & TYPE	CONTRACTED BY	AWARD DATE	DATE OF FIRST DELIVERY	QUANTITY	UNIT COST	SPECS AVAILABLE NOW	SPEC REV REQ'D	IF YES, WHEN AVAILABLE
Blue Grass Chemical Agent Disposal Facility										
Design Contract 1)										
	Parsons									
	Infrastructure and	A/E/CPFF	USAESC,H		N/A	N/A				
FY 2001	Technology Group						0			
FY 2002				Mar 02			1,000			
FY 2003				Nov 02			3,000			
Total										
FY 2001							0			
FY 2002							1,000			
FY 2003							3,000			

REMARKS

1) Requirements for FY 2003 are for continuation of process design work.

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APPROPRIATION /BUDGET ACTIVITY	P-1 ITEM NOMENCLATURE
Procurement/Budget Activity 3	Chemical Demilitarization Equipment

COST ELEMENT/ FISCAL YEAR	CONTRACTOR AND LOCATION	CONTRACT METHOD & TYPE	CONTRACTED BY	AWARD DATE	DATE OF FIRST DELIVERY	QUANTITY	UNIT COST	SPECS AVAILABLE NOW	SPEC REV REQ'D	IF YES, WHEN AVAILABLE
Non-Stockpile Chemical Materiel Product										
Mission Area: Recovered Chemical Warfare Materiel										
Rapid Response System (RRS) 1)										
	Teledyne Brown	C/CPFF	USAOSC		N/A	N/A				
FY 2001	Engineering			Nov 00			5,700			
FY 2002				Jan 01			2,499			
FY 2003							0			
Munitions Assessment & Processing System (MAPS) (2)										
	UXB, Inc.	C/CPFF	OSAOSC		N/A	N/A				
FY 2001				May 01			2,695			
FY 2002				Nov 01			13,800			
FY 2003							0			

REMARKS
1 and 2) There are no budgeted requirements for FY2003.

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APPROPRIATION /BUDGET ACTIVITY: Procurement/Budget Activity 3

P-1 ITEM NOMENCLATURE: Chemical Demilitarization Equipment

COST ELEMENT/ FISCAL YEAR	CONTRACTOR AND LOCATION	CONTRACT METHOD & TYPE	CONTRACTED BY	AWARD DATE	DATE OF FIRST DELIVERY	QUANTITY	UNIT COST	SPECS AVAILABLE NOW	SPEC REV REQ'D	IF YES, WHEN AVAILABLE
Non-Stockpile Chemical Materiel Product (cont)										
Mission Area: Recovered Chemical Warfare Materiel										
Explosive Destruction System (EDS) (3)										
	Sandia National	C/CPFF	DOE		N/A	N/A				
FY 2001	Laboratory			Dec 00			300			
FY 2002							0			
FY 2003							0			
Total										
FY 2001							8,695			
FY 2002							16,299			
FY 2003							0			

REMARKS

3) There are no budgeted requirements for FY 2003.

BUDGET ACTIVITY 1: OPERATION AND MAINTENANCE

Department of the Army
Justification of Funds Required

(In Thousands of Dollars)

FY 2003 Estimate	**$974,238**
FY 2002 Budget	**$731,389**
FY 2001 Actual	**$598,680**

Purpose and Scope

This budget activity provides for the management, technical and operational support required for chemical demilitarization under the Chemical Stockpile Disposal Project (CSDP) and emergency response activities under the Chemical Stockpile Emergency Preparedness Project (CSEPP). It also provides for the support required for remediation of other chemical warfare materiel under the Non-Stockpile Chemical Materiel Project (NSCMP).

Justification of Funds Required

Operations financed by this budget activity in FY 2003 include: program management for the Chemical Demilitarization Program and Chemical Stockpile Disposal Project (CSDP) ($28.0 million); program and integration support including public affairs, safety and quality assurance ($25.6 million); program oversight, environmental and engineering services ($38.9 million); closure operations at the Johnston Atoll Chemical Agent Disposal System (JACADS) ($144.2 million); continuation of Chemical Agent Munitions Disposal System (CAMDS) testing to support the CSDP ($28.9 million); continuation of training activities at the Chemical Demilitarization Training Facility (CDTF) ($10.8 million); continuation of disposal operations at Tooele Chemical Agent Disposal Facility (TOCDF) ($136.3 million); continue environmental support of disposal operations at Anniston Chemical Agent Disposal Facility (ANCDF) ($114.7 million); completion of systemization testing and initiation of disposal operations and environmental support at Umatilla Chemical Agent Disposal Facility (UMCDF) ($124.8 million); continuation of construction/systemization at Pine Bluff Chemical Agent Disposal Facility (PBCDF) ($97.0 million); award systems contract and begin construction at Pueblo Chemical Agent Disposal Facility (PUCDF) ($19.0 million); and award systems contract at Blue Grass Chemical Agent Disposal Facility (BGCDF) ($4.0 million).

In addition, the budget provides for continued support of emergency response capabilities at the state and local levels of government and at the chemical stockpile storage installations ($98.1 million); and Non-Stockpile Chemical Materiel requirements for destroying chemical warfare-related materiel ($103.9 million) which includes costs for Program Management ($5.3 million), Recovered Chemical Warfare Materiel (CWM) ($37.9 million), Miscellaneous CWM ($24.4 million), binary chemical weapon RCRA permitting and integration support ($1.9 million), continued destruction of Former Production Facilities ($17.9 million), and programmatic support activities which includes regulatory requirements, public affairs, program integration, support equipment, and logistics support ($16.5 million).

BUDGET ACTIVITY 1: OPERATION AND MAINTENANCE

Funded Financial Summary
(In Thousands of Dollars)

	FY 2001 Actual	FY 2002 Budget	FY2003 Estimate
Program Manager for Cml Demil--Program Management	**8,618**	**10,884**	**11,427**
Project Manager for Cml Stockpile Disposal--Program Mgmt	11,881	16,000	16,598
Program and Integration Support	25,179	14,477	25,569
Program Oversight, Environmental & Engineering Services	21,773	22,980	38,873
Johnston Atoll Chemical Agent Disposal System	122,095	131,069	144,207
Chemical Agent Munitions Disposal System	26,582	26,000	28,943
Chemical Demilitarization Training Facility	9,539	9,300	10,824
Tooele Chemical Agent Disposal Facility	99,847	102,500	136,271
Anniston Chemical Agent Disposal Facility	63,208	85,700	114,689
Umatilla Chemical Agent Disposal Facility	54,987	105,400	124,758
Pine Bluff Chemical Agent Disposal Facility	39,272	49,300	97,017
Pueblo Chemical Agent Disposal Facility	2,376	9,500	18,965
Blue Grass Chemical Agent Disposal Facility	942	1,000	4,031
Subtotal Chemical Stockpile Disposal Project	**477,681**	**573,226**	**760,745**
Cml Stockpile Emergency Preparedness Project On-Post--Prgm Mgmt	1,478	1,569	1,561
Cml Stockpile Emergency Preparedness Project On-Post--Mission	30,466	34,450	42,546
Cml Stockpile Emergency Preparedness Project Off-Post--Mission	38,879	55,055	54,032
Subtotal Chemical Stockpile Emergency Preparedness Proj	**70,823**	**91,074**	**98,139**
Non-Stockpile Chemical Materiel--Program Management	**4,409**	**4,804**	**5,300**
Recovered Chemical Warfare Materiel (CWM)	14,271	16,410	37,906
Miscellaneous CWM	1,463	4,801	24,400
Binary CWM	0	0	1,943
Former Production Facility	11,320	14,843	17,900
Programmatic Support Activities	9,097	15,347	16,478
Mission Subtotal	**36,151**	**51,401**	**98,627**
Subtotal Non-Stockpile Chemical Materiel Product	**40,560**	**56,205**	**103,927**
Inouye Leave Program	**998**	**0**	**0**
Total Funded	**598,680**	**731,389**	**974,238**

Program Manager for Chemical Demilitarization (PM Cml Demil)--Program Management: This area provides for total management of the demilitarization and disposal of the U.S. chemical weapons stockpile and non-stockpile materiel. In addition, this activity provides the programmatic direction and matrix support required by the three project managers who execute the program.

The FY 2003 budget request of $11.4 million includes 48 work years of labor, awards and overtime ($4.4 million); base support ($0.4 million); other support and contractual costs which include travel, transportation, materials and supplies, equipment and rentals ($1.5 million); and matrix support from U.S. Army Soldier and Biological Chemical Command (SBCCOM) for 44 work years of labor ($5.1 million).

Project Manager for Chemical Stockpile Disposal (PMCSD)--Program Management: Program Management includes implementation and execution, as well as management of the design, development, and acquisition of equipment and facilities, on-site movement of chemical munitions and agents for disposal, demilitarization operations, disposal of waste products, post-operational cleanup activities, and plant closure.

The FY 2003 budget request of $16.6 million includes 47 work years of labor, awards and overtime ($5.5 million); base support ($0.4 million); other support and contractual costs which include travel, transportation, materials and supplies, equipment and rentals ($1.0 million); and matrix support from U.S. Army Soldier and Biological Chemical Command (SBCCOM) for 83 work years of labor ($9.7 million).

Program and Integration Support: This element will fund programmatic technical and management integration activities by contractors, which will benefit all of the PMCD mission and support areas. Contractors will conduct programmatic studies and evaluations; collect, organize, format and maintain data; conduct technical services such as medical support; and consolidate and prepare technical and management reports.

The FY 2003 budget request of $25.6 million includes safety and quality functions ($6.2 million); program integration efforts such as acquisition program reporting, project monitoring, decision support, life-cycle-cost database support, and information management and support ($10.9 million); public outreach offices and public affairs

initiatives such as videos, newsletters, publicity and exhibits ($6.4 million); implementation of lessons learned ($2.1 million).

Program Oversight, Environmental and Engineering Services: This element will fund oversight and technical efforts by government performers or contractors, which will benefit all of the PMCD mission and support areas. Activities include oversight by the Department of Health and Human Services and the National Academy of Sciences; acquisition of substitute munitions for use in equipment prove-out, pre-operational test and training exercises; administrative and technical support to design efforts and other programmatic costs of the program.

The FY 2003 budget request of $38.9 million includes engineering services in support of design, model and simulation, system engineering support and material management ($4.3 million); agent monitoring, environmental support, litigation support; and National Environmental Policy Act documentation ($5.8 million); contracting support from the U.S. Army Corps of Engineers, Huntsville Division, the U.S. Army Operations Support Command, and the U.S. Army Materiel Command ($5.1 million); substitute munitions ($8.6 million); program oversight, studies and evaluations and material management ($14.9 million); and demilitarization support ($0.2 million).

Johnston Atoll Chemical Agent Disposal System (JACADS): This item includes funding required to continue closure activities at the chemical demilitarization facility located at Johnston Atoll through FY 2003.

The FY 2003 budget requirements of $144.2 million will fund the systems contract ($86.8 million) which includes 413 work years ($70.7 million), employee job retention ($5.6 million), waste disposal ($2.0 million), spare parts ($3.5 million) and other non-labor items ($5.0 million) including Demilitarization Protective Ensemble (DPE) suits, travel, miscellaneous subcontracts, Honolulu office expense, and consumables. It will also fund environmental support/fees and cooperative agreements ($2.1 million), environmental remediation efforts required as a result of analyses to be performed per the EPA approved Ecological Risk Assessment and the Human Health Risk Assessment in order to meet clean closure standards ($15.3 million); depot support/base operations on-island costs ($38.4 million) including dining facility costs, JP5 fuel, transportation costs and other miscellaneous support costs; and contracting and site support costs ($1.6 million).

Chemical Agent Munitions Disposal System (CAMDS): This prototype facility, designed to demonstrate and evaluate demilitarization processes and equipment which will be used to dispose of the entire chemical stockpile, will complete the destruction of Lewisite, continue to support sites in destruction of Secondary Waste and support the GB Ton Container campaign at TOCDF.

The FY 2003 budget requirements of $28.9 million includes 178 work years of regular labor and 10 work years of overtime and awards for the CAMDS work force ($10.1 million). Other support costs include materials/supplies, travel, training, and contracts ($12.2 million); depot support/base support of which 45 work years ($4.5 million); other government agency support ($0.6 million); and environmental support ($0.3 million) and Deactivation Furnace Trial Burn Contract ($1.2 million).

Chemical Demilitarization Training Facility (CDTF): This item includes funding required to continue operation of the chemical demilitarization training facility located at Edgewood Area, Aberdeen Proving Ground, Maryland through FY 2003.

The FY 2003 budget requirements of $10.8 million will fund the systems contract ($10 million, General Physics, Inc. ongoing) that includes 87 work years ($7.9 million) and other non-labor items ($2.1 million); depot support/base operations ($.6 million), and contracting and site support ($.2 million).

Tooele Chemical Agent Disposal Facility (TOCDF): This item includes funding required to continue operations at the chemical demilitarization facility located at Tooele, Utah through FY 2003.

The FY 2003 budget requirements of $136.3 million will fund the systems contract ($113.6 million) that includes 783 work years ($71.0 million), waste disposal ($5.2 million), mitigation fees ($1.2 million), materials and supplies ($17.7 million), equipment rental ($0.7 million), spare parts and refractory ($12.4 million) and other non-labor items ($5.4 million). It will fund environmental support/fees and cooperative agreements ($1.3 million); depot support/base operations (172.5 work years) ($19.5 million); and contracting and site support ($1.9 million).

Anniston Chemical Agent Disposal Facility (ANCDF): This item includes funding required to continue agent demilitarization operations at the chemical demilitarization facility located at Anniston, Alabama through FY 2003.

The FY 2003 budget request of $114.7 million will fund the systems contract ($85.7 million) that includes 665 work years ($57.7 million), materials ($22.1 million), waste disposal ($2.3 million), and other non-labor items ($3.6 million). It will fund safety and quality assurance efforts ($0.2 million); environmental support/fees and cooperative agreements ($3.4 million); depot support/base operations (135 work years) ($22.3 million); and contracting and site support ($3.1 million).

Umatilla Chemical Agent Disposal Facility (UMCDF) O&M Requirements: This item includes funding required to complete systemization and start operations at the chemical demilitarization facility located at Hermiston, Oregon through FY 2003.

The FY 2003 budget request of $124.8 million which will fund the Systems Contractor ($97.4M), which includes 799 work years ($63.9 million), waste disposal ($3.8 million), spare parts ($8.8 million), trial burns ($7.3 million), and other non-labor items ($13.6 million). It will fund safety and quality assurance efforts ($ 0.1 million); environmental support and cooperative agreements ($2.5 million); depot support/base operations which include 144 work years ($21.8 million); contracting and site support ($2.7 million); and a cooperative agreement with the Confederated Tribes of the Umatilla Indian Reservation ($.3 million).

Pine Bluff Chemical Agent Disposal Facility (PBCDF): This item includes funding required to continue concurrent construction/systemization activities at the chemical demilitarization facility located in Pine Bluff, Arkansas through FY 2003.

The FY 2003 budget request of $97.0 million will fund the systems contract ($69.8 million) which includes 634 work years ($50.5 million), training ($1.8 million) and other non-labor items ($17.5 million). It will fund environmental support/fees and cooperative agreements ($1.0 million); depot support/base operations (121 work years) ($21.9 million) and safety, quality assurance efforts, contracting and site support ($4.3 million).

Pueblo Chemical Agent Disposal Facility (PUCDF): FY 2003 Budget requirement of $18.9 million is to be utilized for systems contract for pre-systemization activities ($10.3 million), base support and reconfiguration ($4.2 million), contract and field office support ($2.7 million), safety ($1.2 million) and environmental support ($0.5 million).

Blue Grass Chemical Agent Disposal Facility (BGCDF): FY 2003 Budget requirement of $4.0 million is to be utilized for solicitation support ($.7 million), RCRA/Air Permits ($.7 million), Health Risk Assessment ($.8 million), MET Tower ($.1 million), Environmental Fees ($.1 million), base support ($.8 million) and quantitative risk assessments of ($.8 million).

Chemical Stockpile Emergency Preparedness Project (CSEPP) On-Post Program Management: The FY 2003 budget request of $1.6 million includes 13 work years of labor, awards and overtime ($1.3 million) and travel, training, and contractual services ($0.3 million).

Chemical Stockpile Emergency Preparedness Project (CSEPP) On-Post Mission: The FY 2003 budget request of $42.5 million provides continued support of emergency planner/response personnel for the eight chemical stockpile storage installations ($8.9 million); funds for Army travel and transportation ($0.5 million); on-post training and annual joint exercises ($1.0 million); Army public education and awareness programs ($1.3 million); and administration, base operations, technical planning support, and operations and maintenance costs for on-post alert and notification, data automation, communications, Emergency Operation Centers, Joint Information Centers, and emergency response ($11.7 million). This budget request also provides for Army managed technical support for sustaining both on-post and off-post emergency response capabilities. This technical support includes modeling and meteorological support for alert and notification systems; software engineering, maintenance, and training for emergency management automation systems; management of a wide area communications network; engineering and testing support for response and protective actions systems, and chemical agent specific medical support training ($19.1 million).

Chemical Stockpile Emergency Preparedness Project (CSEPP) Off-post Mission: The FY 2003 budget request of $54.0 million provides continued support of emergency planner/response personnel for FEMA, State and local governments ($15.2 million); funds for FEMA, State and

local administration including travel and transportation ($10.8 million); off-post training and exercises and annual joint exercises ($3.3 million); FEMA, State and local public outreach/education programs including Joint Information Centers ($6.7 million); operations and maintenance of off-post alert and notification systems, Emergency Operations Centers, communications systems, coordinated plans, medical support, protective action capabilities including emergency response capabilities ($14.7 million). This budget request also provides for FEMA managed technical support for off-post emergency response capabilities. This technical support includes engineering support for Alert and notification and communications systems, planning support, hospital team training, and support for State protective actions projects ($3.3 million).

Non-Stockpile Chemical Materiel Project (NSCMP): The FY 2003 budget request of $104.0 million provides for the following activities:

Program Management: The FY 2003 budget request of $5.3 million includes 19 work years of labor, awards and overtime ($1.9 million); base support ($0.2 million); other support and contractual costs which include travel, transportation, materials and supplies, equipment rentals ($0.3 million) and matrix support from U.S. Army Solider Biological and Chemical Command (SBCCOM) for 23 work years of labor (2.9 million).

Recovered Chemical Warfare Materiel: The FY 2003 budget request of $37.9 million consists of Aberdeen Proving Ground (APG) Munitions Assessment and Processing System (MAPS) system testing ($8.2 million); recovered CAIS operations at Fort Richardson, Alaska, permitting efforts, and Rapid Response System (RRS) crew sustainment ($7.6 million), systemization and preparation for assessment operation of CW materiel at Pine Bluff Arsenal (PBA) ($10.5 million); Engineering Design Studies (EDS) crew sustainment ($3.3 million), continued support to the assessment of recovered chemical weapons ($8.3 million) including Mobile Munitions Assessment System operations, Portable Isotopic Neutron Spectroscopy operations, Munitions Assessment Review Board meetings, destruction operation training, and U.S. Corps of Engineer and Technical Escort Unit support.

Miscellaneous Chemical Warfare Materiel: The FY 2003 budget request of $24.4 million consists of empty Ton Container destruction operations at Pine Bluff Arsenal ($13.3 million);

and chemical samples operations at APG, Deseret Chemical Depot (DCD), and Dugway Proving Ground (DPG) ($11.1 million).

Binary Chemical Warfare Materiel: The FY 2003 budget request of $1.9 million consists of RCRA permitting and integration support.

Former Production Facility: The FY 2003 budget request of $17.9 million consists of continued demolition efforts for former production facilities at Newport Chemical Depot and beginning planning efforts for the Pine Bluff Arsenal Integrated Binary Facility.

Programmatic Support Activities: The FY 2003 budget request of $16.5 million consists of project management activities such as public outreach ($1.5 million); program integration ($4.4 million); engineering support ($1.9 million); information management ($0.9 million); configuration management ($1.5 million); procurement and contract evaluation support ($0.6 million) and logistics, treaty, lessons learned and medical support ($1.5 million); regulatory requirements to support PEIS and NEPA documentation, and state regulatory review agencies ($2.0 million); programmatic training ($1.2 million); and programmatic support equipment such as munitions over packs for recovered chemical munitions ($1.0 million).

MILITARY CONSTRUCTION, ARMY

(In Thousands of Dollars)

FY 2003 Estimate	**$167,631**
FY 2002 Budget	**$177,500**
FY 2001 Actual	**$155,006**

Purpose and Scope

The Military Construction, Army appropriation provides funding for design and construction of full-scale chemical disposal facilities and associated projects to upgrade installation support facilities and infrastructures required to support the Chemical Demilitarization Program. These military construction requirements are not a part of the Chemical Agent and Munitions Destruction, Army (CAMD,A) appropriation, but are essential to the Chemical Demilitarization Program. Without these resources, the program cannot be executed as shown in this document. Therefore, this document provides requirements for the construction of chemical disposal facilities budgeted in the Military Construction, Army appropriation in order to provide a clear, non-fragmented accounting of the requirements necessary to meet the Congressional mandate.

Justification of Funds Required

The costs for facilities construction for each chemical disposal plant to be built are based on site-specific design criteria and depot infrastructure requirements. Included in these requirements are planning, acquisition, construction and other supporting activities in order to complete the Chemical Demilitarization Program as scheduled.

Funded Financial Summary
(In Thousands of Dollars)

The FY 2001, 2002 and 2003 total resource levels required to fully support the following facilities and depot support are shown below:

Location/Facilities	**FY 2001**	**FY 2002**	**FY 2003**
Construction	**Actual**	**Budget**	**Estimate**
AL, Anniston Chemical Agent Disposal Facility	7,800	0	0
OR, Umatilla Chemical Agent Disposal Facility	9,400	0	0
AR, Pine Bluff Chemical Agent Disposal Facility	43,600	26,000	0
CO, Pueblo Chemical Agent Disposal Facility	10,700	11,000	38,000
KY, Blue Grass Chemical Agent Disposal Facility	0	3,000	18,600
MD, Aberdeen Chemical Agent Disposal Facility	45,700	61,500	30,600
IN, Newport Chemical Agent Disposal Facility	34,006	61,000	61,494
MD, Munitions Assessment and Processing System (NSCMP)	3,100	0	0
AR, Pine Bluff Arsenal Fixed Facility (NSCMP)	0	0	18,937
Total Construction	**154,306**	**162,500**	**167,631**
Location/Support			
Depot Support			
MD, Aberdeen Proving Ground	0	0	0
IN, Newport Chemical Depot	0	0	0
KY, Blue Grass Army Depot	700	0	0
Total Depot Support	**700**	**0**	**0**
Planning and Design			
Pine Bluff, NSCMP	0	1,000	0
KY, Blue Grass Chem Agt Disposal Fac		6,000	
CO, Pueblo Chem Agt Disposal Fac	0	8,000	0
Total Planning and Design	**0**	**15,000**	**0**
Total Funded	**155,006**	**177,500**	**167,631**