FINDING OF SUITABILITY TO LEASE (FOSL)
ADMINISTRATIVE AREA

NIROP ROCKET CENTER, WV
ALLEGANY BALLISTICS LABORATORY

December 9, 1999

1.0 Introduction and Purpose

The Allegany Ballistics Laboratory (ABL) is, a government-owned, contractor-operated (GOCO) facility located in Mineral County, West Virginia, approximately nine miles southwest of Cumberland, Maryland. The ABL facility has been used since 1942 primarily for research, development, production, and testing of solid propellants and motors for ammunition, rockets, and armaments. Alliant Techsystems, Inc. (Alliant) currently operates ABL under a facilities use contract with the Naval Sea Systems Command (NAVSEA) as a research and development center and highly automated production facility for tactical propulsion systems and composite and metal structures. Alliant is a leading producer of tactical rocket motors, gas generators, and conventional warheads for the Department of Defense (DoD).

The ABL facility has been designated by the United States Environmental Protection Agency (EPA) as a National Priorities List (NPL) site under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601, *et seq.*, as amended. The Navy has undertaken significant study and cleanup at the ABL facility since its inclusion on the NPL and has entered into a Federal Facility Agreement (FFA) with EPA and the West Virginia Department of Environmental Protection that governs actions at the ABL facility taken under the Navy's Installation Restoration Program (IRP).

As part of the Navy's effort to reduce overhead and property ownership costs, NAVSEA plans to terminate the Alliant facilities use contract and enter into a commercial outlease of the Administrative Area at ABL. In preparation for this transaction, an Environmental Baseline Survey (EBS) was conducted in 1997 to document the environmental condition of the ABL facility.

The EBS Report serves as a basis for preparing a Finding of Suitability to Lease (FOSL). The purpose of the FOSL is to document the determination that the ABL Administrative Area can be leased for the intended use without an unacceptable risk to human health and the environment and without interfering with any existing or planned environmental restoration activities.

2.0 Property Description

ABL is a 1,634 acre facility that lies between the North Branch of the Potomac River on the north and west and Knobly Mountain on the south and east (See Fig. 1). This FOSL covers only the Administrative Area of ABL which occupies approximately 26.3 acres and is located between the Plant 1 industrial area and State Route 956 (See Figure 2).

3.0 Environmental Condition of the Property

A determination of the environmental condition of the ABL facilities has been made based upon the Final EBS Report (Baker, 1997). This section identifies the general process used to guide the classification of areas of property proposed for lease into one of four categories based upon the environmental condition of the property (ECP). The actual classification of any portion of property has been based on both the information provided during the EBS and the physical observation of the property.

As part of the property classification, all existing information regarding the storage, release, or disposal of hazardous substances or petroleum products on the property proposed for lease has been reviewed to the extent practicable. The ECP classification provides an accurate "snapshot" of relevant aspects of the environmental condition of the property in support of the property lease. The ECP classification also provides the basis for determining the suitability for leasing the property. The following categories have been be used for classification purposes:

- Category 1 - Areas where no release or disposal of hazardous substances has occurred.

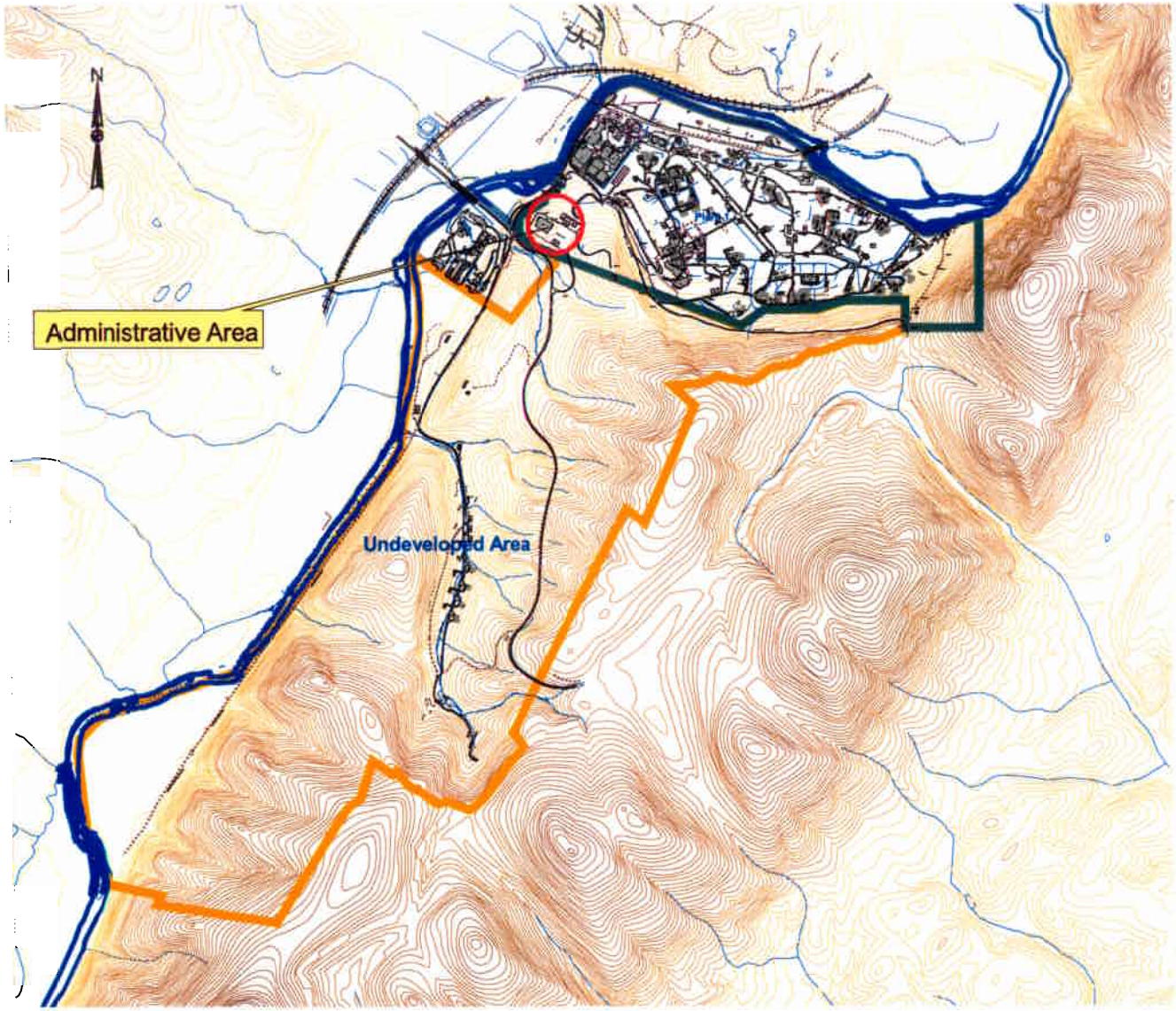
- Category 2 - Areas where either (a) release of hazardous substances has occurred, but at concentrations that do not require a removal or remedial response, or (b) release or disposal of hazardous substances has occurred, and all removal or remedial actions to protect human health and the environment have been taken.

- Category 3 - Areas where release or disposal of hazardous substances has occurred, and removal or remedial actions are underway, but all required remedial actions have not yet been taken.

- Category 4 - Areas where (a) a release of hazardous substances has occurred, but required actions have not yet been initiated or implemented or (b) unknown areas.

It should be noted that ASTM PS-37 identifies seven potential property classifications. However, the seven classifications have been condensed into the four basic categories discussed above. These four categories encompass all of the requirements provided in the seven categories and will provide a simple understanding of the environmental condition of property.

The majority of the Administrative Area property is classified as Category 1 with one exception. Building 300 is classified as Category 2a due to the former presence of a UST (SWMU 57) that



Map Legend

Activity Boundary
- Plant 1
- Plant 2
- Undeveloped Area

Roads
- PAVED
- DIRT
- BRIDGE
- Railroads

Hydrography (Rivers, Streams, Ditches)
- North Branch Potomac River
- Other streams and drainage ditches

Regional Topography
- 0
- 0 - 760
- 760 - 940
- 940 - 1160
- 1160 - 1380
- 1380 - 1560
- 1560 - 1740
- 1740 - 1980
- 1980 - 2280
- 2280 - 2580

FIGURE 1
Site Location Map

Allegany Ballistics Laboratory
Rocket Center, WV

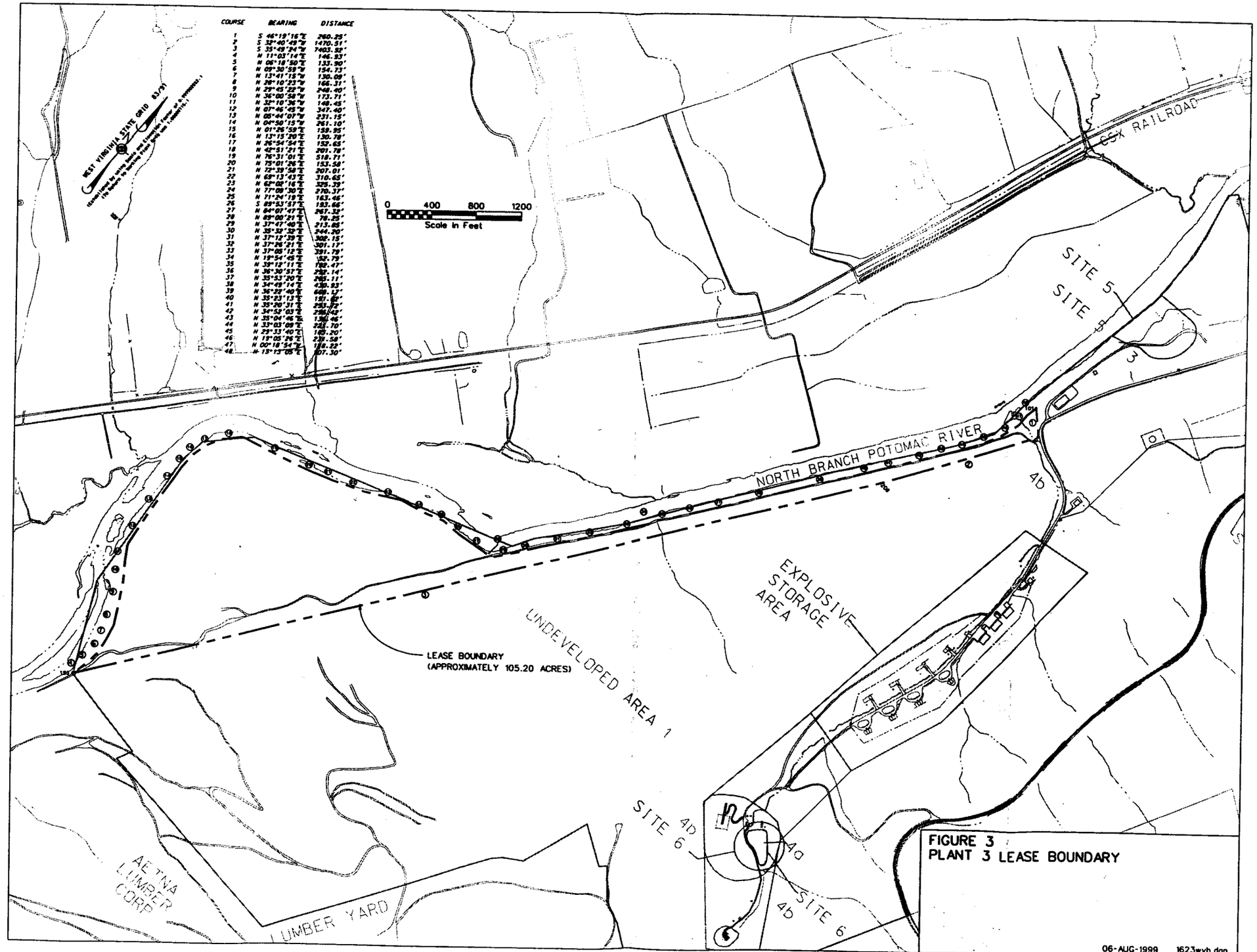


FIGURE 3
PLANT 3 LEASE BOUNDARY

was removed in 1991. Two additional SWMUs including a silver recovery unit (SWMU 28) and a dust collector/baghouse (SWMU 29 J) were removed during building renovations conducted in 1999. The EPA and WVDEP have agreed that no further action is necessary at any of these SWMUs.

4.0 ENVIRONMENTAL PROTECTION LEASE PROVISIONS

Based on the EBS Report and other environmental investigations for the ABL property and in consideration of the intended use of the subject property, although no significant environmental problems have been identified at the Administrative Area it is nevertheless necessary to include certain terms, restrictions and notifications in the lease due to the National Priorities List (NPL) status of the entire ABL property and the potential for any unknown contamination. Attachment (1) provides requirements regarding environmental provisions and future use of the property that must be addressed in the terms of the lease. The provisions are necessary to ensure that there will be no unacceptable risk to human health and the environment, that there will be no interference with ABL missions or to the ongoing IRP efforts at ABL, and to ensure that regulatory requirements for the IRP and other compliance programs are met. Although Attachment (1) does not include specific lease provisions, the terms of the lease should adequately address the conditions set forth therein.

5.0 FINDING OF SUITABILITY TO LEASE

Based on the EBS Report, the references cited therein and further information set out above, I have concluded that all Department of the Navy and Department of Defense requirements to reach a Finding of Suitability to Lease have been fully met for the subject property. The subject property is suitable to lease for the intended purpose without posing an unreasonable risk to human health and the environment and without interference with the environmental remediation process at ABL, provided that the lease adequately incorporates the conditions set out in Attachment (1),. Notifications of hazardous substance storage, release, and disposal on the property must be provided in the lease documents.

J.R. Bailey

12/09/99

J. R. Bailey, P.E.
Head, Environmental Support Branch
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Date

Attachment (1)

ABL Administrative Area FOSL
Environmental Protection Lease Conditions

1. The Lease must 1) provide notice that the Premises are part of real property that has been designated by the United States Environmental Protection Agency (EPA) as a National Priorities List (NPL) site under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601, *et seq.*, as amended; 2) indicate that the Government has provided the Lessee a copy of the ABL Federal Facility Agreement (FFA) entered into by EPA, the West Virginia Department of Environmental Protection and the Navy and will provide the Lessee any amendments thereto; and 3) indicate that if there is a conflict between the Lease and the ABL FFA regarding Navy obligations or use of the Premises, the terms of the FFA shall govern and the Navy may act to ensure compliance with the terms of the FFA. NAVSEA should provide the Lessee with a copy of the FFA and any future amendments thereto.

2. The Lease must provide that the Lessee will not conduct or allow to be conducted on the Premises any operations or make or allow to be made any alterations that would unreasonably interfere with or otherwise restrict the actions of the Navy, EPA or WVDEP, or their respective contractors, necessary to fulfill the terms of the FFA, the requirements of the Navy Installation Restoration Program or any other environmental investigatory or response requirements.

3. The Lease must provide that the Lessee will not undertake any alterations, additions, excavations, improvements to, installations upon or otherwise modify or alter the areas of the Premises associated with the Installation Restoration Program without written approval by the Navy Remedial Project Manager for ABL.

4. The Lease must provide that upon being provided reasonable advance notice by the Government, the Lessee will not interfere with the ability of the Government, its agents or contractors to establish and maintain, for the purposes of future environmental investigations and response or remedial activities, certain designated areas on the Premises for, but not limited to, monitoring and response or remediation, well sites and related sampling stations, decontamination facilities and treat ability study sites. The Lease also must provide that the Government may establish secured areas to allow for the initiation and completion of all necessary response or remedial activities to address contaminated areas on the Premises. The Lease may provide that the Government will use its best efforts to establish such designated or secured areas in non-intrusive portions of the Premises where practicable and that the Government will use its best efforts not to interfere with the Lessee's use of the Premises.

5. The Lease must provide the authority for the Government, EPA and WVDEP, and their officers, agents, employees, contractors and subcontractors, upon reasonable notice to the Lessee, to enter upon the Premises for the purposes enumerated below and for such other purposes consistent with the provisions of the FFA and the requirements of the Navy

Installation Restoration Program: 1) to conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, test pitting, testing soil borings and other activities related to the DoN Installation Restoration Program and the FFA; 2) to inspect field activities of Government and its contractors and subcontractors in implementing the Installation Restoration Program and the FFA; 3) to conduct any test or survey required by EPA or WVDEP related to the implementation of the Installation Restoration Program and the FFA or environmental conditions at the Premises or to verify any data submitted to EPA or WVDEP by the Government relating to such conditions; or 4) to construct, operate, maintain or undertake any other response or remedial action as required or necessary under the Installation Restoration Program and the FFA, including but not limited to monitoring wells, pumping wells and treatment facilities.

6. The Lease must provide that the Lessee will comply with the provisions of any health or safety plan in effect under the Installation Restoration Program or the FFA during the course of any of the above-described actions.

7. The Lease must provide that the Lessee will notify the Government in writing within 30 days after confirming the existence of any previously unidentified environmental condition at the Premises resulting from past Government activities that suggests a response action is necessary, or, within 30 days after receiving notice of a claim by Federal, State or local regulators, or other third parties, of the existence of any condition at the Premises that suggests a response action is necessary.

8. The Lease must provide that if the Lessee or any sublessee is served with a complaint or written notice of a claim by Federal, State or local regulators, the served party will provide the Government with a copy of such document no later than 15 days following service of such document; furnish the Government copies of pertinent papers the Lessee and any sublessee receives; and provide, upon written request of the Government, reasonable access to the records and personnel of the Lessee and any sublessee for purposes of defending or resolving the need for additional action.

9. The Lease must provide that in the event that an environmental condition is discovered on the Premises that creates, in the Government's determination, an imminent and substantial endangerment to human health or the environment that has not been and cannot be abated or otherwise adequately addressed, and notwithstanding any other termination rights and procedures contained in the Lease, at the Government's option the Lease may be terminated as to the areas of the Premises affected by such condition, and that the Lessee will vacate, or require any sublessee to vacate, the subject areas of the Premises immediately upon notice from the Government of the existence of such a condition and the requirement to vacate the subject areas.

10. The Lease must provide that in the event of any sublease or assignment of this Lease, the Lessee will provide to the Government and EPA by certified mail a copy of the agreement or sublease of the Premises (as the case may be) within 14 calendar days after the effective date of such transaction. The Lessee may delete the financial terms and any other proprietary information from the copy of any agreement of sublease furnished pursuant to this condition.

11. The Lease must provide that notwithstanding any other rights granted in the Lease, the Lessee's use of the Premises must be consistent with any property use restrictions identified in existing or future CERCLA Records of Decision (RoDs) for ABL issued by EPA and the Navy. NAVSEA should ensure that the Lessee is provided a copy of all existing and future RODs.

12. Lead-Based Paint Conditions

Although B 300 was completely reconstructed from the foundations up in 1999, it is the only building at the ABL Administrative Area originally constructed prior to 1978. Due to the potential for lead based paint in buildings built prior to 1978, the Lease must include a notice that: 1) the Premises do not contain residential dwellings and are not being leased for residential purposes; 2) lead from paint, paint chips, and dust can pose health hazards if not managed properly; 3) the Premises may present exposure to lead from lead-based paint that may place young children at risk of developing poisoning; and 4) lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory.

The Lease must include notice that available information concerning known lead-based paint and/or lead based paint hazards, the location of lead-based paint and/or lead-based paint hazards and the condition of painted surfaces is contained in the EBS Report (Baker, 1997) that has been provided to the Lessee. Additionally, NAVSEA should provide the Lessee with a copy of a federally approved pamphlet on lead poisoning prevention. The Lease must state that the Lessee has been provided a copy of the EBS and pamphlet.

NAVSEA should provide the Lessee the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards prior to execution of this Lease, and the Lease should state that this option was offered to the Lessee.

The Lease must prohibit the use of any buildings or structures on the Premises for residential habitation without first obtaining the written consent of the Navy and provide that as a condition of its consent the Navy may require the Lessee to: 1) inspect for the presence of lead-based paint and/or lead-based paint hazards in and around buildings and structures on the Premises; 2) abate and eliminate lead-based paint hazards in accordance with all applicable laws and regulations; 3) comply with the notice and disclosure requirements under applicable Federal and State law; and 4) assume responsibility for any future remediation of lead-based paint found to be necessary on the Premises.

The Lease must state that: 1) the Government assumes no liability for remediation or damages for personal injury, illness, disability, or death, to the Lessee, its successors or assigns, sublessees or to any other person, including members of the general public, arising from or incident to possession and/or use of any portion of the Premises containing lead-based paint as residential housing; 2) the Lessee agrees to indemnify and hold harmless the Government, its officers, agents and employees, from and against all suits, claims, demands

or actions, liabilities, judgements, costs and attorney's fees arising out of, or in any manner predicated upon, personal injury, death or property damage resulting from, related to, caused by or arising out of the possession and/or use of any portion of the Premises containing lead-based paint as residential housing; 3) the obligations of the Lessee shall survive the expiration or termination of the Lease and any conveyance of the Premises to the Lessee; and 4) the Lessee's obligation shall apply whenever the Government incurs costs or liabilities for actions giving rise to liability related to lead-based paint.