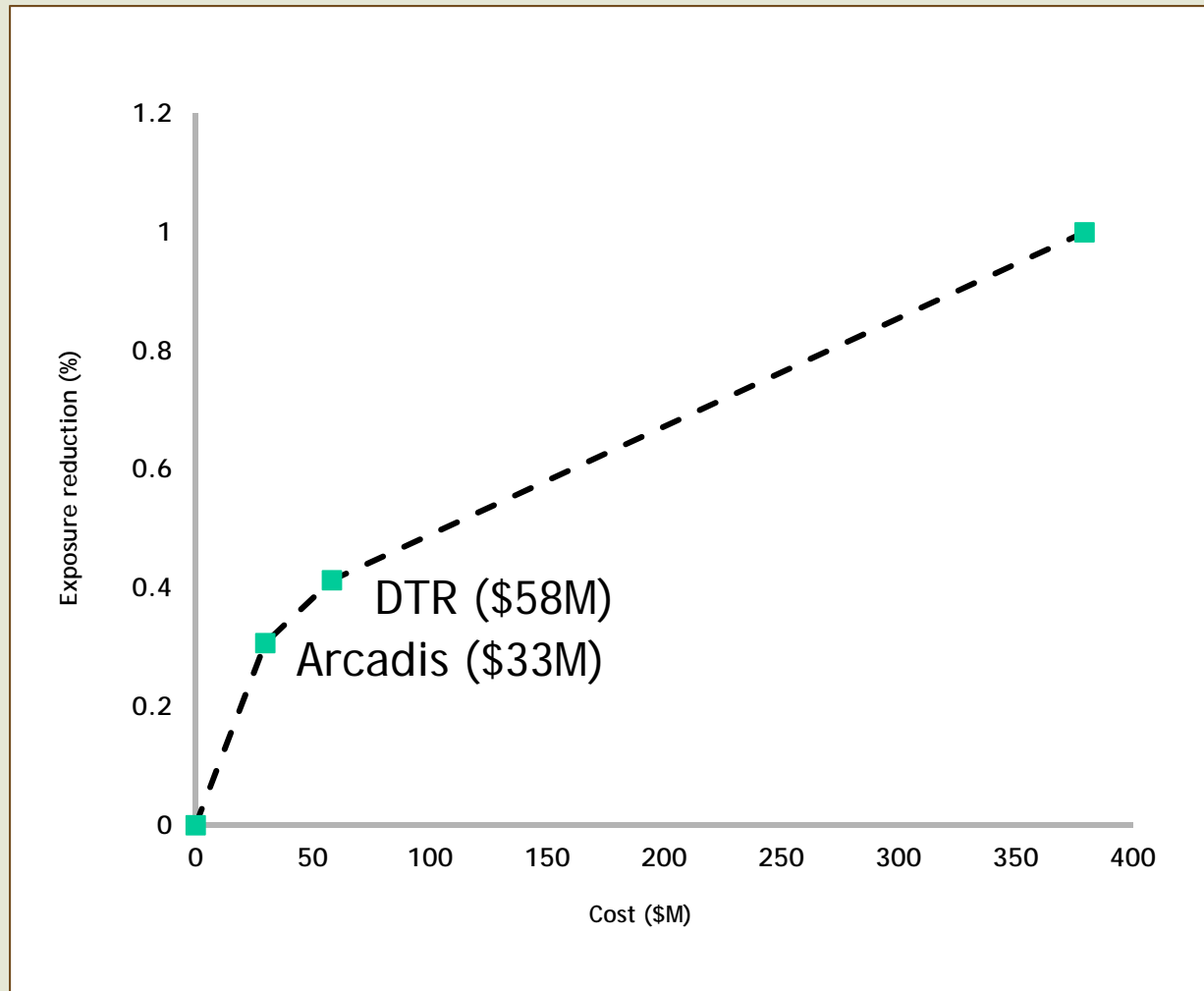


Economic Feasibility

“Economic feasibility is an objective balancing of the incremental benefit of attaining further reductions in the concentrations of constituents of concern as compared with the incremental cost of achieving those reductions.”
(Resolution 92-49).



Cost-Effectiveness Scenarios



BAE Systems San Diego Ship Repair Inc.



NASSCO

BAE Systems Current Leasehold

DTR § 31.2 - Comparison of Incremental Cost versus Incremental Benefit



“**The highest net benefit per remedial dollar spent occurs for the first \$24 million** (12 polygons), based on the fact that **initial exposure reduction is 16 to 13 percent per \$10 million spent**. Beyond \$24 million, however, exposure reduction drops consistently as the cost of Remediation increases. Exposure reduction drops to **7 percent or below per \$10 million spent after \$33 million** and below **3 percent after \$102 million**. Based on these incremental costs versus incremental benefit comparisons, **cleanup to background sediment quality levels is not economically feasible.**”

- See Cleanup Team’s 9/15/2011 Revised DTR Page 31-4

- Goals

- Water and Sediment

- Acknowledges variability of measurements
 - Compare chemical concentrations in remediated area with 120% of background levels

Post-Remedial Monitoring



- Goals – remaining chemical concentrations will not unreasonably affect Bay beneficial uses
- Evaluate Triad and bioaccumulation
- Trigger concentrations will be used to evaluate if cleanup levels achieved
- Trigger concentrations recognize sediment chemical concentrations cannot be measured with absolute accuracy and addresses natural and sampling variability
- Safety net – if trigger concentrations exceeded, investigation and report follows. Water Board, not dischargers, identifies future action