

**MEMORANDUM FOR Commanders and Directors, Major Subordinate Commands,  
Laboratories and Field Operating Activities**

**SUBJECT: Clarifying Policy on Use of Operations and Maintenance (O&M) Defense  
Environmental Restoration Program (DERP) Flat Rate**

1. The purpose of this memorandum is to clarify use of the O&M DERP flat rate.
2. The need to publish clarifying guidance on the use of the O&M DERP flat rate has arisen as a result of Corps of Engineers Financial Management System (CEFMS) conversions. Because CEFMS is hard coded to apply the appropriate flat rate based on appropriation information, it stops users from initially applying inappropriate rates. The Corps of Engineers Management Information System (COEMIS) has allowed users to select the flat rate of their choice, leaving room for error. After conversion, some users discovered they had been inaccurately applying the O&M DERP rate when they should have been applying the regular O&M or MILCON flat rates.
3. We understand how this situation occurred, since the guidance published to date is not clear on which rate should be applied when performing Hazardous Toxic and Radioactive Waste (HTRW)/Ordinance Explosive Waste (OEW) activities. Following are specific guidelines for using the O&M DERP flat rate.
4. There are four pillars of environmental work i.e., compliance, conservation, pollution prevention and restoration. Of these four pillars only the **restoration** piece is authorized to be performed at the higher O&M DERP flat rate. The other three pillars, compliance, conservation, and pollution prevention are to be performed at the regular O&M flat rate. This guidance applies regardless of the service providing the funds i.e., Army, Air Force, DLA or any other DOD agency or the manner in which the Corps receives the funds i.e., direct or reimbursable.
5. The same guidance concerning the pillars of environmental work are to be applied upon receipt of Base Realignment and Closure (BRAC) funds. For example, if BRAC environmental **restoration** funds are received, then the O&M DERP rate should be applied to construction activities. If compliance, conservation or pollution prevention BRAC funds are received, then the MILCON flat rate is applicable for construction.

**CERM-P/CEMP-RA**

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6. Attached at the enclosure is a listing of the major environmental appropriations and applicable flat rates. The listing is not all inclusive.

7. POCs are George Levar, CEMP-RA, at 202-761-4878 and Susan Turek, CERM-P, at 202-761-1860.

**FOR THE COMMANDER:**

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Encl

**OTIS WILLIAMS  
Colonel Corps of Engineers  
Chief of Staff**

**Environmental/BRAC Appropriations  
and  
Applicable Flat Rates  
(Updated 19 Dec 97)**

The flat rates in the following table apply to funds received both direct and reimbursable.

<u>Title/Description</u>	<u>Appropriation</u>	<u>AMS/Program/ Budget Activity</u>	<u>Flat Rate</u>
Restoration	2020 Army	493008.0	O&M DERP
Conservation	2020 Army	438853.Z	O&M
Pollution Prevention	2020 Army	438854.Z	O&M
Compliance	2020 Army	438856.Z	O&M
Compliance	2040 RDT&E	665856.*	O&M
BRAC I	2050 Mil Cons	360000.0	MILCON
BRAC 91	2050 Mil Cons	380000.0	MILCON
Restoration	2065 Natl Guard	515000.0	O&M DERP
Conservation	2065 Natl Guard	515853.Z	O&M
Pollution Prevention	2065 Natl Guard	515854.Z	O&M
Conservation	2080 Army Res	515953.Z	O&M
Pollution Prevention	2080 Army Res	515954.Z	O&M
Compliance	2080 Army Res	515956.Z	O&M
Compliance	7025 Army FH	192268.0 192488.0 192588.0	O&M
Restoration	0103 BRAC Army limit 1101	BA 60 or 61	O&M DERP

<u>Title/Description</u>	<u>Appropriation</u>	<u>AMS/Program/ Budget Activity</u>	<u>Flat Rate</u>
Restoration	0103 BRAC AF limit 1102	BA 7**	O&M DERP
Construction, P&D, Preservation, Program Management, etc.	0103 BRAC Army limit 1101	BA not equal to 60 or 61	MILCON
Construction, P&D, O&M, Environmental Compliance, etc.	0103 BRAC AF limit 1102	BA not equal to 7**	MILCON
Restoration	0510 BRAC Army limit 1101	BA 60 or 61	O&M DERP
Restoration	0510 BRAC AF limit 1102	BA 7**	O&M DERP
Construction, P&D, O&M, Environmental Compliance, etc.	0510 BRAC AF limit 1102	BA not equal to 7**	MILCON
Reservation, Program Management	0510 BRAC Army limit 1101	BA not equal to 60 or 60	MILCON
Restoration	3400 Air Force	Program 78008	O&M DERP
Pollution Prevention	3400 Air Force	Programs 11854 28854 78054 87754	O&M
Compliance	3400 Air Force	Programs 11856 31156 41856 78056 87756	O&M

<u>Title/Description</u>	<u>Appropriation</u>	<u>AMS/Program/ Budget Activity</u>	<u>Flat Rate</u>
Conservation	3400 Air Force	Programs 11853 28853 41853 87753	O&M