

PEP-ENVIRONMENTAL COMPLIANCE MEMORANDUM NO. ECM 30-1

To: Heads of Bureaus and Offices

From: Michaela E. Noble, Director
Office of Environmental Policy and Compliance

Subject: Policy and Procedures for Prioritization of Environmental and Disposal Liability (EDL) Sites

The Office of Environmental Policy and Compliance (OEPC) is issuing this Environmental Compliance Memorandum (ECM) under the authority provided by 381 Departmental Manual Chapter 4.5B to convey instructions and guidance through the Environmental Memoranda Series. This ECM establishes the procedures for bureaus to follow to prioritize their environmentally contaminated sites and report the prioritization results. This prioritization procedure meets the objective of ranking the entire Department of the Interior's (Department) contaminated sites and identifying the most critical sites. The procedure nationally ranks the Department's contaminated sites as Priority 1, 2, or 3.

OEPC and the Office of Financial Management (PFM) manages the Environmental and Disposal Liability (EDL) process for the Department. The *Environmental and Disposal Liabilities Identification, Documentation and Reporting Handbook v3.0* was issued by the Department in December 2011 (originally in v.1.1, March 2008) to provide a consistent approach for identifying, estimating and reporting contingent environmental liabilities across the bureaus. To facilitate EDL management, OEPC developed and maintains the Environmental Database to record and track these liabilities. This database is the Department's inventory of contaminated sites that are known or suspected of posing an unacceptable risk to human health or the environment. The database captures sufficient information for the Department to assess the type of contamination present on Department-controlled lands, and the progress of their cleanups. The Department has determined that additional information is needed from the bureaus to assure that the Department's most critical sites are being addressed. To accomplish this, all bureaus must rank and prioritize their contaminated sites that are tracked within the Environmental Database. The database fields for this effort will be online by March 30, 2008. Bureaus will initially enter this data in the database by the end of September 30, 2008, and then annually update by the end of each fiscal year.

Bureaus may continue to use their existing ranking process as long as they incorporate the Department's key elements which include consideration of human health and environmental risk and legal factors. Bureaus that are without a ranking process, or with processes that are missing the Department's key elements, must either develop a compliant ranking process or use the Department's EDL ranking tool. This will result in an ordinal (numerical) ranking of sites for each

bureau. Bureaus will then categorize their sites as either a Priority 1, 2, or 3 based on liability status and document their justifications within the Environmental Database. OEPC reviews this database on a quarterly basis and will use this information to determine which sites are of the highest priority to the Department.

Attachments

Attachment 1: Procedures for Environmental and Disposal Liability (EDL) Site Prioritization

Step 1 - Numerical Ranking Process – Bureaus must rank their sites based on the key elements of consideration of human health and environmental risk, and legal factors. This will result in all sites being ranked in an ordinal fashion.

Step 2 - Categorize Sites as Priority 1, 2, or 3 - Based on the bureaus' ranking results, the bureaus will categorize their EDL sites as Priority 1, Priority 2, or Priority 3. Priority 1 sites will represent the highest priority sites based on potential risk. The bureaus will provide OEPC a brief description for their categorization based on their ranking process.

Step 3 - Verify Financial Liability Status - Bureaus will verify that Priority 1 sites have a corresponding *probable* liability status. Priority 1 sites that are not *probable* would require a defensible reason (e.g., a legally-binding agreement with a responsible party conducting the cleanup, including bureau oversight costs) documented in the Environmental Database. Central Hazardous Materials Fund (CHF) sites should have a high rank and a corresponding *probable* liability, with a few exceptions due to responsible party agreements. Other high rank sites (non-CHF sites) should also have a *probable* liability.

Low rank sites should have a *reasonably possible* or *remote* liability status (recognizing exceptions as cited above).

Step 4 - Document Prioritization Results – Bureaus will document the numerical ranking result and prioritization category for each EDL site in the Department's Environmental Database. High ranked sites that do not have a corresponding *probable* liability must have a defensible reason for the lower liability status documented in the Environmental Database. Bureaus will be required to add or revise this information (i.e., three fields of data – priority, rank score, and description, if applicable) in the EDL Database by 4th quarter of each fiscal year.

This prioritization system is a department management tool. Although it will reside in the EDL database, it is not part of the environmental contingency liability process. Therefore it is not subject to review by financial auditors. Questions regarding the EDL prioritization process should be directed to OEPC, Environmental Cleanup and Liability Team, Ms. Emily Joseph, 202-208-5303.

Attachment 2: Department of the Interior Ranking Tool for Environmental and Disposal Liabilities

This ranking tool can be used by bureaus that do not have a ranking process in place or can be modified to meet bureau specific requirements with the Department’s approval. This ranking tool pertains to sites that are already identified as an EDL. Sites that are Locations of Concern (LOC) are not to be included. Based on the total score that each site receives, the sites will then be ranked Priority 1, 2, or 3. Sites falling within the 61-100 range are Priority 1. Sites that fall within the 21-60 range are Priority 2. Sites that fall within the 0-20 range are Priority 3.

No.	Ranking Criteria	Yes/No	Score
1	Is the site within ¼ mile of residences or a school; or is the site heavily visited by visitors? (10)		
2	Does the contaminate pose a significant threat to a surface water body or direct access a groundwater aquifer used for drinking water? (10)		
3	Is the site threatened by a contaminate known to be a carcinogenic or toxic substance? (15)		
4	Is there evidence or reason to believe that contamination is migrating or may migrate off bureau-controlled land? (10)		
5	Can the contamination be cleaned up in a single field effort? (8)		
6	Is the site on EPA’s National Priorities list? (10)		
7	Is the site on the Federal Agency Hazardous Waste Compliance Docket (Federal Docket)? (6)		
8	Is the cleanup of the site a State priority? (6)		
9	Is the cleanup of the site a bureau priority? (5)		
10	Are interagency agreements, settlement agreements, or other legally-binding documents; a court decision; or administrative order for cleanup actions on bureau-controlled land in place? (15)		
11	Is cleanup (including study) actively underway? (5)		
		Total score:	