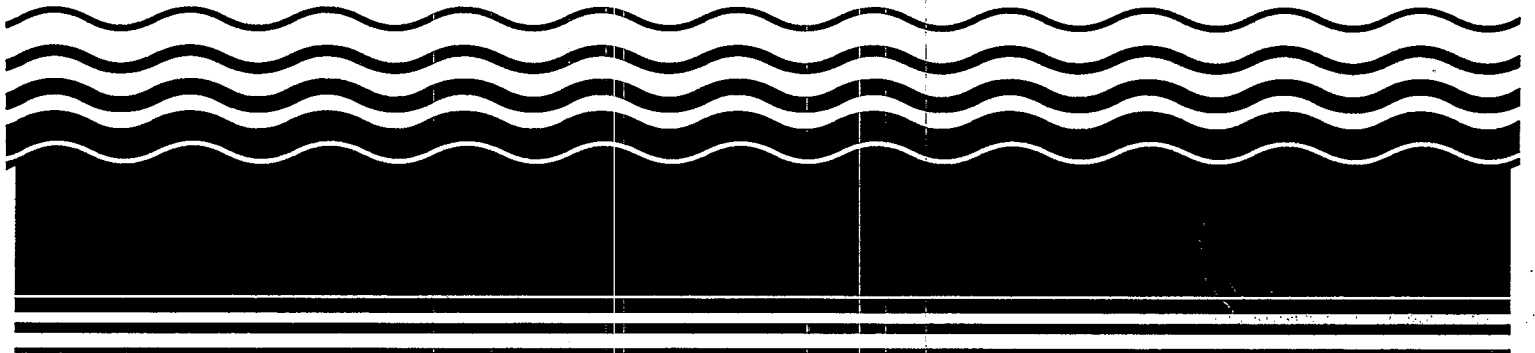
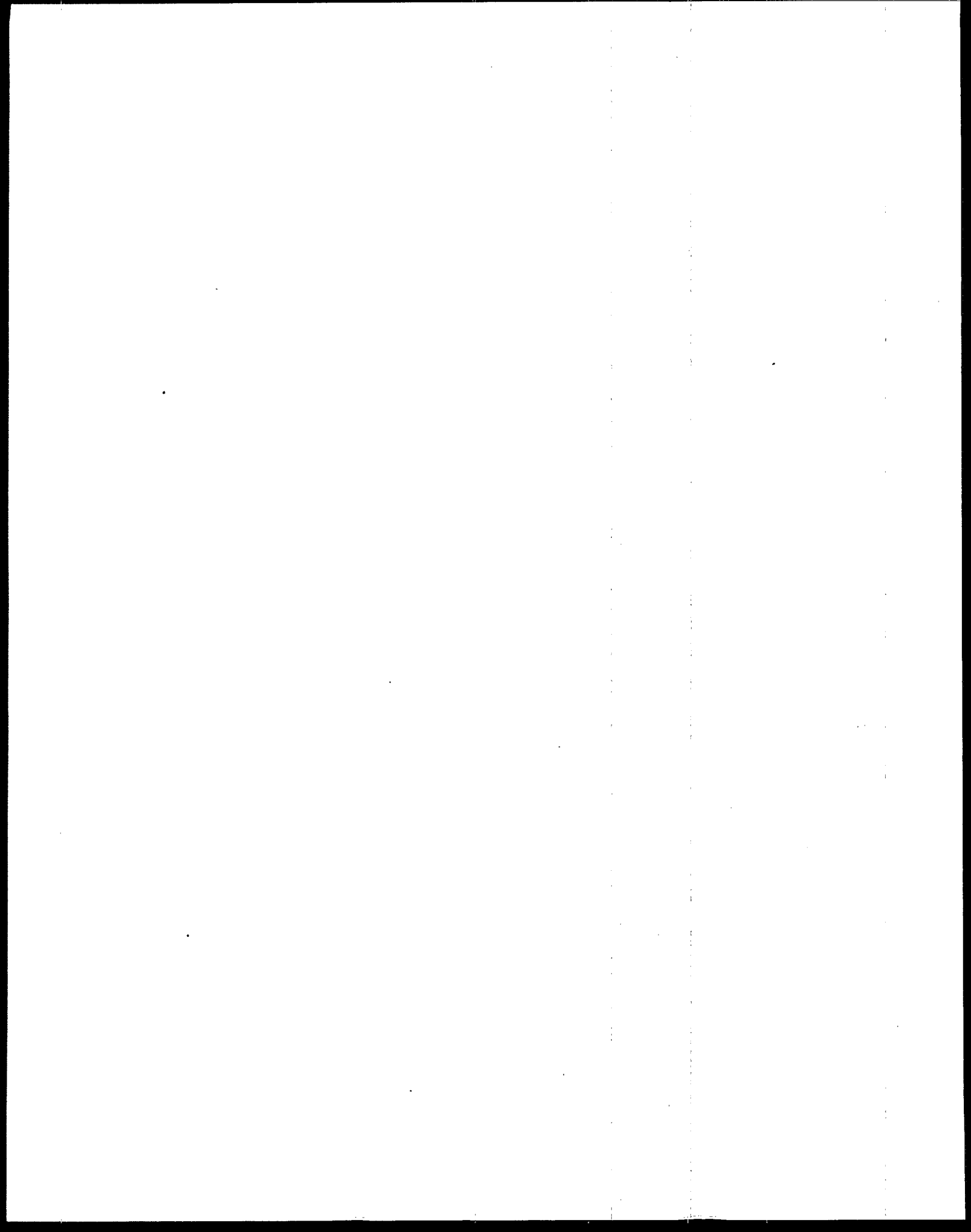

Superfund



Synopsis: Superfund Administrative Reforms Annual Report

Fiscal Year 1996





SYNOPSIS:

SUPERFUND
ADMINISTRATIVE REFORMS

ANNUAL REPORT
FISCAL YEAR 1996



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MAJOR ACCOMPLISHMENTS

Fundamentally Different: How EPA Has Changed Implementation of the Superfund Program

INTRODUCTION

For several years, EPA has been reforming the Superfund program to make it work faster, fairer, and more efficiently. While EPA has been working with Congress to make legislative changes, it also has fundamentally changed the program by implementing a series of far-reaching reforms.

These changes have improved the functioning of a program that addresses thousands of abandoned sites throughout the country. Chemical and radioactive wastes at such sites threaten nearly 70 million Americans – including more than 10 million children – who live within four miles of a Superfund site.

The highlights of EPA's comprehensive effort to restructure Superfund are summarized below. A more detailed description of the status of EPA's reform effort is provided in the attached Annual Report.

THE SUPERFUND PROGRAM TODAY

The collection of initiatives known as "Superfund reforms" has produced basic, permanent changes in the Superfund program, ranging from national programmatic changes to changes impacting individual sites at every stage of the cleanup and enforcement processes. Reforming Superfund has been a continuous process – EPA piloted changes, learned from them, and, where they were successful, made them part of the program. EPA developed these reforms after consideration of the differing perspectives of the various stakeholders in the Superfund process. By listening and responding to these perspectives, changes have been made to the Superfund process that speed it up, reduce costs, and make it fairer. These changes affect the entire process – stretching from the very beginning (when a site is first assessed), to the very end (when construction is completed and any enforcement is concluded).

As a result of Superfund reform, EPA's internal decision-making processes make more sense. The Agency has taken a number of steps to ensure that Federal Superfund resources and protections are focused in the right places. The Agency is prioritizing

cleanups so that the sites posing the worst environmental and health problems are addressed first. EPA is deleting cleaned up portions of sites from the National Priorities List (NPL) instead of waiting for the whole site to be cleaned up so that these sites will not suffer from any limitations imposed by identification as a Superfund site. EPA deleted over 27,000 sites from its inventory of all potential hazardous waste sites in instances where no further response activity is planned for the site. EPA also will encourage comparable State voluntary programs to handle sites that do not rise to the level of Federal attention.

When a site does merit a Federal response, the process for selecting the response is faster and less costly. When determining the risk posed by the site, EPA incorporates the most recent information and reasonable assumptions in its risk-based and remedial decisions. Assumptions regarding current and future land use are developed in conjunction with the affected community. After determining the risk posed by the site, EPA must consider various remedies to address the risk. In conjunction with States and communities, EPA is coordinating the selection of better, more cost-effective remedies. Where EPA has accumulated a body of experience in addressing a particular type of site, it has identified standardized remedies known as "presumptive remedies" to eliminate the need for costly studies and processes that are likely to yield the same choices.

In selecting the right remedy for a particular site, EPA clarified the role that cost plays in affecting that decision. To ensure that costs are given an appropriate role in remedy selection, EPA established a panel of national experts to review high cost remedies. Where a remedy selected in the past may merit reconsideration based on new technological developments, EPA is revising these remedies to ensure that the most cost-effective remedies are considered. The Agency's track record on future cost reductions at every step of the way is remarkable — money is being saved by reviewing remedy selection, updating remedy decisions, applying presumptive remedies, and implementing remedies selected with community participation. Just from the initial implementation of these most recent reforms alone, over \$400 million in reduced future cleanup costs will be achieved.

The enforcement process has also been transformed into a fairer process that results in reduced transaction costs. EPA continues to emphasize "Enforcement First" — using its enforcement authority to assure that viable private parties that created hazardous wastes are held responsible for cleaning them up, so that the Superfund is reserved for truly "orphaned" sites. More than 70% of long-term cleanup actions are now financed by responsible parties. EPA's implementation of this approach, however, has included efforts to enhance equitable treatment for all parties. EPA does not pursue parties whose contribution of waste to the site is extremely small, since the transaction costs these parties would incur in defending themselves would easily exceed whatever minimal contribution they may be expected to make. Parties with slightly larger contributions

(known as *de minimis* parties) are routinely offered cashout settlements early in the process to limit their transaction costs and give them the assurance of being protected from any further involvement at the site. Over 14,000 of these parties have taken advantage of these settlement opportunities to date.

The remaining parties, who bear a larger burden of responsibility at these sites, have also benefited from the enforcement reforms. Where there are parties that are no longer in business or without assets, EPA provides compensation for a portion of those parties' share at sites where the remaining parties agree to perform the work. This past year, EPA offered to compromise over \$57 million at various sites to increase fairness for those parties agreeing to perform cleanups. To reduce the transaction costs that are often incurred where parties cannot agree on what share each party should bear, EPA is testing an allocation process where a neutral party determines each party's share of responsibility and EPA offers settlements to parties based on that allocation. Although these test cases have not been concluded, the Agency has already learned valuable lessons that are already impacting its enforcement process. In addition, EPA has established and utilized interest-bearing "special accounts" to ensure that settlement funds are dedicated for use in achieving cleanup at a specific site. Lastly, where potentially responsible parties (PRPs) have demonstrated their capability and cooperativeness in performing site cleanup, EPA will significantly reduce oversight, and thereby reduce the costs of cleanups, for cooperative responsible parties.

Superfund reforms also have focused the Agency's attention on promoting redevelopment of abandoned and contaminated properties across the country. The Agency has aggressively pursued policies to promote sensible redevelopment of "Brownfields" — those abandoned, idled, or under-used industrial and commercial areas across the country where expansion or redevelopment is complicated by real or perceived environmental contamination. EPA is providing grant money to 76 communities to develop strategies to revitalize local brownfield sites. EPA is stimulating the purchase of property for redevelopment by expanding the opportunity for more agreements promising not to sue those purchasers for any contamination present at the time of purchase. For many parties who may own property that is part of a Superfund site (but they have very little, if any, link to the contamination) EPA stated its intention not to pursue these types of parties. For example, EPA issued policies describing the circumstances under which it will not take enforcement actions for cleanup work or costs against various parties, such as residential homeowners. EPA has had great success restoring contaminated residential properties, working with homeowners to remove contaminants frequently found in residential areas. Additionally, in a recent study of how sites were being re-used, EPA found that of the first 191 construction completion sites, 80 were already in economic reuse in 1995 and 44 additional sites are in some non-economic reuse (e.g., floodplains, wetlands, green space, permanent waste management). These are just a few of the highlights of EPA's extensive Brownfields initiative.

The rest of this document elaborates on this "thumbnail" portrait of how reforms have changed the Superfund program. Only highlights are furnished, since more extensive details are set forth in the Annual Report itself.

MORE EFFICIENT CLEANUPS

Setting Priorities for Cleanups

To ensure that available funds are directed to the highest priority response projects on a *national* basis, EPA established a National Risk-Based Priority Panel (Panel) in August 1995. Prior to this reform, individual Regions established the relative priority of their cleanup projects which were then funded on a first-come, first-served basis. This reform established a national priority system to fund cleanups based on the principle of "worst problems first." The Panel evaluates proposed cleanup actions, looking at the following factors: risks to humans and the ecology; stability and characteristics of contaminants; and economic, social and program management considerations. With the exception of emergencies and the most critical removal actions, cleanup projects are generally funded in order of priority based on the recommendations of the Panel. By early 1997, the panel had ranked projects approaching \$1 billion in cleanup costs.

Getting PRPs "Into the Act"

High quality risk assessments can often be performed faster and cheaper by PRPs under EPA's supervision, saving taxpayer money and accelerating the pace of cleanup. In January 1996, EPA issued a directive encouraging the performance of Superfund site risk assessments by PRPs in appropriate cases. Eight Regions have now identified Superfund sites for PRP-led risk assessments.

FASTER CLEANUPS

In FY92, EPA established a goal of achieving 395 toxic waste cleanups (or construction completions) at NPL sites by the end of FY96. On October 15, 1996, the Administrator announced the completion of 410 Superfund toxic waste site cleanups. EPA has set a record pace for cleaning up Superfund sites -- cleaning up more toxic waste sites in the past three-and-a-half years than were completed in the previous 12 years of the Superfund program. At the Lord-Shope Landfill near Erie, Pennsylvania (the 400th site to be cleaned up) parties used innovative technology to remove contaminants. Tons of industrial wastes had been dumped over 20 years (including debris, rubber scrap, organic and inorganic chemicals, solvents, cooling acids, and caustic agents) that resulted in

ground water contamination. Today, the worries of the community are at an end. No longer do they need to be concerned about the safety of drinking water, the impact on farmland near the site, the effect on property values of their homes and businesses, and the possibility of children wandering onto the site and playing among the drums of toxic chemicals.

EPA (with the support of the Corps of Engineers and the Bureau of Reclamation and their cleanup contractors) also has implemented reforms which streamlined its rapid action cleanup authority. EPA's Superfund Accelerated Cleanups Model (SACM) accelerates cleanup and risk reduction at sites by consolidating site-assessment into a one-step process. SACM includes the following initiatives: taking early actions while assessing long-term cleanup; using "presumptive" remedies where appropriate; initiating enforcement activities earlier; and addressing the worst threats to people and the environment first. SACM reduces cleanup time through a single, continuous site assessment and early action process. EPA has now completed over 3,800 removal actions, including the more recent SACM removals, at over 2,900 Superfund sites, thereby removing significant threats to public health and the environment. At the Southern Shipbuilding Corporation Superfund Site in Slidell, Louisiana, EPA conducted several emergency actions to prevent the catastrophic release of hazardous materials into Bayou Bonfouca. Through an accelerated combination of waste incineration, removal actions, and investigations, EPA rapidly reduced human health and environmental risks, and ensured that a site which was once a threat to downstream properties is now available for future development.

Choosing the Right Remedy

The Agency is saving time and money by using standardized or "presumptive" remedies for certain types of sites. Presumptive remedies are based on scientific and engineering analyses performed at similar Superfund sites and are used to eliminate duplication of effort, facilitate site characterization, and simplify analysis of cleanup options. EPA issued presumptive remedy guidances for the following: municipal landfill sites; sites with volatile organic compounds in soil; wood treater sites (with an update two years later); and a ground water presumptive response strategy. Regions are reporting significant reductions in costs and time required to complete remedies. A recent Office of Inspector General report focused on an independent review of the use of a presumptive remedy and concluded that "Use of a *Presumptive Remedy* increased consistency in decision making by taking advantage of lessons learned at similar sites, and allowed speedup of the Feasibility Study process."

REDUCING REMEDY COSTS

Taking a Second Look

Taking a second look at remedies is creating substantial future cost reductions for parties at complex, high cost Superfund sites across the country. The EPA's newly established National Remedy Review Board is reviewing high-cost cleanup plans prior to final remedy selection. Overall, the Board's preliminary analysis indicates potential reductions in the range of \$15-30 million in total estimated future costs for reviews completed during FY96.

Clarifying the Role of Cost in the Remedy Selection Process

Through a recently issued fact sheet, EPA summarized information on the role of cost in the Superfund program which was, prior to this point, scattered in guidance, statutes, and regulations. EPA's aim is to ensure that all stakeholders involved in the Superfund process fully understand the important role of cost in remedy selection under both existing law and policy and in recent initiatives aimed at enhancing the cost-effectiveness of remedial actions.

Using Technology and Science Updates to Save Money

Approximately \$280 million in future cost reductions are predicted as a result of the Agency's review and update of earlier remedy decisions. Many remedy selection decisions now in place were made in the early years of the Superfund program and were based on "state-of-the-knowledge-and-practice" available at the time. Where science and technology have advanced and adequate levels of public health and environmental protection are assured, EPA is revising remedies where future cost reductions can be achieved while still maintaining appropriate levels of protection.

BETTER LAND USE ASSUMPTIONS IN REMEDY SELECTION

EPA has improved its cleanup decisions by more routinely using reasonable assumptions about current and future land use. Recognizing that land may be appropriate for industrial uses, rather than residential uses, can yield a more realistic risk assessment and more cost-effective remedy selection. EPA is reaching out to local land use planning authorities, other government officials and the public as early as possible during site investigation to discuss land use issues. EPA also is making extra efforts to reach out to communities which may have environmental justice concerns to ensure that they are fully

informed and able to participate in these decisions. Currently, only 38% of EPA's Records of Decision (RODs) include residential land use scenarios, typically where there is residential land use on-site or adjacent to the site.

PROMOTING ECONOMIC REDEVELOPMENT

EPA is promoting redevelopment of abandoned and contaminated properties across the country that were once used for industrial and commercial purposes ("brownfields"). EPA believes that environmental cleanup is a building block, not a stumbling block, to economic development and that revitalizing contaminated property must go hand-in-hand with bringing life and economic vitality back to communities. EPA's Brownfields Economic Redevelopment Initiative places a new focus on brownfields. The Brownfields reforms are directed toward empowering States, communities, and others to work together to assess, safely clean up, and sustainably reuse these sites. EPA efforts are being accomplished through the Brownfields Action Agenda – an outline of specific actions the Agency is conducting.

Brownfields Pilots are Encouraging Redevelopment

The Brownfields Assessment Pilots form a major component of the Brownfields Action Agenda. EPA exceeded its commitment to fund at least 50 pilots by actually funding 76 pilots at up to \$200,000 each by the end of 1996. These two-year pilots are intended to generate further interest in Brownfields redevelopment by bringing together public and private efforts including Federal, State, and local governments. The Brownfield pilots will develop information and strategies that promote a unified approach to site assessment, environmental cleanup, and redevelopment. Many different communities are participating, ranging from small towns to large cities. Stakeholders tell the Agency that Brownfields development activities could not have occurred in the absence of EPA efforts. As the National Community Reinvestment Coalition (NCRC) said "[W]e wholeheartedly support the EPA's Brownfields Economic Redevelopment Initiative. NCRC believes that [EPA's] multifaceted initiative represents a significant step forward by the Administration in working with distressed communities on the local level in their revitalization efforts."

Getting Sites off the "List"

Prior to reform, EPA kept track of all potential hazardous waste sites in an inventory known as the Comprehensive Environmental Response and Liability Information System (CERCLIS). Even sites where no further Federal Superfund interest was warranted remained in the CERCLIS inventory. This practice led to unintended barriers to the redevelopment of these properties because sites listed in CERCLIS could be

automatically considered risky by some lenders, making it difficult for potential purchasers to secure loans to develop these properties. To avoid this result, EPA redefined CERCLIS, deleting or archiving sites from the active CERCLIS inventory. EPA has archived over 27,000 sites (e.g., sites where 'no further remedial action [is] planned') from CERCLIS to date, and EPA expects to archive over 1,000 additional sites from CERCLIS per year over the next several years.

Removing Redevelopment Barriers Based on Liability Concerns

EPA is promoting redevelopment of contaminated properties by protecting prospective purchasers, lenders, and property owners from Superfund liability. EPA's "prospective purchaser" policy is stimulating the development of sites where parties otherwise may have been reluctant to take action by clarifying (through agreements known as "prospective purchaser agreements") that bona fide prospective purchasers will not be responsible for cleaning up sites where they did not contribute to or worsen contamination. EPA issued new guidance in May 1995, which allowed the Agency greater flexibility in entering into such agreements. The new guidance expanded the universe of sites eligible for such agreements to include instances where there is a substantial benefit to the community in terms of cleanup, creation of jobs, or development of property. Of the 45 agreements to date, over 50% have been reached since issuance of the May 1995 guidance. At the Indiana Woodtreating Site near Bloomington, Indiana, the work performed under a prospective purchaser agreement will prevent contaminants from entering Clear Creek, which is a drinking water source for the City of Bloomington, Indiana.

People owning property under which hazardous substances have migrated through ground water also feared liability under the statute. EPA responded by announcing that it will not take enforcement actions under CERCLA against owners of property situated above contaminants which have migrated in ground water, but where the property is not also a source of contamination. Further, EPA also will consider providing protection to such property owners from third party lawsuits through a settlement that affords contribution protection.

EPA gave reassurance to the lending industry and to government entities acquiring property involuntarily. EPA outlined in guidance what it considered appropriate actions a lender may undertake without becoming a liable party. In September 1996, Congress passed an amendment very similar to EPA policy and guidance on lenders. EPA also is providing assurances ("comfort/status letters") in appropriate circumstances to new owners, lenders, or developers that they need not fear incurring Federal environmental liability.

INVOLVING AND INFORMING COMMUNITIES

Communities Getting Involved in Remedy Selection

EPA is promoting "consensus-based" approaches to the remedy selection process by involving community stakeholders in pilots. This effort is intended to empower local citizens and other stakeholders to achieve mutually acceptable remedies that meet statutory and regulatory requirements and, of course, make common sense. At the Lower East Fork Poplar Creek Site in Oak Ridge, Tennessee, the cleanup strategy that was agreed to in August 1995 reflected the voice of the local community in the remedy selection process. This included input into a change in cleanup goals. Through a citizens working group established by the Department of Energy working in partnership with EPA and the State of Tennessee, the citizens' influence on the remedy selection decision saved over \$100 million and helped protect human health and the environment more quickly.

Giving Stakeholders a Voice

EPA established an Ombudsman in every Region to serve as a direct point of contact for stakeholders to address their concerns under Superfund. Prior to this reform, stakeholders worked out concerns with Regional personnel, but had no formal mechanism for having their issues facilitated further. The Ombudsmen now serve as facilitators for stakeholders on concerns that have not been resolved between Regional personnel and the stakeholder through informal means. The Ombudsman reports to a top Regional management official in every Region to assure management attention to issues raised.

Improving Public Access to Superfund Information

EPA recognized that improving communication with stakeholders and improving access to Superfund information will help the public become more aware of, and informed about, Superfund. EPA is using electronic tools to improve communication, including having sites for both the Office of Emergency and Remedial Response (OERR) and the Office of Site Remediation Enforcement (OSRE) on the Internet, with separate pages devoted to Superfund reform. Each Region also is developing home pages which will include information on Regional Superfund programs, such as Superfund site lists, site-specific information, successful site cleanup actions, and links to State Superfund activities.

GETTING STATES AND TRIBAL GOVERNMENTS 'INTO THE ACT'

State Programs Speed Cleanup of Non-NPL Sites

EPA recognizes the important role that State environmental agencies have in encouraging economic redevelopment of brownfields. EPA plans to provide \$10 million, earmarked in FY97 appropriations, to encourage the development or enhancement of State programs that encourage private parties to voluntarily undertake protective cleanups of less seriously contaminated sites. EPA issued a memorandum setting out an interim approach for its relations with State voluntary cleanup programs. The memorandum includes criteria for State voluntary cleanup programs that are enabling EPA and the States to start negotiating a division of labor between EPA and the States in memoranda of agreement (MOAs). Even before these criteria were set out, eight States worked out MOAs with EPA regarding sites cleaned up under voluntary cleanup programs.

Greater Power for States in Picking Remedies

EPA is sharing its authority to select remedies with qualified States and Tribes and to decide which sites to list on the NPL. States selected for this reform enter into agreements through which they conduct the remedy selection process, consistent with applicable law and regulations. Participating States supervise the entire remedy selection process with minimal EPA oversight or involvement, giving the State significantly more control than usual over NPL site cleanups.

MAKING THE LIABILITY SYSTEM WORK BETTER

A core principle of the Superfund program is that the cost of cleaning up toxic waste sites should be borne by the parties responsible for disposing of the waste. EPA's "Enforcement First" strategy has assured that responsible parties perform or pay for more than 70% of long-term cleanups, thereby conserving the Superfund trust fund for cleaning up sites for which no viable responsible parties can be identified.

At the same time, EPA has reformed the way it administers the Superfund liability program to encourage parties to settle, rather than to litigate, and to enhance the fairness and equity of settlements.

Testing Alternatives

EPA is conducting pilots that test a fundamentally different approach to the allocation of Superfund costs (called the allocations pilots). Under this approach, PRPs may settle their liability based upon their share of cleanup costs. A neutral party known as an

allocator, selected by parties to the process, conducts an out-of-court allocation. The allocator assigns shares of responsibility for cleanup costs among all PRPs at a site. Under this scheme, EPA expects to pay the "orphan share," which includes the shares of parties which are defunct or insolvent. To date, EPA has offered allocation pilots at 12 Superfund sites. The pilots have been useful in identifying problems and have indicated the need for flexibility to meet site-specific circumstances. Other lessons regarding the pilots are set out in more detail in the accompanying Annual Report.

Recognizing the Orphan Share

Through implementation of its 1996 "orphan share compensation" policy, EPA is encouraging responsible parties to agree to perform cleanups and is enhancing the fairness of settlements. Without a settlement, responsible parties at a site are potentially liable under the Superfund law for the entire cost of the cleanup, including the share that might be attributable to other parties that are insolvent or defunct. Under the new orphan share compensation guidance, however, EPA has offered, and will offer, to forgive a portion of its past costs and projected future oversight costs in cleanup settlements to cover some or all of the orphan share at the site. This creates a major incentive for responsible parties to agree to perform the cleanup without litigation, and reduces transaction costs by addressing arguments over who should bear the burden of the orphan shares. This compromise is in addition to any other compromises that may be reached because of other factors. In FY96, the Agency offered to compromise over \$57 million in orphan share compensation to potential settling parties at 24 sites across the United States.

Getting Parties Out Early

EPA's reforms are getting thousands of small volume waste contributors out of the liability system. PRPs that are liable for cleanup costs have sometimes sued huge numbers of smaller companies that had little or no connection to the toxic contamination — sometimes simply by naming every business in the local yellow pages as a defendant in a contribution lawsuit. EPA's reforms have responded to the burden this can place on parties that made a very limited contribution to the pollution at a site by using its settlement authority to get small waste contributors out of Superfund litigation. To date, the government completed settlements with over 14,000 small volume contributors of hazardous waste at hundreds of Superfund sites. These settlements protect the settling parties from burdensome private contribution suits. In addition, EPA has stepped in to prevent the big polluters from dragging untold numbers of the smallest "de micromis" contributors of waste into contribution litigation by publicly offering to any such party \$0 settlements that would preclude lawsuits by other PRPs.

Reducing Costs for PRPs Through Reduced Oversight

PRPs incur costs at sites in part because of EPA's need to oversee the quality of the work they are doing. Oversight is the process EPA uses to ensure that all studies and work performed by PRPs are technically sound and comply with the statute, regulations, guidances, policies, and the signed settlement agreement. Oversight may include submission of reports for approval, meeting interim milestones, or the scheduling of field visits. As the Superfund program matures, parties performing work at sites have developed a considerable body of experience in conducting response activities at sites. EPA can reduce oversight of such parties while continuing to exercise sufficient oversight to ensure that the work is performed properly and in a timely manner.

Already, EPA Regions have initially identified approximately 100 sites where reductions in oversight of ongoing work for cooperative and capable PRPs have occurred or will occur – significantly reducing costs at some of these sites. EPA also may look at opportunities to involve communities in deciding the appropriate level of PRP oversight.

HOW IT ADDS UP

These are just the highlights. Over the past four years, EPA's reform effort has included implementing well over 50 initiatives in its determination to reform the Superfund program. A very few of the initiatives have ended or will end because they were pilots that EPA has used to test alternative ways of doing business and learn what might work best. Most are permanent and fundamental changes to make the Superfund program faster, fairer, and more efficient. EPA is committed to solidifying and building on these changes to continue to run the Superfund program better.

**ANNOTATED LIST OF REFORMS
IN
SUPERFUND ADMINISTRATIVE REFORMS ANNUAL REPORT, FISCAL YEAR 1996**

SUPERFUND REFORMS ROUND THREE

I. CLEANUPS

1. ESTABLISH COST-EFFECTIVENESS THRESHOLDS AND NEW RULES-OF-THUMB

1a. *Establish National Remedy Review Board*

EPA created the National Remedy Review Board, composed of senior Agency experts, to review proposed high cost remedies at specific sites to ensure that costs are not disproportionate to cleanup benefits.

1b. *Establish New Remedy Selection Management Flags ("Rules-of-Thumb")*

The goal of the rules-of-thumb initiative is to develop remedy selection rules that will promote cost-effectiveness and flag potentially "controversial" cleanup decisions for senior management review.

2. UPDATE REMEDY DECISIONS AT SELECT SITES

EPA encourages the Regions to revisit remedy decisions at certain sites where significant new scientific information, technological advancements, or other considerations will achieve the current level of protectiveness of human health and the environment in a more cost-effective manner.

3. CLARIFY THE ROLE OF COST AND MAINTAIN CONSISTENCY THROUGHOUT THE REMEDY DEVELOPMENT PROCESS

3a. *Clarify the Role of Cost in the Remedy Selection Process*

This reform clarifies the role of cost in developing cleanup options and selecting remedies, and promotes the use of policies and guidances in order to assure cost-effectiveness.

3b. *Directive on National Consistency in Remedy Selection*

This directive emphasizes the critical importance of maintaining appropriate national consistency in the Superfund remedy selection process and requests that program managers make full use of existing tools and consultation opportunities to promote such consistency.

4. CLARIFY INFORMATION REGARDING REMEDY SELECTION DECISIONS

This initiative requires EPA to develop summary sheets that clearly demonstrate the basis for remedy selection at each site. The summary sheet will present the relationship between site risks and response actions, including costs and benefits of cleanup alternatives.

5. INSTITUTE NEW ROLE FOR STAKEHOLDERS IN RISK ASSESSMENTS

5a. *Community Participation in Designing Risk Assessments*

EPA solicits early stakeholder input to identify and make consistent use of current information about the site and site contaminants.

5b. *PRP Performance of Risk Assessments*

This initiative reaffirms EPA's commitment to allow potentially responsible parties (PRPs) at a site to perform risk assessments under the proper circumstances.

6. ENSURE REASONABLE AND CONSISTENT RISK ASSESSMENTS

6a. *Establish National Criteria on Superfund Risk Assessments*

EPA will issue national criteria to the Regions for review, approval, and reporting of Superfund risk assessments.

6b. *Standardize Risk Assessments*

This initiative standardizes those components of the risk assessment process that vary slightly from site to site.

6c. *Utilize Expert Work Group on Lead*

This initiative utilizes an expert workgroup to standardize risk assessment approaches for lead-contaminated Superfund sites.

7. ESTABLISH LEAD REGULATOR FOR FEDERAL FACILITIES

EPA is developing guidance to establish a lead regulator at each site undergoing cleanup activities under competing Federal and State authorities to eliminate overlap and duplication of efforts.

8. CONSIDER RESPONSE ACTIONS PRIOR TO NPL LISTING

This initiative ensures that response actions that have been taken up to the time of listing are considered before listing sites on the National Priorities List (NPL).

9. DELETE CLEAN PARCELS FROM THE NPL

EPA will delete portions of sites from the NPL that have been cleaned up and are available for productive use.

10. CONDUCT NATIONAL RISK-BASED PRIORITY SETTING

10a. *Promote Risk-Based Priority Setting at Federal Facility Sites*

EPA will address the role of risk and other factors in setting priorities at Federal facility sites.

10b. *Promote Risk-Based Priority for NPL Sites*

EPA has established a National Risk-Based Priority Panel to evaluate the priority order of NPL sites.

II. ENFORCEMENT

11. ORPHAN SHARE COMPENSATION

This initiative seeks to compensate parties for a limited portion of the costs attributable to insolvent parties (orphan share) at sites where parties agree to perform the cleanup, subject to the adequacy of funding for the cleanup program.

12. SITE SPECIFIC SPECIAL ACCOUNTS

EPA will direct settlement funds designated for future site costs to be placed in site-specific accounts and ensure that interest is credited to those accounts.

13. EQUITABLE ISSUANCE OF UNILATERAL ADMINISTRATIVE ORDERS (UAOs)

EPA is committed to ensuring that UAOs are issued to all appropriate parties where there is a sufficient basis to include them.

14. REVISED DE MICROMIS GUIDANCE

This reform is intended to improve EPA's ability to resolve very small volume waste contributors' (i.e., de micromis) liability concerns quickly and fairly.

15. ADOPTING PRIVATE PARTY ALLOCATIONS

In order to reduce transaction costs, EPA has committed to adopt private party allocations (including those that identify an orphan share) as the basis for settlement, where such allocations are approved by EPA.

16. REDUCED OVERSIGHT FOR CAPABLE AND COOPERATIVE PRPs

EPA will strive to acknowledge PRPs that consistently perform high quality work by significantly reducing or tiering oversight, thereby reducing transaction costs.

III. PUBLIC INVOLVEMENT

17. PILOT REMEDY SELECTION BY SELECTED STATES AND TRIBES

This initiative implements a process whereby qualified States and Tribes would select remedies at certain Superfund sites, consistent with applicable law and regulations governing cleanups.

18. PILOT COMMUNITY-BASED REMEDY SELECTION PROCESS

EPA will explore the use of more "consensus based" approaches that involve community stakeholders in the Superfund remedy selection process.

19. ESTABLISH SUPERFUND OMBUDSMAN IN EVERY REGION

This initiative established an Ombudsman in each Region to serve as a point of contact for the public and help resolve stakeholder concerns.

20. IMPROVE COMMUNICATION WITH SUPERFUND STAKEHOLDERS

This initiative utilizes electronic tools (such as the Internet, multimedia computers, and other electronic means), to both increase communication among all Superfund stakeholders and improve access to Superfund information.

SUPERFUND REFORMS ROUND TWO

I. ENFORCEMENT

1. PRP SEARCH PILOTS

EPA is piloting several procedures to improve the quality and timelines of PRP searches, make information obtained more accessible, and conduct PRP searches to more fully identify a larger universe of PRPs earlier in the process.

2. EXPEDITED SETTLEMENTS

EPA is identifying and offering eligible parties expedited settlements (ability-to-pay settlements and early *de minimis* settlements) at pilot sites.

3. ALLOCATION PROCESS

EPA is piloting a process to allocate responsibility for response costs among all parties at selected pilot sites.

II. ECONOMIC REDEVELOPMENT

4(a & b). BROWNFIELDS INITIATIVE

This initiative is a comprehensive approach to empowering States, communities and other stakeholders interested in economic redevelopment to work together in a timely manner to prevent, assess, clean up, and reuse brownfields (abandoned, idled, or under-used industrial and commercial areas).

4a. *Brownfields Pilot Projects*

4b. *Community Outreach*

4c. REFINING CERCLIS

This initiative reduces the stigma associated with sites listed in CERCLIS by removing those sites with no further interest under the Federal Superfund Program from the CERCLIS inventory.

4d. CLARIFYING NPL SITES

EPA has issued guidance that authorizes the Regions to clarify areas on or adjacent to NPL sites that are determined to be uncontaminated.

4e. REMOVING LIABILITY BARRIERS

EPA is issuing guidance which identifies options to remove liability-based barriers to property transfers at certain sites and describes the circumstances under which the Agency will issue comfort/status letters.

III. COMMUNITY INVOLVEMENT AND OUTREACH

5a. COMMUNITY ADVISORY GROUPS (CAGs)

This initiative encourages Regions to establish CAGs which provide a public forum for community members to present and discuss their needs and concerns about the decision-making process at sites affecting them.

5b. TECHNICAL ASSISTANCE GRANTS (TAGs)

EPA is encouraging the Regions to consider means to increase citizen involvement such as advance funding of TAGs and the authorization of training for TAG recipients.

6. COMMUNITY INVOLVEMENT IN THE ENFORCEMENT PROCESS

EPA will identify and pilot enhanced, innovative approaches to community involvement in technical settlement issues.

IV. ENVIRONMENTAL JUSTICE

7A. TRAINING AND HEALTH SERVICE ASSISTANCE TO COMMUNITIES

EPA, in coordination with the U.S. Public Health Service, established the Medical Assistance Plan (MAP) that provides health services assistance to citizens in proximity to Superfund sites.

7b. JOB TRAINING AND DEVELOPMENT

EPA has developed interagency pilots to train and employ community residents living near Superfund sites through classroom instruction and hands-on work experience.

V. CONSISTENT PROGRAM IMPLEMENTATION

8. GUIDANCE FOR REMEDY SELECTION

EPA is issuing guidance for soil screening levels, land-use, and several presumptive remedies to improve consistency and to take advantage of streamlining opportunities in site characterization and remedy selection.

9. RISK SHARING

9a. *Implementing Innovative Technology*

To share risks associated with implementing innovative technologies, EPA will agree to underwrite the use of certain promising innovative approaches for a limited number of approved projects.

9b. *Identifying Obstacles to Using Innovative Technology*

EPA will develop programs to share risks associated with implementing innovative technologies by exploring and identifying contractor's concerns with the selection and use of innovative technologies.

VI. STATE AND TRIBAL EMPOWERMENT

10. VOLUNTARY CLEANUP PROGRAM

EPA has initiated a joint EPA/State/Tribal effort to promote voluntary cleanup programs which are designed to speed the cleanup of non-NPL sites.

11. INTEGRATED FEDERAL/STATE/TRIBAL SITE MANAGEMENT PROGRAM

EPA and States are developing a pilot program under which States, Territories, Commonwealths, and Tribes would oversee and compel PRP actions at selected NPL-caliber sites.

12. STATE/TRIBAL SUPERFUND BLOCK FUNDING

This initiative explores the interest of States and Tribes in a project to examine the feasibility of using a single cooperative agreement to finance Superfund activities within State or Tribal boundaries.

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SUMMARY OF STATUS AND NEXT STEPS, ROUND 3

Administrative Reform	Status	Next Steps
1a. Establish National Remedy Review Board	All Regions and eight other Agency offices have designated representatives to the National Remedy Review Board (NRRB). The RRB has reviewed 12 proposed decisions at 11 sites. Of the 12, five have progressed to "final ROD," and one to "proposed plan." As a result of these six reviews, the Agency expects to realize future cost reductions of approximately \$8 million. Overall, the Board's preliminary analysis indicates potential reductions in the range of \$15 million to \$30 million in total estimated site cleanup costs.	As of October 10, 1996, the RRB estimates there may be as many as 10-20 decisions reviewed in FY97.
1b. Establish New Remedy Selection Management Flags ("Rules-of-Thumb")	EPA developed two fact sheets that were sent out for review by EPA Regional Offices, other Federal agencies, and State environmental agencies in August 1996. The first fact sheet describes remedy selection rules-of-thumb, or key principles and expectations, corresponding to three policy areas in the Superfund remedy selection process. The second fact sheet describes a set of proposed management review triggers to promote nationally consistent remedy selection decision-making.	EPA will revise both fact sheets based on comments received. The rules-of-thumb fact sheet will be issued as guidance to EPA Regional offices as soon as comments have been incorporated (expected timeframe - second quarter FY97). The revised draft of the proposed management review triggers will be presented at a national Superfund program managers' meeting as the basis for a discussion on updating and consolidating management consultation requirements for Superfund remedy selection decisions. The management consultation process will be revised in FY97.
2. Update Remedy Decisions at Select Sites	EPA issued this Reform guidance on September 27, 1996; however, many Regions anticipated its issuance, and completed a number of remedy updates earlier in FY96. During FY96, remedy updates of all types that achieved savings resulted in a total savings of over \$280 million. Of this \$280 million, over \$250 million resulted from updates of the kind identified in the Reform guidance.	Headquarters will continue to work with the Regions on implementation of this reform.
3a. Clarify the Role of Cost in the Remedy Selection Process	EPA issued a fact sheet, "The Role of Cost in the Superfund Remedy Selection Process," on September 10, 1996. Through the distribution of this fact sheet, EPA hopes to ensure that all stakeholders involved in the Superfund process fully understand the important role of cost in remedy selection under existing law and policy and recent initiatives aimed at enhancing the cost-effectiveness of remedial actions.	Implementation of this reform is complete.
3b. Directive on National Consistency in Remedy Selection	The Agency issued a Directive entitled "National Consistency in Superfund Remedy Selection" (from Elliott P. Laws to Regional Division Directors) on September 25, 1996. This directive emphasizes the critical importance of maintaining appropriate national consistency in the Superfund remedy selection process and requests that program managers make full use of existing tools and consultation opportunities to promote such consistency.	EPA begins initiation of efforts to review and consolidate management consultation requirements/activities in fall 1996.
4. Clarify Information Regarding Remedy Selection Decisions	EPA developed a draft summary sheet that was sent out for review by EPA Regional offices, other involved Federal agencies, and State environmental agencies in August 1996. The summary sheet provides a tool for clearly presenting, in a standardized format, the context, basis, and rationale for site-specific Superfund remedy selection decisions.	Once comments are incorporated, EPA will issue the summary sheet as an interim product and explore its use as a suggested format for summarizing critical site information in support of Agency management briefings. Federal Facilities will also be invited to pilot its use in their programs as well.

Administrative Reform	Status	Next Steps
5a. Community Participation in Designing Risk Assessments	EPA will pilot a process for involving stakeholders early in the risk assessment process. Headquarters staff is currently working with the Regions to identify candidate sites. Many Regions currently involve stakeholders in designing site-specific risk assessment and in the site assessment process. Several Regions have either developed fact sheets or additional guidance on this reform.	Pilots will be evaluated using a case-study approach. Findings will then be used to develop guidance describing the role of community stakeholders in the risk assessment process.
5b. PRP Performance of Risk Assessments	On January 26, 1996, EPA issued a new policy to allow PRPs to conduct a risk assessment at most sites where they are also performing the RI/FS. The new policy removed the previous need for the Regions to consult with Headquarters before authorizing a PRP to conduct the risk assessment. Eight Regions have indicated that they are identifying sites where PRPs will be conducting the risk assessments.	Implementation of this reform is complete.
6a. Establish National Criteria on Superfund Risk Assessments	The Agency has prepared draft documents that: outline technical approaches to risk assessment, standardize risk assessment reporting data tables, and provide risk assessment quality assurance checklists. A workgroup has completed a preliminary review of the outlined technical approach and the standardized risk assessment data reporting tables. EPA issued draft standard risk assessment data reporting tables in July 1996. Comments have been received and are being addressed by EPA.	The workgroup will issue a generic Statement of Work (SOW) on risk assessments in September 1997.
6b. Standardize Risk Assessments	EPA has drafted short issue reports that are being used broaden dialog within the Agency and with outside stakeholders. EPA has identified technical and policy issues in 14 focus areas.	Information from stakeholder dialog meetings will be evaluated and individual issues will be assigned to work groups to be further developed and addressed.
6c. Utilize Expert Workgroup on Lead	An April 17, 1996 memorandum to senior Regional managers included a request for information on residential lead risk assessments. A draft plan also was proposed for achieving these goals. Comments on the draft plan were received at the end of May. Currently, the analysis of residential lead risk assessments is in the planning stages.	EPA convened a national workshop on model validation in October 1996. Regional support is needed for sending information to Headquarters, establishing an effective structure for dialog, and other issues. Contractor efforts will have standard operating procedures for collection of data that will be reviewed by the Technical Review Workgroup for lead risk assessments.
7. Establish Lead Regulator for Federal Facilities	Headquarters has convened a workgroup to develop guidance on identification and implementation of the single regulator concept. Headquarters has held 13 workgroup meetings since the fall of 1995. Some Regions have been able to begin implementing this concept in advance of guidance issuance.	The workgroup will complete major deliberations and EPA will draft guidance and circulate guidance more widely to States for their input. EPA will issue final guidance in mid-FY97.
8. Consider Response Actions Prior to NPL Listing	EPA HQ has worked with the Regions and States during FY96 to develop a policy directive to implement this reform. EPA HQ is currently evaluating different options that would take into account response actions occurring in the post-site inspection stage and their impact on NPL listing. In August 1996, HQ OERR conducted another round of review and comment on the reform and identified the critical issues to be resolved.	EPA will review and summarize State comments, as well as cross-reference them against EPA Regional comments for any final issues that need to be addressed. EPA should finalize the reform in FY97. The October 1992 NPL regulation, "Guidance for Setting Priorities for NPL Candidate Sites," will be amended by FY97.
9. Delete Clean Parcels from the NPL	EPA sent guidance to map and track partial deletions at NPL sites to the Regions on April 30, 1996. EPA published four Notices of Intent to Delete (NOIDs) in three Regions during 1996. In addition, Region 10 published two partial deletion notices in 1996. Other Regions are re-evaluating sites to determine if a partial deletion is warranted.	Many Regions have indicated that they have sites where they would like to delete portions and Headquarters has received several draft NOIDs for review.

Administrative Reform	Status	Next Steps
10a. Promote Risk-Based Priority Setting at Federal Facility Sites	Headquarters has obtained internal comments (including Regional input) on guidance drafted for the Regions which will address the role of risk and other factors (e.g., cost, community concerns, environmental justice, cultural considerations) in setting priorities at Federal facility sites. Regions have begun to implement the concept of risk-based priority setting at Federal facility sites.	EPA will issue final guidance in the second quarter of FY97.
10b. Promote Risk-Based Priority for NPL Sites	Projects are evaluated based on five criteria: 1) risks to humans; 2) ecological risks; 3) stability of contaminants; 4) contaminant characteristics; and 5) economic, social, and program management considerations. During FY96, 42 projects totaling over \$276 million were funded in accordance with National Risk-Based Priority Panel (Panel) recommendations. By early FY97, the Panel had ranked projects approaching \$1 billion in cleanup costs. The Panel met in October 1996.	The Panel will reconvene in early spring 1997.
11. Orphan Share Compensation	Interim final guidance was issued on June 3, 1996. A Headquarters assistance team has been established to assist with the implementation of this reform. The team is working closely with DOJ and the Regional staff to implement this reform. The Agency offered over \$57 million in FY96 to potential settling parties in recognition of the orphan share at 24 Superfund sites across the United States.	In FY97, EPA will continue to bear a portion of the orphan share by compromising costs at sites where parties agree to perform cleanups. These agreements follow the Agency guidance issued in June 1996 and are limited by existing appropriations. In addition, EPA will be considering possible changes to the guidance, including applicability to early <i>de minimis</i> settlers, within the bounds of these parameters.
12. Site Specific Special Accounts	In implementing this Reform, the Regions established 23 Special Accounts in FY96, containing a total of \$78 million. As of September 30, 1996, EPA has set up a cumulative total of 59 Special Accounts. The total balance of funds available in Special Accounts is \$261 million, representing \$226 million in principal. Thirty-five million dollars in interest (interest is through August 31, 1996) is also now credited to these accounts and is available for future response actions at each site.	EPA will be providing general program and financial guidance to the Regions in the near future. The Agency will continue to monitor the success of this reform.
13. Equitable Issuance of Unilateral Administrative Orders (UAOs)	EPA issued a memorandum to the Regions in August 1996 that establishes procedures for Regional Staff to document their reasons for proposing that certain PRPs be excluded from UAOs. The guidance also reaffirms EPA policy to issue such UAOs to the largest number of PRPs appropriate.	During FY97, the Agency will establish a process for ensuring that the Regions prepare the necessary documentation.
14. Revised De Micromis Guidance	On June 3, 1996, EPA has issued new guidance and models designed to streamline and simplify the process to protect contributors of extremely small amounts of waste (de micromis contributors) by creating routine settlement practices where practicable.	EPA will continue to identify those sites where implementation of this reform is appropriate.
15. Adopting Private Party Allocations	EPA established a national workgroup to determine the parameters and identify opportunities for implementation of this reform. The Agency has adopted private party allocations at several sites, including the Doecke Holliday Site in Kansas where the PRPs will perform the cleanup of the site and reimburse 100% of EPA response costs.	The workgroup determined that current Superfund policies are adequate for providing direction to implement the reform and, as a result, no new guidance is planned at this time.
16. Reduced Oversight for Capable and Cooperative PRPs	On July 31, 1996, an EPA Regional/Headquarters workgroup issued a six-page directive to implement this new reform. EPA Regions have identified approximately 100 sites where reductions in oversight of ongoing work for cooperative and capable PRPs have occurred or will occur, significantly reducing costs at some of these sites.	Regions will notify cooperative parties that they have already received reduced oversight or will receive reduced oversight. Regions will be encouraged to provide PRPs with an up-front estimate of contractor costs for oversight.

Administrative Reform	Status	Next Steps
17. Authorize Remedy Selection by States and Tribes	EPA has shared information regarding Regional efforts in shifting remedy selection to the States. The National workgroup has developed criteria and a process to select new pilots and to monitor and assess the results.	By winter 1997, EPA will develop "lessons learned" for past and ongoing pilots and will identify new pilots.
18. Pilot Community-Based Remedy Selection Process	Regions have identified sites where they are using or plan to use a consensus-based approach to select a remedy for a site. In an Oakridge, Tennessee site, \$160 million in cleanup costs were saved through community participation.	A Headquarters/Regional workgroup will look at sites to identify factors that affect community understanding and participation in the cleanup process. By December 1996, the workgroup will issue guidelines on empowering local citizens and stakeholders.
19. Establish Superfund Ombudsman in Every Region	All 10 Regions nominated an Ombudsman by the prescribed date of March 31, 1996. The Joint Headquarters-Regional Workgroup (Workgroup) attended the first EPA Ombudsman Conference and Training Seminar.	The Workgroup will continue to provide assistance to the Regional Ombudsmen as needed and will also perform periodic evaluations. The Superfund Regional Ombudsmen will have another conference in early 1997 to further refine their negotiation, facilitation, and conflict resolution skills.
20. Improve Communication with Superfund Stakeholders	EPA activated the Headquarters Superfund Homepage in March 1996. All of the Regional offices also have developed homepages.	A workgroup involving Headquarters and the Regions will develop procedures for consistency of electronic information and will identify sites and stakeholder groups to use as pilots for sharing electronic information.

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SUMMARY OF STATUS AND NEXT STEPS, ROUND 2

Administrative Reform	Status	Next Steps
1. PRP Search Pilots	In 1995, EPA held a national conference on PRP search procedures and is now reorienting the PRP search process to facilitate expedited settlements and more fully identify a larger universe of PRPs earlier in the process. EPA provided early PRP search resource packages for Regional pilot participants. Using at least one streamlining technique, EPA is conducting pilot searches at 15 sites under Superfund Reauthorization Act of 1994 (SRA) provisions to determine the feasibility of the proposed search timeframe.	EPA expects to finalize the Revised PRP Search Manual in early 1997, after Regional review and comment. Other actions EPA has tentatively planned include Regional training/information-sharing. EPA may hold a national conference in 1997.
2. Expedited Settlements	EPA developed the following tools to assist with the settlement of <i>de minimis</i> and ability-to-pay parties under this reform: 1) "Overview of Ability-Pay-Guidance and Models" (fact sheet), 2) "Standardizing the <i>De Minimis</i> Premium" (guidance document), 3) Revised Model CERCLA Section 122(g)(4) <i>De Minimis</i> Contributor Consent Decree (guidance model), and 4) Revised Model CERCLA Section 122(d)(4) <i>De Minimis</i> Contributor Administrative Order on Consent (guidance model). To date, EPA has successfully completed five expedited settlements.	EPA will continue to emphasize the importance of removing small waste contributors from the Superfund enforcement process. Several expedited settlement pilots are ongoing. EPA also intends to issue four policy documents regarding the ability-to-pay determinations in Superfund settlements.
3. Allocation Process	As of September 1996, EPA has offered to pilot the allocation process at twelve Superfund sites. Two of the sites reached settlement outside the allocation process, leaving ten active pilot sites. EPA has learned numerous lessons about the allocation process, including: identifying additional PRPs through a nominations process requires collaboration between the Agency and PRPs; allocator selection, hiring, and payment may need revision; resolution of issues during the allocation process benefits the parties and expedites settlement; and settlement before the allocator's report may be an option.	The Agency will continue to implement the allocation process at pilot sites.
4a. Brownfields Pilot Projects	By the end of FY96, EPA announced the selection of 76 Brownfields pilots to be funded through cooperative agreements at up to \$200,000 each for a two-year period. EPA has signed Memoranda of Understanding with other Federal partners to coordinate issues related to Brownfields redevelopment and to leverage additional opportunities. Guidance and other initiatives have been announced by EPA. The "Asset Conservation, Lender Liability, and Deposit Insurance Protection Act of 1996" was passed. EPA has archived over 27,000 sites from CERCLIS.	EPA will announce an additional 25 pilots in FY97 and will provide guidance and funding to capitalize revolving loan funding programs. EPA will announce new Action Agenda commitments beginning calendar year 1997.
4b. Community Outreach	Each Region has established a Brownfields coordinator and headquarters has assigned five staff members to support the project. EPA is promoting and fostering job development and training through partnerships with Brownfields pilot communities and community colleges. EPA has established an environmental education and training center to provide comprehensive technical-level training.	EPA will continue outreach to stakeholders on Brownfields involvement. Technical assistance will be provided through existing partnerships and pilots to other Federal agencies and non-governmental organizations.
4c. Refining CERCLIS	In June 1996, EPA provided guidance on site types eligible for archiving and initiated efforts to research sites in CERCLIS and make archive decisions. Approximately 27,000 total sites have been archived from CERCLIS through FY96.	EPA anticipates archiving over 1,000 additional sites from CERCLIS per year over the next several years based on completing Superfund activities at existing and new sites.

Administrative Reform	Status	Next Steps
4d. Clarifying NPL Sites	EPA sent guidance to the Regions to map and track partial deletions at NPL sites on April 30, 1996. Several Regions have published Notices of Intent to Delete (NOIDs) and the Regions are re-evaluating sites to determine if a partial deletion is warranted. EPA issued final soil screening guidance in May 1996.	The partial deletions portion of this reform is currently being implemented as Reform 9 (i.e., Delete Clean Parcels from the NPL) in the third round of Superfund reforms.
4e. Removing Liability Barriers	EPA issued the following guidance documents that provide some assurance to prospective purchasers, lenders, and property owners that they need not be concerned with Superfund liability: "Guidance on Agreements with Prospective Purchasers of Contaminated Property"; "Policy Towards Owners of Property Containing Contaminated Aquifers"; "Policy on CERCLA Enforcement Against Lenders and Government Entities that Acquire Property Involuntarily;" and "Policy on the Issuance of Comfort/Status Letters."	Efforts will continue on the development of tools to provide some assurance that entities dealing with contaminated property need not fear incurring Federal environmental liability. To identify, describe, and differentiate between the various tools available, EPA is creating the "Catalog of Tools for Managing Risk at Contaminated Properties."
5a. Community Advisory Groups (CAGs)	EPA issued the "Guidance for Community Advisory Groups at Superfund Sites" in December 1995, encouraging the use of CAGs at sites. As of September 1996, there were 23 CAGs. EPA has completed a document containing case studies on five CAGs planned for distribution early in FY97.	EPA will continue to evaluate existing CAGs and their impact on community involvement, and identify and develop new tools to promote and assist CAGs. Several fact sheets on the CAG program should be ready for distribution early in FY97.
5b. Technical Assistance Grants (TAGs)	During FY95-96, EPA revised the TAG rule. The new rule contains several provisions to simplify the TAG process. The provisions include: cash advances for grantees to provide them with working capital; elimination of the three-year budget period which allows groups to determine their own budget period according to site-specific needs; and the removal of the 20% administrative cap.	Preparations are underway to publish the proposed, revised TAG rule by June 1997. Additionally, options are being explored to authorize the use of TAG funds for training and advance funding.
6. Community Involvement in the Enforcement Process	EPA initiated pilot projects at 13 sites in nine Regions. Piloted activities include community involvement in Statements of Work (SOWs), Feasibility Studies (FSs), and Remedial Designs/Remedial Actions (RD/RAs), and community communication and cooperation with PRPs.	EPA is evaluating the impacts of enhanced community involvement on both the settlement negotiation process and the studies and cleanups themselves to identify those techniques that are most successful in strengthening community participation.
7a. Training and Health Service Assistance to Communities	The Medical Assistance Plan (MAP) was established to help under-served people living near hazardous waste sites. Although four sites were targeted for testing during FY95, funding was available to test only one site, the Del Amo/Montrose site in Torrance, California. At the Del Amo site, EPA's Region 9 office has taken steps to temporarily relocate residents living near the Superfund site.	EPA obligated \$400,000 to continue the Del Amo project in FY96. In addition, EPA and the Public Health Service will continue to seek funds sufficient to finance additional pilot projects in FY97.
7b. Job Training and Development	EPA is facilitating locally coordinated planning both to provide quality worker training and to ensure that brownfields sites hire workers from local job training programs. EPA has awarded 20 National Institute of Environmental Health Sciences (NIEHS) minority worker training grants. EPA is working with the Hazardous Materials Training and Research Institute (HMTRI) to expand environmental training and curriculum development at community colleges near Brownfields pilot communities.	EPA plans to continue to work with the NIEHS minority worker training program and hopes to develop additional pilots in brownfield areas. The Agency has chosen two pilot sites for environmental curriculum development. HMTRI plans to increase the number of community colleges offering environmental work force training programs over the next year.

Administrative Reform	Status	Next Steps
8. Guidance for Remedy Selection	EPA issued final soil screening guidance on May 17, 1996 which complements the ongoing Superfund Accelerated Cleanup Model initiative and provides the framework for other cleanup efforts. On May 25, 1995, EPA issued a directive titled "Land Use in the CERCLA Remedy Selection Process" which clarifies that land use should be considered in risk assessment and remedy selection. The Agency has issued various presumptive remedies, presumptive response strategies, and user's guides. EPA estimates time savings from 36% to 56% and future cost reductions up to 60% at municipal landfill pilots.	EPA is developing a new land use directive and presumptive remedy guidance on manufactured gas plants, PCB sites, VOCs, municipal landfills, metals in soil, and grain storage for issuance in FY97.
9a. Risk-Sharing: Implementing Innovative Technology	Several Regions have identified candidate sites for the risk-sharing initiative. In Region 1, EPA has entered into a risk sharing agreement with PRPs at a New Hampshire site. EPA agrees to pay half the cost of the innovative technology, not to exceed \$3.5 million, if the technology does not fulfill expectations and additional remedial action is necessary.	The Agency is in the process of preparing guidance on implementing the risk sharing initiative, which is expected by June 1997. EPA is developing mechanisms to engage State agencies in this initiative.
9b. Risk-Sharing: Identifying Obstacles to Using Innovative Technology	EPA is expanding the coverage of indemnification to include both the prime contractor and the innovative technology contractor when indemnification is offered so that the contractors can more easily pursue the use of innovative technologies.	Implementation of this reform is complete.
10. Voluntary Cleanup Program	EPA issued a memorandum in November 1996 on an interim approach for Regional relations with State voluntary cleanup programs. This memorandum sets out baseline criteria that will be considered as part of the evaluation of a State or Tribe's application for funding the development or enhancement of a voluntary cleanup program. Eight States have already signed Memoranda of Agreement (MOA) with their respective Regions concerning how EPA and the States will work together in addressing voluntary cleanup program sites.	EPA and the States will assess how the MOA process is working and will seek public comment on and finalize guidance on State voluntary cleanup programs by the end of FY97.
11. Integrated Federal/State/Tribal Site Management Program	On May 2, 1995, EPA issued final guidance on a program which allows EPA to defer from considering listing NPL-caliber sites on the NPL while States and Tribes initiate and oversee PRP responses. Since 1994, a total of eight sites have been formally deferred, while several sites have been informally deferred or are under consideration for deferral.	The Agency will continue to implement the deferral program.
12. State/Tribal Superfund Block Funding	EPA has established a 50-member work group on block funding which includes input from 17 States and Tribes. Ten States and one Tribe are currently participating in efforts to pilot the block funding concept. Their discussions will be used in the development of the final report for this reform.	EPA is scheduled to develop a preliminary report documenting obstacles in the award and utilization of Superfund resources and providing recommendations to improve the award and utilization of Fund monies to States and Tribes early in FY97.

