



Superfund Program Management Manual

Fiscal Year 1991 Volume 1 — Final

- Executive Summary
- Program Goals and Expectations
- SCAP Procedures
- National Information Needs
- SCAP/STARS Targets and Measures
- Program Planning and Reporting Requirements
- Financial Management
- Program Assessment
- Workload Models



SUPERFUND PROGRAM MANAGEMENT MANUAL

FY91

TABLE OF CONTENTS

EXECUTIVE SUMMARY	ES-1
<i>OVERVIEW</i>	<i>ES-1</i>
<i>PROGRAM GOALS</i>	<i>ES-1</i>
<i>ENVIRONMENTAL PRIORITY SETTING</i>	<i>ES-4</i>
<i>NATIONAL INFORMATION NEEDS</i>	<i>ES-6</i>
<i>SUPERFUND COMPREHENSIVE ACCOMPLISHMENTS PLAN.....</i>	<i>ES-8</i>
<i>INTEGRATED PLANNING</i>	<i>ES-8</i>
<i>FOCUS OF THE SCAP PROCESS THROUGH THE YEAR</i>	<i>ES-9</i>
<i>ACCOMPLISHMENT REPORTING</i>	<i>ES-10</i>
<i>OUTYEAR PLANNING.....</i>	<i>ES-11</i>
<i>THE BUDGET PROCESS</i>	<i>ES-11</i>
<i>FY91 RESPONSE BUDGET.....</i>	<i>ES-12</i>
<i>FY91 ENFORCEMENT BUDGET.....</i>	<i>ES-12</i>
<i>SCAP FINANCIAL PLANNING AND THE</i>	
<i>REGIONAL ADVICE OF ALLOWANCE.....</i>	<i>ES-12</i>
<i>WORKLOAD MODELS.....</i>	<i>ES-13</i>
<i>PROGRAM MANAGEMENT AND ASSESSMENT</i>	<i>ES-14</i>
<i>USES OF THE MANUAL</i>	<i>ES-14</i>
<i>STRUCTURE OF THE MANUAL</i>	<i>ES-16</i>
 CHAPTER I - PROGRAM GOALS AND EXPECTATIONS	 I-1
<i>OVERVIEW</i>	<i>I-1</i>
<i>INTEGRATED PROGRAM PRIORITIES.....</i>	<i>I-3</i>
<i>REMEDIAL GOALS.....</i>	<i>I-6</i>
<i>ENFORCEMENT GOALS</i>	<i>I-7</i>
<i>ENVIRONMENTAL PRIORITY SETTING INITIATIVE</i>	<i>I-8</i>
RA Environmental Priority Setting	I-9
RI/FS Priority Setting Process.....	I-14
<i>SITE ASSESSMENT PROGRAM GOALS</i>	<i>I-17</i>
<i>REMOVAL PROGRAM GOALS</i>	<i>I-18</i>
<i>FEDERAL FACILITIES PROGRAM GOALS.....</i>	<i>I-18</i>
<i>CHEMICAL EMERGENCY PREPAREDNESS</i>	
<i>AND PREVENTION PROGRAM.....</i>	<i>I-19</i>
Earthquake and National Security Emergency	
Preparedness Programs	I-19
<i>STRATEGIC PLANNING.....</i>	I-20

CHAPTER II - SUPERFUND COMPREHENSIVE

ACCOMPLISHMENTS PLAN PROCEDURES	II-1
INTRODUCTION	II-1
BACKGROUND	II-1
SCAP AND CERCLIS/WASTELAN RELATIONSHIP	II-2
SCAP ROLES AND RESPONSIBILITIES	II-3
OVERVIEW OF THE SCAP PROCESS	II-5
SCAP CHANGE CONTROL PROCEDURES	II-5
PROCEDURES FOR ANNUAL TARGET SETTING	II-6
SCAP PLANNING	II-9
Semi-Annual Planning Process	II-10
CERCLIS Reports for SCAP Planning/Target Setting	II-10
SCAP ACCOMPLISHMENT REPORTING	II-12
CERCLIS Reports for Accomplishment Reporting	II-12
SCAP/STARS ADJUSTMENTS AND AMENDMENTS	II-13
MAINTAINING THE TARGETS AND	
ACCOMPLISHMENTS FILE	II-16

CHAPTER III - NATIONAL INFORMATION NEEDS **III-1**

NATIONAL INFORMATION	III-1
Superfund Progress Report	III-1
Superfund Management Reports	III-2
Monthly Reports	III-2
Quarterly Reports	III-2
Enforcement Reports	III-4
Administrative requirements	III-4
NPL BOOK	III-5
ENVIRONMENTAL INDICATORS	III-6
REMEDIAL ACTION INFORMATION	III-8
Planning and Accomplishment Data	III-9
RA Cost Estimate	III-9
CORA Model Estimate	III-11
ROD Estimate	III-11
RD Estimate	III-11
RA Contract Award	III-11
Total RA Cost	III-11
Technical Information	III-12
ROD Technical Information	III-12
RD Technical Information	III-12
RA Technical Information	III-12
CERCLIS DATA QUALITY	III-16

CHAPTER IV - TARGETS AND MEASURES **IV-1**

ROLE OF SCAP	IV-1
SCAP/STARS TARGETS AND MEASURES	IV-1

CHAPTER V - PROGRAM PLANNING REPORTING

REQUIREMENTS AND PROCEDURES	V-1
INTEGRATED PLANNING	V-1
PROGRAM MANAGEMENT PROCEDURES	V-2
SITE ASSESSMENT PLANNING AND REPORTING	
REQUIREMENTS	V-4
Preliminary Assessments/Screening Site Inspections	V-4
Listing Site Inspection	V-4
REMOVAL PLANNING AND REPORTING REQUIREMENTS	V-4
REMEDIAL RESPONSE PLANNING REQUIREMENTS	V-5
PRP Search Outcome/Site Classification	V-5
Project/Event Lead Codes	V-5
Takeovers	V-7
Probability of PRP Takeover	V-8
Operable Units in Remedial and Enforcement Programs	V-9
First and Subsequent Starts and Completions	V-12
TBD Sites	V-13
Integrated Timeline for Site Management	V-14
Records of Decision	V-19
Five Year Remedy Review/Deletion of New Sites from the NPL	V-20
Planning for Response Mega Sites	V-20
Treatability Study Planning	V-20
Superfund Innovative Technology Evaluation (SITE) Program	V-21
Project Support Activities	V-22
Technical Assistance Grants	V-23
Assignment of Remedial Response and Oversight Work	V-23
In-house RI/FS	V-24
ARCS Coding	V-24
ENFORCEMENT PLANNING REQUIREMENTS	V-26
Mixed Funding Settlements and Cashouts	V-26
Planning for Enforcement Mega-Sites/Projects	V-26
PRP Removal	V-27
Pre-RI/FS Enforcement Activity (PRP Search/Negotiations)	V-28
RI/FS Settlement and Oversight	V-29
Pre-RD/RA Enforcement Activity — RD/RA	
Negotiations and Oversight	V-30
Section 106 Judicial and Administrative Activity	V-31
Cost Recovery	V-31
State Enforcement	V-33
FEDERAL FACILITIES	V-33
 CHAPTER VI - FINANCIAL PLANNING AND MANAGEMENT	 VI-1
DEVELOPMENT OF THE FY91 NATIONAL BUDGET	VI-1
Response Budget	VI-1
Enforcement Budget	VI-2

SCAP'S RELATIONSHIP TO ANNUAL REGIONAL BUDGET	VI-2
Site Assessment Annual Regional Budget	VI-3
Remedial Annual Regional Budget	VI-3
Removal Annual Regional Budget	VI-5
Enforcement Case Budget — Annual Regional Budget	VI-5
ADVICE OF ALLOWANCE PROCEDURES AND FINANCIAL	
REPORTING REQUIREMENTS	VI-6
Regional Allowances	VI-6
The AOA Process	VI-6
AOA Flexibility	VI-7
<i>RA Allowance</i>	VI-7
<i>Non-site Specific Funding Flexibility</i>	VI-9
AOA Change Request Procedures	VI-10
Congressional Reporting Requirements	VI-13
SCAP'S RELATIONSHIP TO THE AOA	VI-13
Remedial Financial Planning for AOA	VI-15
Removal Financial Planning for AOA	VI-19
Enforcement Financial Planning for AOA	VI-19
OWPE CASE BUDGET PROCESS	VI-19
Preliminary Case Budget Allocation and Distribution	VI-20
Regional Planning Against Preliminary Budget	VI-22
Final Budget Distribution	VI-24
Budget Execution	VI-24
TES Contract Obligations	VI-24
<i>Program Management Obligations</i>	VI-24
<i>Generic Obligations to Cover TES Tasking</i>	VI-24
<i>Buy-in Obligations</i>	VI-24
Obligations for Other Financial Vehicles	VI-25
TES WA Tasking Against Generic Obligations	VI-26
TES WA Tasking for Buy-ins	VI-26
AOA Utilization	VI-26
Budget Utilization	VI-27
Disbursements	VI-28
HQ/Regional Adjustment	VI-28
Responsibilities	VI-28
Enforcement Financial Reports	VI-28
Contract Management	VI-31
<i>Contract Management Delegation</i>	VI-31
<i>Interagency Agreements</i>	VI-31
<i>Department of Justice</i>	VI-31
<i>8(a) Contracts</i>	VI-32
MANAGEMENT OF CASHOUTS	VI-32
SUPERFUND FINANCIAL MANAGEMENT	VI-35
Regional Financial Management Responsibilities	VI-35

<i>Regional Administrator</i>	VI-35
<i>Regional Program Office</i>	VI-36
<i>Regional Management Division</i>	VI-38
HQ Financial Management Responsibilities	VI-39
<i>FMD/OC</i>	VI-39
<i>Resources Management Section (RMS)/OERR</i>	VI-39
<i>Contracts Management Section(CMS)/OWPE</i>	VI-40
<i>PCMD/Office of Administration</i>	VI-40
<i>Grants Administration Division(GAD)/</i>	
<i>Office of Administration</i>	VI-40
<i>Budget Division/OC</i>	VI-40
<i>FMC-Ci</i>	VI-40
<i>Research Triangle Park(RTP)/Office of Administration</i>	VI-41
Financial Management Tools and Systems	VI-41
<i>IFMS</i>	VI-41
<i>AN</i>	VI-41
<i>DCN</i>	VI-41
<i>DCR</i>	VI-42
<i>S/S IDs</i>	VI-42
Financial Management and Funding Processes	VI-42
<i>Approvals</i>	VI-44
<i>Commitments</i>	VI-45
<i>Obligations</i>	VI-45
<i>Payments</i>	VI-45
<i>Deobligations</i>	VI-46
Financial Management Funding Mechanisms	VI-46
<i>Contracts</i>	VI-46
<i>IAGs</i>	VI-50
<i>CAs</i>	VI-53
<i>SSCs</i>	VI-55
<i>Cost Recovery/Cost Documentation</i>	VI-56
HANDLING FINANCIAL DATA IN THE	
CERCLIS ENVIRONMENT	VI-57
Entering Remedial/Removal Data into CERCLIS	VI-57
Entering Enforcement Case Budget Data into CERCLIS	VI-57
IFMS to CERCLIS Financial Data Transfer	VI-58
Correcting Financial Data	VI-58
CHAPTER VII - PROGRAM MANAGEMENT AND ASSESSMENT	VII-1
ROLES AND RESPONSIBILITIES	VII-1
PERFORMANCE EVALUATION	VII-2
Quarterly Reviews	VII-2
Mid-Year Assessment	VII-4
End-of-Year Assessment	VII-4

OSWER REGIONAL REVIEWS:	
<i>FY91 - TOTAL QUALITY MANAGEMENT APPROACH</i>	VII-5
Objectives	VII-5
Process	VII-5
Selection of Program Issues	VII-5
TQM Evaluation	VII-6
On-Site Visit	VII-6
Products and Follow-up	VII-6
<i>EVALUATION AND AUDIT FOLLOW-UP</i>	VII-6
 CHAPTER VIII - WORKLOAD MODELS	VIII-1
<i>OVERVIEW</i>	VIII-1
<i>HAZARDOUS SPILL AND SITE RESPONSE MODEL</i>	VIII-1
General Model Description	VIII-1
Mainframe Application Concepts	VIII-2
PC Application Concepts	VIII-7
<i>TECHNICAL ENFORCEMENT MODEL</i>	VIII-8
Program Resource Assumptions	VIII-8
 ACRONYMS	I
ORGANIZATIONAL CHARTS	
Office of Waste Programs Enforcement	V
Office of Program Management	VIII
Emergency Response Division	IX
Office of Emergency and Remedial Response	VII
Hazardous Site Evaluation Division	X
Hazardous Site Control Division	XI
CERCLA Enforcement Division	VI
 U.S. EPA REGIONS MAP	XII

LIST OF EXHIBITS

<u>EXHIBIT</u>	<u>PAGE NUMBER</u>
EXECUTIVE SUMMARY	
ES-1	Priority Setting Matrix. ES-2
ES-2	Priority Setting Categories ES-5
ES-3	Environmental Indicators ES-7
ES-4	Integrated Planning Responsibilities ES-9
ES-5	SCAP Planning Year ES-10
ES-6	Accomplishment Reporting Phase Regional Responsibilities ES-11
ES-7	Superfund Management and Assessment Strategy ES-14
ES-8	Implementation Responsibilities ES-15
CHAPTER I	
I-1	Schedule for Achievement of SARA Goals I-1
I-2	Qualitative Legislative and Regulatory Goals I-2
I-3	Priority Setting Matrix I-4
I-4	Priority Setting Categories I-10
I-5	CERCLIS Implementation of RA Priority Setting I-14
CHAPTER II	
II-1	SCAP Planning Year II-6
II-2	Examples of Activity/Event Planning Status and Priority Funding Status II-9
II-3	SCAP Planning/Target Setting CERCLIS Reports II-11
II-4	Program Evaluation CERCLIS Reports II-13
II-5	Amendments and Adjustments II-14
II-6	SCAP Amendment Process II-15
CHAPTER III	
III-1	Road Map to Indicators III-7
III-2	RA Cost Estimating Coding III-10
III-3	Coding Guidance – Remedial Technology Types III-13
III-4	Remedial Action Technology Type Codes III-14

CHAPTER IV

IV-1	Key Budget Output Summary - FY91	IV-3
IV-2	SCAP/STARS Targets	IV-4
IV-3	SCAP/STARS Measures	IV-6
IV-4	CEPP SCAP/STARS Measures	IV-8

CHAPTER V

V-1	Flexibility Scale for Budgeting/Planning	V-3
V-2	Project/Event Lead Codes in CERCLIS in FY91	V-6
V-3	Event or Activity Takeover at Workplan Stage	V-8
V-4	Event Takeover	V-8
V-5	PRP Probabilities	V-9
V-6	Operable Unit Groundrules	V-10
V-7	Examples of Operable Units	V-10
V-8	Operable Units and First and Subsequent Start and Completions Coding	V-11
V-9	First and Subsequent Start and Completions	V-12
V-10	Impossible FSS and FSC Code Combinations	V-12
V-11	Pseudo State Codes	V-13
V-12	Integrated Timeline	V-15
V-13	Standard Timeframes	V-16
V-14	Site Program Coding	V-21
V-15	ARCS Contractor Codes	V-25

CHAPTER VI

VI-1	Criteria for Proposed Regional Response Budget Development	VI-4
VI-2	The Advice of Allowance Process	VI-8
VI-3	Change Request Required	VI-11
VI-4	AOA Change Process	VI-12
VI-5	Site vs. Non-site Specific Planned Obligations	VI-14
VI-6	Budget Source Codes	VI-15
VI-7	Who Pays for What	VI-16
VI-8	FY91 Case Budget Funded Activities Required to Achieve Program Outputs	VI-23

VI-9	Case Budget Responsibilities	VI-29
VI-10	Regional/HQ Case Budget Reponsibilities	VI-30
VI-11	Handling Financial Data in the CERCLIS Environment	VI-43
VI-12	EPA Forms Commonly Used for Superfund Procurements.....	VI-47
VI-13	Removal and Remedial Financial Data to be Transferred from IFMS	VI-58
VI-14	Corrections to Financial Information in IFMS	VI-59

CHAPTER VII

VII-1	Evaluation Responsibilities	VII-1
VII-2	The Quarterly Review Process	VII-3

CHAPTER VIII

VIII-1	Workload Model Operations Remedial Pipeline Information	VIII-3
VIII-2	Workload Model Operations Remedial Pipeline Processing	VIII-4

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS

QUARTER 3 (FY90)

Remedial Action (RA) Priority Fact Sheets for FY91 RAs submitted to HQ	June 9
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QUARTER 4 (FY90)

JULY

Fourth quarter Advice of Allowance (AOA) approved by the Assistant Administrator Solid Waste and Emergency Response (AA SWER) and Office of the Comptroller (OC)	5
--	---

Accomplishments data pulled from CERCLIS* and provided for:	9
---	---

- 1) Entry into Office of Pollution Prevention (OPP) Strategic Targeted Activities for Results System (STARS);
- 2) Superfund Progress Report (SPR);
- 3) Special program reports; and
- 4) AA report.

Data pulled from CERCLIS for review of Remedial Design (RD) and RA projects	9
---	---

Data pulled from CERCLIS to support negotiation of:	9
---	---

- 1) Final Superfund Comprehensive Accomplishments Plan (SCAP)/STARS FY91 targets;
- 2) First quarter FY91 removals; and
- 3) Final FY91 operating plan.

OPP STARS data verified (third quarter accomplishments)	9-13
---	------

OPP STARS system closes (third quarter accomplishments)	13
---	----

FY91 RA priority setting panel meeting	17
--	----

AUGUST

Accomplishments data pulled from CERCLIS and provided for:	7
--	---

- 1) SPR; and
- 2) Special program reports.

Data pulled from CERCLIS for review of RD and RA projects	7
---	---

Negotiations on final FY91 SCAP/STARS targets and budget	13-24
--	-------

Memorandum to Regions on final FY91 budgets, targets and measures	30
---	----

*CERCLIS includes data in CERCLIS and CERHELP

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS (Cont'd)**SEPTEMBER**

CERCLIS revised to reflect final FY91 budgets, targets and measures	10
Data pulled from CERCLIS for review of RD and RA projects	10
Data pulled from CERCLIS for first quarter AOA	10
Accomplishments data pulled from CERCLIS and provided for: 1) SPR; and 2) Special program reports.	10
Final FY91 Full Time Equivalent (FTE) distribution	24
FY91 first quarter AOA request submitted to the AA SWER and placed in CERHELP	17
Regional conference call on final RA appropriation	27**
Regions input AOA to Integrated Financial Management System (IFMS)	28

** Dependent on approval of final appropriations

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS

QUARTER 1 (FY91)

OCTOBER

First quarter AOA approved by the AA SWER and OC 3

Data pulled from CERCLIS for review of RD and RA schedules 5

Accomplishments data pulled from CERCLIS and provided for: 19

- 1) AA report;
- 2) Special program reports;
- 3) End-of-year assessment for FY90;
- 4) SPR; and
- 5) Final FY90 STARS accomplishments.

NOVEMBER

FY91 final targets, including open season changes, set in CERHELP 7

Data pull from CERCLIS for review of RD and RA schedules 7

Accomplishments data pulled from CERCLIS and provided for: 7

- 1) SPR; and
- 2) Special program reports.

OPP STARS verified (fourth quarter FY90) 12-16

OPP STARS system closes (fourth quarter FY90) 16

DECEMBER

Draft FY92 Operating Guidance and STARS measures sent to Regions for review 3

Pull of CERCLIS data for: 7

- 1) Second quarter AOA; and
- 2) FY92 Congressional Budget.

Data pull from CERCLIS for review of RD and RA schedules 7

Accomplishments data pulled from CERCLIS and provided for: 7

- 1) SPR; and
- 2) Special program reports.

Second quarter AOA request submitted to AA SWER and placed in CERHELP 14

Regions input AOA to IFMS 28

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS (Cont'd)

QUARTER 2

JANUARY

Second quarter AOA approved by the AA SWER and OC	4
Pull data from CERCLIS for review of RD and RA schedules	8
HQ pulls SCAP data from CERCLIS and baseline FY92 targets and measures are developed using SCAP Methodologies	8
Accomplishments data pulled from CERCLIS and provided for: 1) Entry into OPP STARS system for first quarter review; 2) SPR; 3) Special program reports; and 4) AA report.	8
Preliminary run of workload model based on methodologies	11
OPP STARS data verified	14-18
OPP STARS system closes	18
Call memorandum containing schedules for semi-annual negotiations and baseline targets and measures sent to Regions	18
Regional comments on FY92 Operating Plan due	18
Program Management meeting (SCAP/Workload Model)	22-24

FEBRUARY

Accomplishments data pulled from CERCLIS and provided for: 1) SPR; and 2) Special program reports.	7
Data pulled from CERCLIS to support negotiation of: 1) FY91 RA schedules. 2) Preliminary SCAP/STARS FY92 targets; 3) Preliminary FY92 annual regional budget; and 4) Budget projections for FY93 projects.	7
Begin FY92 HQ/regional negotiation of: 1) FY91 third and fourth quarter targets and budget; 2) FY92 SCAP/STARS targets and annual regional budget; and 3) FY93 outyear budget.	21

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS (Cont'd)**MARCH**

Final FY92 Operating Guidance issued	1
Complete preliminary FY92 HQ/regional negotiations	1
Accomplishments data pulled from CERCLIS and provided for: 1) SPR; and 2) Special program reports.	7
Data pulled from CERCLIS for review of RD and RA schedules	15
Data pulled from CERCLIS for mid-year assessment	15
Pull CERCLIS data for third quarter AOA	15
CERCLIS revised to reflect negotiated FY92 preliminary targets and measures	15
Run workload model for preliminary FY92 Full Time Equivalent (FTE) distribution	18
Third quarter AOA request submitted to the AA SWER and placed in CERHELP	22
Memorandum to Regions on preliminary targets and FTEs	26
Draft FY92 Superfund Program Management Manual distributed for review	29
Regions input AOA to IFMS	29

QUARTER 3**APRIL**

Issue Addendum for FY92 Operating Plan	1
Third quarter AOA approved by the AA SWER and OC	3
Data pulled from CERCLIS for review of RD and RA schedules	5
Accomplishments data pulled from CERCLIS and provide for: 1) Entry into OPP system for second quarter review; 2) SPR; 3) AA report; and 4) Special program reports.	5
OPP STARS data verified (second quarter accomplishments)	8-12
OPP STARS system closes (second quarter accomplishments)	12
Mid-year RA priority setting panel meeting	23
Program Management meeting (Budget/Pricing Factor)	24-25

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS (Cont'd)**MAY**

Accomplishments data pulled from CERCLIS and provided for: 1) SPR; and 2) Special program reports.	7
Pull SCAP planning data for outyear budget	7
Data pulled from CERCLIS for review of RD and RA schedules	7
Regional comments on FY92 Superfund Program Management Manual due	10

JUNE

Pull of CERCLIS data for fourth quarter AOA	7
Data pulled from CERCLIS for review of RD and RA schedules	7
Accomplishments data pulled from CERCLIS and provided for: 1) SPR; and 2) Special program reports.	7
Complete negotiations on RD/RA, removal, and enforcement fourth quarter AOAs	14
Final FY92 Superfund Program Management Manual	14
Call memorandum and FY92 proposed regional budget sent to the Regions for semi-annual negotiations	14
Fourth quarter AOA request submitted to the AA SWER and placed in CERHELP	21
RA fact sheets for FY92 RAs submitted to HQ	21
Regions input AOA to IFMS	28

QUARTER 4**JULY**

Fourth quarter AOA approved by the AA SWER and OC	3
Accomplishments data pulled from CERCLIS and provided for: 1) Entry into OPP STARS; 2) SPR; 3) Special program reports; and 4) AA report.	8

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS (Cont'd)

	<u>JULY</u>
Data pulled from CERCLIS for review of RD and RA projects	8
Data pulled from CERCLIS to support negotiation of: 1) Final SCAP/STARS FY92 targets; 2) First quarter FY92 removals; and 3) Final FY92 operating plan.	8
OPP STARS data verified (third quarter accomplishments)	8-12
OPP STARS system closes (third quarter accomplishments)	12
FY92 RA priority setting panel meeting	23
	<u>AUGUST</u>
Accomplishments data pulled from CERCLIS and provided for: 1) SPR; and 2) Special program reports.	7
Data pulled from CERCLIS for review of RD and RA projects	7
Conduct negotiations on final FY92 SCAP/STARS targets and budget	12-23
Memorandum to Regions on final budgets, targets and measures	30
	<u>SEPTEMBER</u>
CERCLIS revised to reflect final budgets, targets and measures	6
Data pulled from CERCLIS for review of RD and RA projects	9
Data pulled from CERCLIS for first quarter AOA	9
Accomplishments data pulled from CERCLIS and provided for: 1) SPR; and 2) Special program reports.	9
Final FY92 FTE distribution	16
FY92 first quarter AOA request submitted to the AA SWER and placed in CERHELP	20**
Regional conference call on final RA appropriation	26
Regions input AOA to IFMS	30

** Dependent on approval of final appropriations

MANAGER'S SCHEDULE OF SIGNIFICANT EVENTS (Cont'd)

QUARTER 1 (FY92)

OCTOBER

First quarter AOA approved by the AA SWER and OC	3
Data pulled from CERCLIS for review of RD and RA schedules	7
Accomplishment data pulled from CERCLIS and provided for: 1) SPR; 2) Special program reports; 3) AA report; 4) Entry into OPP system for FY91 STARS end-of-year; and 5) FY91 end-of-year assessment.	18

NOVEMBER

Accomplishment data pulled from CERCLIS and provided for: 1) SPR; and 2) Special program reports.	7
Data pulled from CERCLIS for review of RD and RA schedules	7
FY92 final targets, including open season changes, set in CERHELP	7
OPP STARS verified (fourth quarter FY91)	18-22
OPP STARS system closes (fourth quarter FY91)	22

DECEMBER

Draft FY93 Operating Guidance and STARS Measures sent to Regions for review	2
Pull of CERCLIS data for: 1) Second quarter AOA; and 2) FY93 Congressional budget.	6
Data pull from CERCLIS for review of RD and RA schedules	6
Accomplishments data pulled from CERCLIS and provided for: 1) SPR; and 2) Special program reports.	6
Second quarter AOA request submitted to AA SWER and placed in CERHELP	13
Regions input AOA to IFMS	30

SUPERFUND STATE PROGRAM MANAGER'S SCHEDULE JULY 1990 - DEC. 1991

Task \ Month	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
SCAP Planning Data	9	7	10	5	7	7	8	7	15	5	7	7	8	7	9	7	7	6
Accomplishment Reporting	9	7	10	19	7	7	8	7	7	5	7	7	8	7	9	18	7	6

Superfund Progress Report	* /A	* /A	* /A	* /A	* /A	* /A	* /A	* /A	* /A	* /A	* /A	* /A	* /A	* /A	* /A	* /A	* /A	* /A
FY90 SCAP/STARS Targets & Measures	* /A			* /A														
FY91 SCAP/STARS Targets & Measures							* /A	* P/A		* /A			* /A			* /A		
FY91 Budget							*	P/A			*	P/A	P/A	P/A	P/A			
Advice of Allowance	⑤	*	P → ③	*	P → ④	*	P → ④	*	P → ③	*	P → ③	*	P → ③	*	P → ③	*	P	
RA Priority Setting	P ① 17		② 27						*	P/A ③ 23		*	④ 21	⑤ 23		⑥ 26		
Mid-Year/End-of-Year Assessment			*	A				*	P/A						*	A		
FY92 SCAP/STARS Targets & Measures						*	* /P	P ① 21			*	*	P → ② 12					
FY92 Budget						* /P	*	P			*	*	P → ② 12					
FY93 Budget							*	P			P							P
Agency Operating Plan						*	⑧ 18		⑨ 1									*
FY92 Superfund Program Management Manual									⑩ 29	*	⑪ 10	⑫ 14						

"A" INDICATES ACCOMPLISHMENT DATA ARE PULLED FROM CERCLIS

"P" INDICATES PLANNING DATA ARE PULLED FROM CERCLIS

P → ① INDICATES PLANNING DATA PULLED ONE MONTH ARE USED BY EPA ON THE DAY IN THE CIRCLE

"**" INDICATES THAT DURING THE MONTH THE STATE MAY CONTACT THE REGION TO PROVIDE INPUT ON THE SPECIFIC PROGRAM MANAGEMENT TOOL

① INDICATES KEY DATES FOR HQ

① INDICATES KEY DATES FOR THE REGION

EPA PROGRAM MANAGER'S SCHEDULE JULY 1990 - DEC. 1991

Task \ Month	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
SCAP Planning Data	9	7	10	5	7	7	8	7	15	5	7	7	8	7	9	7	7	6
Accomplishment Reporting	9	7	10	19	7	7	8	7	7	5	7	7	8	7	9	18	7	6

FY91 Budget								P/A				P/A 14	P/A	P/A	P/A			
FY92 Budget								P				14	P → 12	6				
FY93 Budget						P		P			P							P
Workload Model			P 17				P 11		P 18						P 16			
FY90 SCAP/STARS Targets & Measures	A			A														
FY91 SCAP/STARS Targets & Measures							A	P/A	15	A			A			A		
FY92 SCAP/STARS Targets & Measures							P 18	P 21	1	15		14	P → 12	6		7		
Superfund Progress Report	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
Monthly Management Reports	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A
Advice of Allowance	5		P 28 → 3			P 28 → 4			P 29 → 3			P 28 → 3			P 30 → 3			P 30
RA Priority Setting	P 17		27							P/A 23		21	P 23		26			
RA Project Status	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A	P/A
Mid-Year/End-of-Year Assessment				A					P/A							A		

"P" INDICATES PLANNING

"A" INDICATES ACCOMPLISHMENTS



INDICATES KEY HQ DATES



INDICATES KEY DATES FOR THE REGIONS

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

OVERVIEW

The Fiscal Year (FY) 1991 Superfund Program Management Manual illustrates the relationships among the major Superfund management tools. This includes identifying program goals and priorities, translating priorities into targets and measures that are planned and tracked through the Superfund Comprehensive Accomplishments Plan (SCAP), allocating resources through targets and measures, and evaluating SCAP to determine whether program goals are being met.

Regions are responsible for developing solutions to site management problems as they occur and should strive for a balanced approach to site work, encouraging both Potentially Responsible Parties (PRPs) and states to assume responsibility for response actions. Regions should coordinate with both the states and the Office of Regional Counsel (ORC) during the SCAP planning process.

PROGRAM GOALS

The focus of the Superfund program is to maximize the protection of human health and the environment through fast and effective cleanup of priority hazardous waste sites and releases. Resources for site and release activities should be provided by the PRPs and the states whenever possible. The Office of Waste Programs Enforcement (OWPE), the Office of Emergency and Remedial Response (OERR), and the Regions collaborated on the development of a matrix designed to identify and place in rough priority order the Superfund program goals for FY91 and the activities which support achievement of those objectives.

The matrix is designed to 1) identify relative program priorities; 2) list major program activities for which resources are provided; and 3) provide a framework to estimate the funding levels needed to support the activities.

The overall goals identified in the matrix (Exhibit ES-1) are to:

- Mitigate immediate threats;
- Maintain ongoing projects and move sites into cleanup using PRP resources as a first resort; and
- Maintain a baseline of supporting activities.

The matrix will be used by Headquarters (HQ) and the Regions in making trade-off decisions during:

- Budget formulation;
- Operating plan development, initial and final target setting; and
- Mid-year adjustment.

EXHIBIT ES-1**Priority Setting Matrix**

PROGRAM PRIORITY	ACTIVITIES	FUNDING LEVEL*
I. Mitigate Immediate Threat	Classic Emergencies (Removal and Remedial, Fund and Enforcement)	A
	National Priorities List (NPL) Removals (Fund and Enforcement)	B
	Administrative Orders (AOs) for NPL Removals	B
II. Move Sites to Cleanup A. Support Ongoing Work to Completion of Current Phase (Operable Unit (OU))	Support Ongoing Remedial Design (RD)	A
	Ongoing Remedial Action (RA) - (Fund and PRP)	A
	Ongoing RD/RA Negotiations	A**
	Ongoing Remedial Investigation and Feasibility Study (RI/FS) - (Fund and PRP)	A
	Ongoing 107 Statute of Limitations (SOL) Litigation	A
	Ongoing 106 Litigation for Remedy	A
	Ongoing 104 Access	A
	Ongoing Compliance Enforcement	A
	B. Take Enforcement Actions to Ensure a Strong Enforcement Presence and Maximize Likelihood of PRP Takeover	A**
		A
		A
		A
		A***
		A
		A
	C. Fund RD and RA Starts Where Enforcement Action is not Appropriate	A
		B
	D. Federal Facilities	A
		A

'A' = ALL and 'B' = BASELINE

* "A" and "B" are designed to indicate degree of importance, not an absolute rule with regard to funding. As used in this column "B" indicates a level of activities consistent with prior year activity. "A" means all those activities available to be done.

** Provided that timely special notice, special notice waiver or general notice with timelines has been issued and extensions have been requested/approved consistent with Agency policy.

*** Consistent with cost recovery strategy.

(Note: All activities identified in the matrix are to be funded at least at a minimum baseline level.)

EXHIBIT ES-1**Priority Setting Matrix (Cont.)**

PROGRAM PRIORITY	ACTIVITIES	FUNDING LEVEL*
II. Move Sites to Cleanup (continued) E. Maximize Cost Recovery	Non-SOL RA Referrals	B
F. Initiate RI/FS and Other Activities to Keep Pipeline Balanced	PRP RI/FS Fund RI/FS Listing Sites State Enforcement RI/FS	B B B B
G. Site Assessment, Removal, Enforcement and State Support Activities to Support Long Term Goals	Non-NPL Time Critical Removals AOs for Non-NPL Time Crit. Removal Site Assessment 107 Non-SOL Pre-RA Referrals Technical Assistance Grants (TAG) Federal Facilities Site Assessment Non-NPL PRP Search Core Program Cooperative Agreements (CPCA) 107 Administrative Settlements	B B B B*** B B B B B B
III. New Initiatives		
IV. Essential Program Management Elements A. Critical Path Support Activities	PRP Searches Contract Laboratory Program (CLP) Removal Support Remedial Project Support Community Relations	Fund at Level to Support Program Integrity
B. Core Program Support	CERCLIS Data Base Management Contract Management Records Management including Administrative Records Program Management State Program Support	Fund at Level to Support Program Integrity

'A' = ALL and 'B' = BASELINE

* "A" and "B" are designed to indicate degree of importance, not an absolute rule with regard to funding. As used in this column "B" indicates a level of activities consistent with prior year activity. "A" means all those activities available to be done.

*** Consistent with cost recovery strategy

(Note: All activities identified in the matrix are to be funded at least at a minimum baseline level.)

ENVIRONMENTAL PRIORITY SETTING

The Superfund Management Review established an Agency policy of addressing the worst problems first by scheduling incremental steps to cleanup sites and expending scarce resources first on problems posing the most serious risk. The Office of Solid Waste and Emergency Response (OSWER) Strategic Plan also made this policy a key objective for cleanup.

The Superfund budget is resource constrained in a number of ways, but especially in terms of funding for Remedial Action (RA) projects and resources for oversight of Remedial Investigation/Feasibility Study (RI/FS) projects. A 1989 analysis showed that, despite the increase in PRP funded actions, the budget would not support the scheduled FY90 Fund-financed RA projects. Moreover, this situation was expected to continue. To ensure that limited resources would be directed to the worst problems, an RA environmental priority setting process was developed and implemented. The process was refined at mid-year FY90 and will remain constant for the FY91 RA projects.

RA Environmental Priority Setting

The RA priority setting process identifies three categories into which each RA project is assigned by the Region. The affected state shall be consulted prior to assigning an RA project to a category. (Regions are encouraged to involve affected states in completing project fact sheets.) Only projects where documentation has been submitted will be considered for ranking. The significance of these categories is that RA projects are compared and ranked only with other projects in the same category; all projects of a given priority category are funded prior to funding projects in the next lower priority category. Exhibit ES-2 contains the priority setting categories.

RA projects are ranked within each category. The ranking criteria and the priority categories attempt to address the relative stability, nature and concentration of contaminants at the site, the proximity of the hazardous materials to population areas, and the threat to environmentally sensitive areas and/or endangered species. An additional criterion was designed to reflect programmatic factors.

Prior to ranking a project, it is required that enforcement issues be resolved. Once a project is ranked, it will be funded in order of relative priority until funds are exhausted. There is a subset of RA projects that are not evaluated under the priority setting process. These projects are automatically placed in the funding queue and guaranteed funds. These are:

- PRP RA projects;
- Small dollar RA projects (\$2.0 million or less);
- Ongoing RAs that have been phased or incrementally funded; and
- Mixed funding response actions and cashouts.

Each year a funding queue is developed consisting of ranked projects and projects that meet the criteria discussed above. After providing the dollars to support the projects that are guaranteed funding, all Priority 1 projects will be funded. Then, based on the final FY91 RA budget, a "funding line" will be identified in either the Priority 2 or 3 category. RA projects above the line that stay on schedule through the first three quarters of the FY are assured funding. At mid-year and throughout the third and fourth quarters, all projects will be reviewed and adjustments may be made to reflect schedule changes, projects that have been funded through other means, or changes in the RA budget and funding line.

The ranking of RA projects is conducted by a panel composed of senior HQ and regional managers.

EXHIBIT ES-2

PRIORITY SETTING CATEGORIES

PRIORITY 1	<p><u>IMMEDIATE AND/OR IMMINENT THREAT</u></p> <p>Immediate and/or imminent threat to human health as determined by EPA or by a Public Health Advisory from the Agency for Toxic Substances and Disease Registry (ATSDR)</p>
PRIORITY 2	<p><u>ACTUAL OR POTENTIAL EXPOSURES UNDER CURRENT CONDITIONS*</u></p> <p>Exposure pathway is contaminated above an accepted human health standard or risk range and under current conditions pathway is complete to human intake.</p> <p>Exposure pathway is contaminated above an environmental standard and under current conditions pathway is complete to a significant environment.</p> <p>Exposure pathway is contaminated above an accepted human health standard or risk range and not complete to human intake but under current conditions pathway could become complete.</p> <p>Exposure pathway is contaminated above an environmental standard and not complete to a significant environment but under current conditions pathway could become complete.</p>
PRIORITY 3	<p><u>POTENTIAL EXPOSURE UNDER FUTURE CONDITIONS**</u></p> <p>Exposure pathway may become contaminated above an accepted human health standard or risk range, and under future conditions pathway will be complete to human intake.</p> <p>Exposure pathway may become contaminated above an environmental standard and under future conditions pathway will be complete to a significant environment.</p>

* Current condition is defined as what is actually occurring or in place, or occurs periodically on a regular basis at the time the project is being ranked. Current conditions can apply to land use (land which is currently zoned for a specific use but not presently being utilized for that use is not a current condition); or to existing resource use (i.e., ground water for drinking water); or to use of a body of water; or the migratory pattern of wildlife; or to other circumstances that are actually occurring.

** Future condition is defined as any land use or other condition which is not actually occurring at the time the project is ranked, but is reasonably expected in the future

RI/FS Priority Setting Process

With over 700 ongoing RI/FS projects, the Agency has had to severely limit the number of RI/FS starts in FY91. Although regional offices have always prioritized their RI/FS starts, new RI/FS often continue for several years. Given the RI/FS budget constraints and the projected growth in the number of sites awaiting RI/FS starts, a more systematic approach to making program management decisions early in the remedial pipeline will be implemented in FY91.

The FY91 strategy contains three components:

- Assessment of ongoing Fund RI/FS projects to 1) identify opportunities for early action; and 2) decide if resources devoted to ongoing projects could be reallocated to other projects;
- Evaluate and prioritize all (Fund and PRP, first and subsequent) RI/FS start candidates; and
- Regional flexibility to initiate additional RI/FS starts with the resources saved from the assessment of ongoing projects.

Regions will use standard criteria to assess ongoing RI/FS projects and rank RI/FS start candidates. The assessment/ranking process will be conducted independently by each Region. All Regions will receive a minimum number of RI/FS starts based on the national budget.

NATIONAL INFORMATION NEEDS

The uses of the data in the Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) continue to evolve and, in FY91, the Agency will take major steps to expand CERCLIS so it can be used as a comprehensive environmental data base. CERCLIS will continue to be used to support SCAP/Strategic Targeted Activities for Results System (STARS), national information needs on Superfund planning and progress, and other informational and administrative data needs. However, it will also provide data on environmental indicators and RAs. [Note: Throughout this Manual, the term CERCLIS is used to refer to the entire information system, including CERCLIS, CERHELP, and WasteLAN.]

NPL Book and Environmental Indicators

One of the recommendations in the Superfund Management Review was to better communicate the ongoing efforts of the Superfund program and the progress that is being made in site cleanup activities. Toward this goal, the Agency has developed the "National Priorities List (NPL) Book" and implemented a new Superfund Environmental Indicators program.

The NPL book is a concise, readable compendium of site descriptions and the status of cleanup for all proposed, final and deleted NPL sites. Maintenance of the NPL Book data base will be the responsibility of the Region, and HQ will publish annual update editions.

To date, the environmental indicators project has focused on the development and reporting of new indicators that would accurately report environmentally based cleanup progress. Exhibit ES-3 contains the indicators for which data have been collected in FY90. Beginning in FY91, Regions will be responsible for updating and reporting environmental indicators in CERCLIS for RA projects, NPL removals and non-NPL removals where the costs exceed \$200,000.

EXHIBIT ES-3
ENVIRONMENTAL INDICATORS

Indicator A	Progress toward and achievement of human health and ecological goals for a medium
Indicator B	Reduction or elimination of human health threats
Indicator C	Volume of waste treated, removed, and contained

The goal of the environmental indicators is to more directly report the environmental results of Superfund cleanup actions. A key objective of this initiative in FY91 is to merge the collection and reporting of indicators with the existing management of the Superfund program. The environmental indicator data will be used for reporting the new STARS measure, S/C-7 Type of Media Addressed.

RA Information

As the Agency approaches reauthorization and measures the progress made toward meeting the requirements of the Superfund Amendments and Reauthorization Act of 1986 (SARA), information on RA activities is required. The RA information that will be recorded in CERCLIS by the Regions includes:

- Planned and actual start and completion dates for Remedial Design (RD), RA and RA related events;
- RA cost estimates at different times during the remedial pipeline; and
- Technical information on the selected remedy.

Regions will not receive funds for a Fund-financed RA in their Advice of Allowance (AOA) unless the remedy technology type is in CERCLIS. Similarly, Regions will not receive credit for a PRP or Fund RA start unless the remedy technology type is in CERCLIS.

SUPERFUND COMPREHENSIVE ACCOMPLISHMENTS PLAN

The SCAP is the central mechanism for planning, tracking and evaluating Superfund program activities. Because of its program-wide importance, SCAP has a dynamic, interdependent relationship with other Agency planning and management systems, including:

- Agency Operating Guidance;
- Superfund budget;
- Agency Operating Plan;
- STARS, formerly Strategic Planning and Management System (SPMS); and
- Superfund workload models.

Priority activities (see Exhibit ES-1) and programmatic guidance are used to guide the development of the SCAP. Planning reflects current goals under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended by SARA, the revised National Oil and Hazardous Substances Pollution Contingency Plan (NCP), and the FY91 Agency Operating Guidance.

STARS is used by EPA to set and monitor the environmental objectives identified in the Agency's Operating Guidance. National and regional STARS goals for Superfund are established and tracked through SCAP. STARS targets are a subset of those contained in SCAP.

INTEGRATED PLANNING

Integrated response/enforcement planning is the responsibility of HQ, regional program offices, the states, and the ORC. In order to provide adequate resources for priority actions at Superfund sites, HQ allocates resources within and between the response and enforcement budgets. Regions are responsible for providing data on the level of resources needed to accomplish these priority actions and negotiating commitments consistent with realistic site planning.

Flexibility to adjust resources in response to changing program conditions decreases as the operating year nears. This is especially true of the number of Full Time Equivalents (FTEs) which are to remain constant from FY90 to FY91. The budget is most flexible while being developed 12 to 18 months prior to the operating year and has little flexibility once the operating year starts. Once the operating budget is established, in most cases, additional resources can only be shifted to a Region at the expense of another.

After SCAP/STARS targets have been finalized and funding levels developed, the SCAP process provides the flexibility to modify plans during the year. Modifications are termed either adjustments or amendments. Amendments require HQ concurrence and approval. Adjustments do not require HQ approval, however, they may require HQ notification.

Exhibit ES-4 illustrates the HQ and regional responsibilities in the integrated planning process.

EXHIBIT ES-4**INTEGRATED PLANNING RESPONSIBILITIES**

<u>REGIONS</u>	<u>HQ</u>
Involve the state in the planning process	Establishment of program priorities
Manage projects to integrate enforcement and response milestones and to ensure that schedules and timelines are met	Review of operating plans and site commitments
Provide accurate, complete and timely project planning data in CERCLIS and SCAP	Work with regional managers to adjust resources to meet program priorities
Follow established planning procedures and requirements	Negotiate and assess the status of mega-site funding
Recognize that missed commitments in the operating year severely affect resource availability in future years	Timely communication with the Regions on changes/additions to SCAP schedules
Involve ORC in planning process	Reprogram regional resources to support priority activities
Negotiate and assess the status of mega-site funding	Provide funding and FTE for negotiated targets
	Involve Regions in preliminary resource requests
	Develop policy and guidance in response to Congressional or Agency initiatives
	Involve Office of Enforcement (OE) in process

FOCUS OF THE SCAP PROCESS THROUGH THE YEAR

Current fiscal year planning information must be updated regularly (at least monthly) by the Regions through CERCLIS. Routine changes in planning information, i.e., those that do not require a target or budget change, can be made by the Region without HQ involvement. In recognition of this, HQ and the Regions will conduct formal SCAP negotiations twice a year. During these formal negotiation time periods, current year issues and problems will be discussed, as well as schedules and budgets for future fiscal years. It is essential that states and the ORC be consulted prior to negotiations to ensure a coordinated effort. The focus of regional responsibilities during the formal SCAP update/negotiation periods is outlined in Exhibit ES-5.

EXHIBIT ES-5

SCAP PLANNING YEAR

SECOND QUARTER (JANUARY/FEBRUARY/MARCH 1991)

- Regional program office consults with states and ORC on plans and schedules for the upcoming year
- Revise FY91 annual budget ceilings to reflect first and second quarter performance and revised plans for the remainder of the year
- Update and negotiate planning information in CERCLIS for the third and fourth quarter FY91
- Negotiate third and fourth quarter enforcement AOA (FY91)
- Review slippage in FY91 targets for development of action strategies
- Assess the status of RAs
- Negotiate preliminary FY92 SCAP/STARS targets and measures
- Negotiate preliminary annual regional budgets for FY92
- Provide complete site schedules including planned RA obligations to allow HQ to project the outyear budget (FY93)

FOURTH QUARTER (JULY/AUGUST 1991)

- Establish final SCAP/STARS commitments for FY92
- Establish FY92 annual regional budget

The mid-year SCAP update is used to realign resources in the current FY and establish preliminary resource and target levels for the upcoming FY. Changes in current year cost and project schedules may result in shifts within program areas and revised annual funding levels.

The fourth quarter SCAP update during July and August is also an important planning event. This update will yield final STARS targets and will set each Region's annual budget for the upcoming year.

ACCOMPLISHMENT REPORTING

It is strongly recommended that planning and accomplishment data for events and activities be entered into CERCLIS on a real time basis. At a minimum, accomplishments should be recorded within 5 days.

Data on accomplishments will be pulled from CERCLIS by HQ on the fifth working day of each month. Monthly data will be used in reports to the Assistant Administrator for the Office of Solid Waste and Emergency Response (AA SWER), senior Superfund managers, Congress, the public, etc., on the progress of the Superfund program. Formal accomplishment reporting for STARS and SCAP purposes will be pulled on the fifth working day of each quarter. End of year accomplishments will be pulled the third week of October. This information will be used to evaluate regional progress toward meeting SCAP and STARS targets and submitted to the Office of Pollution Prevention (OPP) for reporting STARS accomplishments.

The major regional responsibilities during the accomplishment reporting phase are shown in Exhibit ES-6.

EXHIBIT ES-6

ACCOMPLISHMENT REPORTING PHASE REGIONAL RESPONSIBILITIES

- Reconcile financial data in CERCLIS with data transferred from Integrated Financial Management System (IFMS)
- Ensure accomplishment information in CERCLIS is current
- Review SCAP and STARS data in CERCLIS
- Review STARS data in OPP system

OUTYEAR PLANNING

When a site is proposed as a candidate for an RI/FS start, Regions must project and record in CERCLIS a schedule for core remedial and enforcement activities such as RI/FS negotiations, RI/FS, Record of Decision (ROD), RD/RA negotiations, RD, RA and cost recovery. Where better data are not available, Regions should use the integrated timeline for site management provided in Chapter V of the Manual. **As better information on project schedules and RA costs becomes available, Regions must update their SCAP data in CERCLIS.** Keeping the data current in CERCLIS is a continuous process that is particularly important for outyear budget planning, the workload model, regional evaluation, and SCAP/STARS target setting.

THE BUDGET PROCESS

The budget planning process begins a year and a half prior to the start of the fiscal year. In February 1991, Regions will begin planning for major remedial dollar expenditures, as well as expenditures for key enforcement actions in FY93. To project the FY93 budget, Regions must review core activity schedules for projects expected to begin in FY93. Since Fund-financed RAs play a major role in the Superfund budget, it is crucial that these projects are identified and reasonable cost estimates derived using the draft Feasibility Study (FS), the ROD or Cost of Remedial Action (CORA) Model estimates.

FY91 RESPONSE BUDGET

The response budget is limited for FY91. As a result, the following activities will be supported to the greatest extent possible:

- Preliminary Assessment (PA)/Screening Site Inspection (SSI) activities;
- New RI/FS starts;
- Listing new sites on the NPL; and
- Support activities.

Regional requests for funds must be within the final negotiated budget levels. **The regional AOA will not be issued unless the approved planned obligations, open commitments and actual obligations are within the annual budget. Regions will not receive their third quarter AOA for a specific response category unless the commitment/obligation rate is 50 percent or greater in that category.**

FY91 ENFORCEMENT BUDGET

Extramural funding in FY91 for regional enforcement activities is approximately \$63 million. FTE resources are being held constant. The enforcement budget provides support for PRP removals, PRP RI/FS starts and oversight, Consent Decree (CD) referrals, negotiations for PRP responses, and judicial and administrative cost recovery actions. Consequently, regional managers must consider the effects across the program when making a decision to focus on one part of the program as opposed to another. The order of priority is on maintaining ongoing project oversight and compliance enforcement, maintaining ongoing litigation for response and cost recovery, referring Statute of Limitation (SOL) cost recovery cases and negotiating PRP RD/RA response actions.

Beginning in FY91, funds for Federal Facility activities will be obtained from the Office of Enforcement (OE) budget. Funding needs should continue to be requested through CERCLIS.

Enforcement mega-site funding requests will be reviewed by a HQ/regional workgroup during the third and fourth quarters of FY90. The workgroup will make decisions on the allocation of mega-site funding.

Regional extramural budgets should equal their annual AOA. Quarterly AOA will not be issued unless approved, planned obligations are within the budget ceiling. A Region's annual budget may be revised at mid-year depending on regional performance, their budget execution and other Region's needs. Site specific spending plans for the third and fourth quarter are required if the Region's unused enforcement allowance is greater than 30 percent at the beginning of the third quarter.

SCAP FINANCIAL PLANNING AND THE REGIONAL AOA

The SCAP financial planning process is the mechanism which drives the quarterly AOA approved by the AA SWER and the Office of the Comptroller (OC). The process for issuing the AOA begins four weeks prior to the start of each quarter when planned site and non-site specific

obligation data are pulled from CERCLIS and reviewed by HQ. Two weeks prior to the end of the quarter HQ puts the approved AOA's for the upcoming quarter into the CERHELP Budget Control/AOA system. Regions must put the AOA amounts found in this system into the Integrated Financial Management System (IFMS) before the end of the current quarter. The AA SWER and the OC will review the amounts in IFMS and approve or disapprove the AOA at the beginning of each quarter.

The OC will issue the following allowances to the Regions in FY91:

- RA (site specific);
- RD (non-site specific);
- RI/FS;
- Other Response;
- Removal; and
- Enforcement.

The other response allowance contains funds for site assessments, removal and remedial project support, response program support and oversight of PRP RDs and/or RAs.

Regions are required to operate within their quarterly AOA and annual budget. Regions are also responsible for managing the funds issued in their AOA, and for operating within budget ceilings, floors and other restrictions. Consistent with the flexible funding criteria, Regions can:

- Shift funds between projects in the other response, RI/FS, RD, removal or enforcement allowances. HQ approval is not required;
- Shift existing funds between allowances. HQ approval of a change request is required; and
- Move future planned obligations to the current quarter. HQ approval of a change request/SCAP amendment is required.

Any changes to the AOA after it is issued requires a change request. In some situations, a change in the SCAP will require processing a change request. HQ will not approve change requests/SCAP amendments unless CERCLIS is revised to reflect the change.

WORKLOAD MODELS

Regional FTE allocations are made through the Hazardous Spill and Site Response model and the Technical Enforcement model. Resources for the site assessment, remedial, and removal programs are contained in the Response model. Enforcement resources are in the Technical Enforcement model.

The workload models are designed to reflect priorities and policies contained in the budget request. For the most part, the workload models are a straightforward application of FTE pricing factors from the national budget to Region-specific SCAP/STARS targets and ongoing activities in the remedial pipeline. No FTEs are given to projects that are incorrectly coded in CERCLIS.

In FY91, each Region's FTE will be frozen at the FY90 level. Resources will remain frozen for a period of two years. While the freeze ensures that total regional Superfund resources will not be affected, shifting of resources among the different program areas may occur. All shifts will be based on the FY91 national budget and the Priority Setting Matrix.

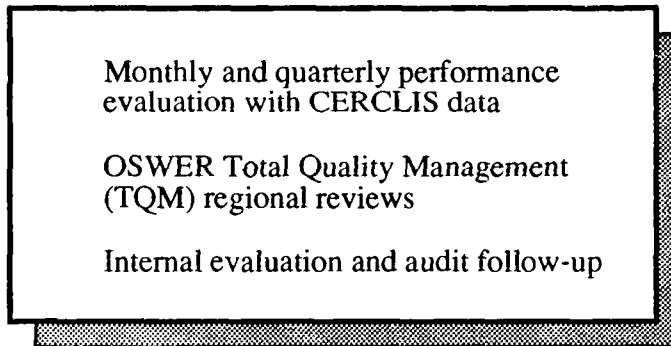
During SCAP/STARS target negotiations, Regions may increase/decrease targets to match the total regional Superfund FTE level. The increase/decrease should be in accordance with the Integrated Priorities Matrix.

PROGRAM MANAGEMENT AND ASSESSMENT

The Superfund program management and assessment strategy has four components as shown in Exhibit ES-7.

EXHIBIT ES-7

SUPERFUND MANAGEMENT AND ASSESSMENT STRATEGY



Together, these components give program managers regular opportunities to recognize high performance, focus resources in Regions that demonstrate success, and provide training and technical assistance to those Regions that are experiencing difficulties. Regional performance is a factor when establishing targets and issuing AOAs.

Regional and HQ responsibilities for implementing and conducting the program evaluation strategy process are shown in Exhibit ES-8.

USES OF THE MANUAL

The FY91 Superfund Program Management Manual includes information and guidelines for regional staff on Superfund program goals and priorities, the development of planning data, the application of planning data to the workload model process, Superfund financial management, the tracking of accomplishments and the evaluation of regional progress toward meeting program goals. The FY91 SCAP planning and evaluation process is supported by the information contained in this Manual. Users of the Manual must also refer to the CERCLIS and Waste-LAN User Reference Notebooks for specific guidance on SCAP data coding, entry, maintenance and generation of SCAP reports.

EXHIBIT ES-8**EVALUATION RESPONSIBILITIES****REGIONAL
RESPONSIBILITIES**

Meet quarterly SCAP and STARS targets and solve performance problems when they arise

Provide quarterly SCAP and STARS data to HQ through CERCLIS

Maintain CERCLIS data quality at high levels for Superfund program and project management

Participate in OSWER TQM reviews

Participate in workgroups to evaluate specific program area issues

Negotiate performance standards that provide individual accountability for quarterly targets

Develop action strategy to recoup slipping targets

**HEADQUARTERS
RESPONSIBILITIES**

Provide guidance to the Regions for the quarterly review, the mid-year assessment, the year-end assessment, and the OSWER TQM review

Identify priority issues and participate in OSWER TQM approach to regional reviews

Implement and report on follow-up action items from the OSWER TQM review and Superfund mid-year assessment

Review monthly performance data reported by the Regions and negotiate plans with Regions for meeting targets

Continually assess program performance and analyze timeliness and quality of work

Recommend resource re-allocation based on performance

Assure that all staff are informed of the results of performance reporting and OSWER TQM reviews

Identify and undertake high priority special studies that result from the Federal Managers Financial Integrity Act (FMFIA) documentation

Track audits, audit response activities and internal reviews

STRUCTURE OF THE MANUAL

The FY91 Superfund Program Management Manual consists of two volumes. The remainder of Volume I contains information on:

- Program goals and expectations;
- SCAP procedures;
- National information needs;
- SCAP targets and measures;
- Program planning requirements and procedures;
- Financial planning and management;
- Evaluations; and
- Workload models.

Volume II includes the following Appendices:

- Appendix A presents the methodologies used to derive the FY92 preliminary targets and measures;
- Appendix B discusses the applicability of the Freedom of Information Act (FOIA) to SCAP;
- Appendix C will provide guidance on coding requirements. Appendix C will be available at the beginning of FY91;
- Appendix D is divided into two sections - Section 1 provides technical definitions for the SCAP/STARS targets and measures and Section 2 provides definitions for other planning activities. A brief description of the planning processes associated with each definition is included;
- Appendix E contains CERCLIS coding instructions for SCAP planning and accomplishment reporting;
- Appendix F contains the planning requirements and definitions for the Chemical Emergency Preparedness Program (CEPP);
- Appendix G provides the CERCLIS coding instructions and activity pricing factors for Enforcement extramural funds or Case Budget;
- Appendix H provides information on the NPL Book;
- Appendix I discusses the Environmental Indicators program; and
- Appendix J contains information on the RA priority setting criteria.

In summary, the FY91 Manual encompasses many new or revised program management policies, processes and procedures. In order to acquire a more in-depth understanding, the Manual itself should be read.

CHAPTER I
PROGRAM GOALS AND EXPECTATIONS

CHAPTER I - PROGRAM GOALS AND EXPECTATIONS

ONE MINUTE PROGRAM MANAGER RULES

Following are the actions regional managers must take to comply with the requirements described in this Chapter. In order to acquire a more in-depth understanding of these requirements, the Chapter itself should be read.

- Evaluate Remedial Action (RA) projects for funding in a given year against the latest RA environmental priority setting criteria, and submit documentation by June 1990 and June 1991 for RA projects scheduled to begin in FY91 and FY92, respectively.
- In order for an RA project to be ranked, enforcement milestones must be met.
- Only RA projects where documentation has been submitted will be ranked.
- In order to be placed in the funding queue and receive an Advice of Allowance (AOA), a project must be ranked (or meet the criteria for guaranteed funding); Remedial Design (RD) must be 95% complete; a Superfund State Contract (SSC) must be signed (Federal-lead projects); and site access secured.
- The RA funding decisions will be re-evaluated at mid-year and throughout the third and fourth quarters, therefore keep RDs on schedule.
- Regions must evaluate ongoing Fund-financed Remedial Investigation/Feasibility Study (RI/FS) projects where the Record of Decision (ROD) is not near completion by December 31, 1990.
- Regions must evaluate and present a tiered listing of all RI/FS start candidates by mid-year FY91 (March 31, 1991).

CHAPTER I - PROGRAM GOALS AND EXPECTATIONS

OVERVIEW

Fiscal Year (FY)1991 is a vital year for the Superfund program as the Environmental Protection Agency (EPA) enters the final year of the five year Superfund Amendments and Reauthorization Act of 1986 (SARA) and looks toward the future. Exhibits I-1 and I-2 outline major SARA goals. An analysis of the Agency's success in meeting the SARA goals reveals the following:

- The Preliminary Assessment (PA) goal was met;
- The Remedial Investigation/Feasibility Study (RI/FS) goal was met; and
- The 1989 goal for initiation of 175 Remedial Actions (RAs) was met.

There are two remaining SARA goals to be accomplished in FY91:

- The Site Inspection (SI) goal to be achieved by the end of FY91; and
- The commencement of an additional 200 RAs by October 16, 1991.

EXHIBIT I-1

SCHEDULE FOR ACHIEVEMENT OF SARA GOALS		
SECTION	GOAL	DATE
SARA 116 (a)(1)	To the Maximum Extent Practicable (MEP), EPA shall have conducted PAs at all sites in the Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) at the time of enactment of SARA.	1/1/88
SARA 116 (a)(2)	To the MEP, EPA shall have performed SIs where PAs have shown they were warranted.	1/1/89
SARA 116 (d)(1)	EPA will commence at least 275 RI/FS projects.	10/89
	OR	
	EPA will commence 450 RI/FS projects	10/90
	and an additional 200 RI/FS projects.	10/91
SARA 116 (e)(1)	EPA will commence 175 RAs.	10/89
SARA 116 (e)(2)	EPA will commence 200 additional RAs.	10/91

EXHIBIT I-2

QUALITATIVE LEGISLATIVE AND REGULATORY GOALS	
SECTION	GOAL
SARA 121(a)	To the extent practicable, RAs shall be in accordance with the National Contingency Plan (NCP) and shall be cost effective remedies.
SARA 121 (b)	A preference shall be given to remedies that include, as their principal element, treatment that permanently and significantly reduces the volume, toxicity, or mobility of hazardous substances, pollutants, and contaminants. RAs should be protective of human health and environment, cost effective, and utilize permanent solutions and alternative treatment technologies or resource recovery technologies to the MEP.
SARA 121 (d)	Applicable or relevant and appropriate Federal standards and more stringent state standards must be attained in Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) cleanups.
SARA 118	High priority for RA shall be given to sites at which the drinking water supply has been contaminated.
CERCLA 104 (a)	Primary attention in response actions should be given to public health threats.
NCP 300.61 (c)	In determining the need for and in planning or undertaking Fund financed action, the lead agency shall engage in prompt response, encourage state participation in response actions, conserve Fund monies by encouraging private party cleanups, be sensitive to local community concerns, rely on established technology, but also consider alternative technology, involve the Regional Response Team (RRT) at appropriate stages, encourage involvement by industry and other experts, and encourage involvement of organizations to coordinate responsible party actions, foster site cleanup, and provide technical advice to the public.

Meeting the SARA goal of starting 200 RAs by October of 1991 will be difficult due to budget constraints imposed on the program. Therefore, the strategy for FY91 will focus on completion of Remedial Designs (RDs). This will ensure that a pool of RA candidate sites is ready to begin as funds become available.

Funding has become more constrained and Regions need to increase their use of settlement authorities provided by SARA to compel the use of Potentially Responsible Party (PRP) resources for RD and RA. Where this cannot be achieved, Regions should issue Unilateral Administrative Orders (UAOs) to liable and viable PRPs and/or refer Section 106/107 cases. Cost recovery actions should be initiated to address cost recovery and Statute of Limitation (SOL) cases. High priority should be given to instances where viable non-settlers exist and there has been a partial settlement. The President's Management By Objectives (MBO) requires Regions to recover \$300 million per year by FY93.

Removals will need to be undertaken for “classic emergencies” first, and then for time critical removals at National Priorities List (NPL) sites. Given constraints on the RI/FS budget, there will be increased pressure to initiate removal actions at unaddressed NPL sites.

Effective pursuit of the SARA statutory goals, as well as achieving the goal of cleaning up sites, requires constant attention to the proper balance among enforcement and Fund-financed options.

INTEGRATED PROGRAM PRIORITIES

In FY89, the Office of Waste Programs Enforcement (OWPE) and the Office of Emergency and Remedial Response (OERR) worked with the Regions to develop the integrated Priority Setting Matrix (Exhibit I-3).

The matrix is designed to provide the following:

- Identification of the most significant categories of program priorities, arranged in order of importance where possible;
- Listing of all the program activities that receive resources, grouped according to their contribution to a program priority; and
- Estimation of the funding level needed to support that activity.

The matrix provides a framework for establishing, testing and adjusting resource levels. This matrix will be used by Headquarters (HQ) and the Regions in making trade off decisions during:

- Budget formulation;
- Operating plan development and initial target setting and negotiation; and
- Mid-year adjustment.

The overall organization of the matrix is governed by the following concepts:

- After dealing with any emergency situations that may arise, the highest priority for the Superfund program is to maintain ongoing projects. The next highest priority is to move sites quickly into construction while insuring that PRPs are always the first option for financing cleanup actions;
- All of the activities listed in the matrix contribute in a significant manner to Superfund program success. Therefore, priority setting must be couched in terms of maintenance of an essential minimum baseline of activity across the board; and
- A baseline of supporting activities must be maintained to ensure that a constant flow of projects is maintained across the remedial and removal pipelines, and that the entire program maintains its operating integrity.

Use of the matrix is constrained by the following assumptions:

- Although baseline levels may be adjusted, there is a minimum level of activity that will be supported, even if all of the high priority activities that fall under

EXHIBIT I-3

PRIORITY SETTING MATRIX

PROGRAM PRIORITY	ACTIVITIES	FUNDING LEVEL*
I. Mitigate Immediate Threat	Classic Emergencies (Removal and Remedial, Fund and Enforcement)	A
	NPL Removals (Fund and Enforcement)	B
	Administrative Orders (AOs) for NPL Removals	B
II. Move Sites to Cleanup	A. Support Ongoing Work to Completion of Current Phase (Operable Unit (OU))	
	Support Ongoing RD	A
	Ongoing RA (Fund and PRP)	A
	Ongoing RD/RA Negotiations	A**
	Ongoing RI/FS (Fund and PRP)	A
	Ongoing 107 SOL Litigation	A
	Ongoing 106 Litigation for Remedy	A
	Ongoing 104 Access	A
	Ongoing Compliance Enforcement	A
	B. Take Enforcement Actions to Ensure a Strong Enforcement Presence and to Maximize Likelihood of PRP Takeover	
	RD/RA Negotiations (New)	A**
	PRP RD/RA Starts	A
	106 Settlement Referrals	A
	106 UAOs for RD/RA	A
	107 SOL Referrals	A***
	106 Litigation for Remedy	A
	Mixed Funding RD and RA	A
C. Fund RD and RA Starts Where Enforcement Action is not Appropriate	RD Start (Fund)	A
	RA Start (Fund)	B
D. Federal Facilities	Negotiate Interagency Agreements (IAGs)	A
	Oversee IAGs	A

'A' = ALL and 'B' = BASELINE

- * "A" and "B" are designed to indicate degree of importance, not an absolute rule with regard to funding. As used in this column "B" indicates a level of activities consistent with prior year activity. "A" means all those activities available to be done.
- ** Provided that timely special notice, special notice waiver or general notice with timelines has been issued and extensions have been requested/approved consistent with Agency policy.
- *** Consistent with cost recovery strategy.

(Note: All activities identified in the matrix are to be funded at least at a minimum baseline level.)

EXHIBIT I-3**PRIORITY SETTING MATRIX (Cont.)**

PROGRAM PRIORITY	ACTIVITIES	FUNDING LEVEL*
II. Move Sites to Cleanup (continued) E. Maximize Cost Recovery	Non-SOL RA Referrals	B
F. Initiate RI/FS and Other Activities to Keep Pipeline Balanced	PRP RI/FS Fund RI/FS Listing Sites State Enforcement RI/FS	B B B B
G. Site Assessment, Removal, Enforcement and State Support Activities to Support Long Term Goals	Non-NPL Time Critical Removals AOs for Non-NPL Time Crit. Removal Site Assessment (PA/SI) 107 Non-SOL Pre-RA Referrals Technical Assistance Grants (TAGs) Federal Facilities Site Assessment Non-NPL PRP Search Core Program Cooperative Agreements (CPCA) 107 Administrative Settlements	B B B B*** B B B B B
III. New Initiatives		
IV. Essential Program Management Elements A. Critical Path Support Activities	PRP Searches Contract Laboratory Program (CLP) Removal Support Remedial Project Support Community Relations	Fund at Level to Support Program Integrity
B. Core Program Support	CERCLIS Data Base Management Contract Management Records Management including Administrative Records Program Management State Program Support	Fund at Level to Support Program Integrity

'A' = ALL and 'B' = BASELINE

- * "A" and "B" are designed to indicate degree of importance, not an absolute rule with regard to funding. As used in this column "B" indicates a level of activities consistent with prior year activity. "A" means all those activities available to be done.

*** Consistent with cost recovery strategy

(Note: All activities identified in the matrix are to be funded at least at a minimum baseline level.)

funding level “A” are not funded. A regional/HQ workgroup has been formed to define baseline levels for different activities. The results of the workgroup’s efforts will be documented in an addendum to the Manual.

- Proposed shifts in funding among activities during the course of an operating budget year will be carefully scrutinized to assure their possibility of implementation;
- The ordering of the Matrix may change from year to year in response to Congressional or Agency initiatives; and
- Shortfalls in priority activities that may lead to a requested reprogramming are evaluated at a national level.

REMEDIAL GOALS

The remedial program will retain the priority of moving sites toward cleanup resulting in the following programmatic objectives:

- Issue special notice, where appropriate, at all sites where a Record of Decision (ROD) has been signed. Make early decisions as to whether a good faith offer has been made and terminate negotiations that do not appear to be leading to settlement. Use appropriate settlement tools (e.g., mixed funding and de minimis). Also use the judicial and administrative authorities under Section 106 (such as UAOs for RD/RA) to bring about a settlement or compel a PRP response.
- Implement the RD completion strategy — The program should continue to work toward the mandates set forth in SARA by moving sites through the remedial pipeline in a timely and cost effective manner. The number of PRP-lead RDs and RAs must be maximized. For those sites where PRPs are not viable or available, the Regions will use the environmental priority setting scheme (discussed later in this Chapter) to determine which projects to fund and which to place on temporary hold. The funding outlook for the future looks the same as FY89 and FY90, and decisions on fund balancing and the use of alternative technologies in order to control outyear construction costs will have to be made.
- Alternative technologies — Greater emphasis will be placed on the evaluation and selection of alternative technologies and the employment of the technologies on-site. Treatability studies will be an important part of the RI/FS ensuring that adequate data exist to effectively evaluate each technology prior to remedy selection.
- Make effective use of other agency expertise — It is important that EPA make full use of construction management expertise available from the U.S. Army Corps of Engineers (USACE) and the Bureau of Reclamation (BUREC), and that EPA staff avoid duplicative oversight of projects assigned to these agencies. The USACE has a mission assignment from EPA to provide technical assistance, review RI/FS projects, oversee PRP RDs and RAs, and conduct RDs and RAs depending on their estimated cost.

- Implementation of a well managed program by continuing the strategy of fully funding all RI/FS projects. The program has set the goal of reducing RI/FS costs to a national average of \$750,000 per Operable Unit (OU) and \$1,100,000 per site (exclusive of treatability studies). Every effort should be made to ensure that the trend of RI/FS costs is toward the overall national goal. Both the OU and site goals are important. The OU goal primarily affects year-to-year funding limitations. The site goal is needed for long term cost management and to eliminate the incentive a Region may have to break sites into OUs to increase its annual budget. Note, however, that Regions are strongly encouraged to focus RI/FS projects on principal threats, even if this does require additional OU(s) to complete site remediation. A Region's RI/FS budget is developed based on the full funding strategy. "Mega-sites" are excluded from the OU and site level cost reduction goals described above. Mega-sites are defined as sites where RI/FS work at the site exceeds \$3 million. However, Regions will be required to develop, and submit to the Hazardous Site Control Division (HSCD), a Mega-site Management Plan that characterizes site problems and management options.
- Building public confidence — Through the implementation of the Environmental Indicators program and the NPL Book, the Agency has taken a big step in improving the communication of the ongoing efforts of the Superfund program and the progress being made in site cleanup. Better communication of this type of information to Congress and the public will help build confidence in the Agency and the Superfund program.

ENFORCEMENT GOALS

The goals of the Enforcement program are to maximize efficient use of PRP resources, to maximize cost recovery to the Trust Fund and to send a clear message to the PRP community that recalcitrance is costly. To reach these goals, the following priorities have been identified for FY91:

- Aggressively seek settlement for PRP response -- In order to promote PRP participation in the response program, and to assure cost recovery, PRP searches should be comprehensive and completed early. Special Notice Letters (SNL) should be issued in a timely manner after completion of the ROD. Regions are encouraged to use site management plans to lay out negotiation responsibilities among the parties involved and timeframes for deliverables. Well planned negotiations need to be initiated and completed within the special notice moratoriums or schedules presented in general notice letter. Regional Administrator or Assistant Administrator (AA) extensions should be used only where settlement appears likely. The settlement incentives/disincentives concepts are to be applied at multiparty sites. Effective use of the settlement authorities under SARA (e.g., mixed funding and de minimus) should be applied where appropriate.
- PRP search/compliance enforcement-- A high-caliber PRP search is the foundation of EPA's enforcement process. It must focus on obtaining the necessary evidence of liability and financial viability for Section 106 and 107 litigation for all PRPs. Regions should continue to focus on thorough PRP searches with the assistance of civil investigators. Also, Regions are encouraged to use administrative authorities in cases of non-compliance with information requests issued under Section 104(e), and if necessary, use litigation to enforce compliance.
- Section 106 orders and litigation-- Regions should be prepared to issue a UAO promptly after the negotiation moratorium deadlines if there are viable PRPs and

a settlement has not been reached. UAOs with delayed effective dates should also be considered in order to encourage the successful conclusion of negotiations. If PRPs fail to comply, consideration should be given to referring a Section 106 judicial action to enforce compliance, especially if the site is queued for RA funding in FY91. If a Fund-financed response is initiated, all steps should be taken to seek treble damages against recalcitrant PRPs during cost recovery.

- PRP oversight and compliance enforcement-- Following settlement or professed intent by a PRP to comply with a UAO, the Region must ensure PRP compliance with the terms of the settlement. EPA must ensure that PRP responses are timely, thorough, and do not compromise environmental goals. Regions should assess penalties in situations where PRPs clearly have not submitted major deliverables of acceptable quality by the dates specified in the Administrative Order (AO), Consent Decree (CD) or UAO. Particular attention should be given to PRP RI/FS projects. Regions should be wary of taking over a PRP project because of inadequate performance.
- Cost recovery-- Cost recovery actions serve to recover revenues to the Fund and encourage voluntary PRP cleanup action by eliminating incentives for PRPs to allow the government to conduct the response action. The president has set a goal of recovering \$300 million per year by FY93 in his MBO system. Issuing demand letters in a timely manner and addressing SOL sites are two ways to reach the President's goal. Regions must also pursue viable non-settlers where a partial settlement was reached. Such actions will reinforce the notion that recalcitrance is costly.
- Removal enforcement-- Regions should work to maintain or increase the percentage of removals conducted by PRPs, particularly time-critical and non-time-critical removals. In this effort, Regions should commence PRP searches early to assess whether there are viable and liable PRPs. Where this is the case and an Administrative Order on Consent (AOC) can not be negotiated, Regions should issue UAOs and, in cases of non-compliance, pursue cost recovery.
- State participation-- States continue to play an important role in the Superfund enforcement process. Regions are encouraged to enter into Cooperative Agreements (CAs), Superfund Memorandum of Agreements (SMOA), or other management assistance agreements when the state expects to play a significant role. State roles in the RD/RA negotiation process should be clearly defined prior to the negotiations. Use of site management plans will ensure that all parties are aware of their roles, the timeframe for negotiations, and the strategy that will be employed.

ENVIRONMENTAL PRIORITY SETTING INITIATIVE

The Superfund Management Review established an Agency policy of addressing the worst problems first; "Superfund will schedule incremental steps to clean up sites over time, expending scarce resources first on problems posing the most serious risks to public health." The Office of Solid Waste and Emergency Response (OSWER) Strategic Plan made this a key objective for cleanup; "Through FY1995, (EPA will) increasingly address worst sites first in Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) response and remediation work." The Superfund budget is resource constrained in a number of ways, but especially in terms of funding for RA projects and resources for oversight of RI/FS projects. Establishing priorities for response and enforcement actions at sites will allow the limited resources to be used efficiently, and focus on quicker reduction of risk.

The number of sites reaching the construction end of the pipeline has increased dramatically in the post SARA timeframe. A 1989 analysis showed that, despite the increase in PRP funded actions, the budget would not support the scheduled FY90 Fund-financed RA projects. Moreover, this situation was expected to continue as the pace of the program increased, while operating in an environment of budget constraints. To ensure that the limited funds would be directed to the worst problems first, an RA priority setting process was implemented. It is important to remember that all NPL sites that require action after the RI/FS are, by definition, priority sites. The issue is their relative priority. The RA priority setting process attempts to determine the relative priority of RA projects based on environmental concerns.

Criteria for the priority setting process were developed and implemented in FY89. Although the process provided a means to compare and rank RA projects based on environmental concerns, areas that needed refinement were identified. This resulted in revisions to the priority setting criteria and categories that were implemented at mid-year FY90. This updated priority setting process will remain constant for the FY91 RA list.

RA Environmental Priority Setting Process

The process identifies three priority categories into which each RA project is assigned. The significance of these categories is that RA projects are compared and ranked only with other projects in the same category. The priority setting categories contained in Exhibit I-4 were developed based on the following principles:

- Protection of human health from immediate threats is the highest priority;
- Threats to human health or to a significant environment under current conditions follow in relative priority; and
- Potential threats based upon future site conditions are of a lower priority.

Within priority categories 2 and 3 projects will be ranked using the following criteria:

- Risk of contaminant - concentration, toxicity, and volume;
- Stability - mobility of contaminant, site structure, and effectiveness of any institutional or physical controls;
- Human population exposed;
- Threat to endangered species or environmentally sensitive area; and
- Program management considerations.

These ranking criteria and priority categories attempt to address the relative stability, nature and concentration of contaminants at the site; the proximity of the hazardous materials to population areas; and the threat to environmentally sensitive areas and/or endangered species. An additional criteria was designed to address programmatic factors.

Application of RA Priority Setting Criteria

Environmental factors are the primary consideration in determining which RA projects are funded. All current year RA starts will be considered for ranking. There are a subset of RA

EXHIBIT I-4
PRIORITY SETTING CATEGORIES

<p>PRIORITY 1</p>	<p><u>IMMEDIATE AND/OR IMMINENT THREAT</u></p> <p>Immediate and/or imminent threat to human health as determined by EPA or by a Public Health Advisory from the Agency for Toxic Substances and Disease Registry (ATSDR)</p>
<p>PRIORITY 2</p>	<p><u>ACTUAL OR POTENTIAL EXPOSURES UNDER CURRENT CONDITIONS*</u></p> <p>Exposure pathway is contaminated above an accepted human health standard or risk range and under current conditions pathway is complete to human intake.</p> <p>Exposure pathway is contaminated above an environmental standard and under current conditions pathway is complete to a significant environment.</p> <p>Exposure pathway is contaminated above an accepted human health standard or risk range and not complete to human intake but under current conditions pathway could become complete.</p> <p>Exposure pathway is contaminated above an environmental standard and not complete to a significant environment but under current conditions pathway could become complete.</p>
<p>PRIORITY 3</p>	<p><u>POTENTIAL EXPOSURE UNDER FUTURE CONDITIONS**</u></p> <p>Exposure pathway may become contaminated above an accepted human health standard or risk range, and under future conditions pathway will be complete to human intake.</p> <p>Exposure pathway may become contaminated above an environmental standard and under future conditions pathway will be complete to a significant environment.</p>

* Current condition is defined as what is actually occurring or in place, or occurs periodically on a regular basis at the time the project is being ranked. Current conditions can apply to land use (land which is currently zoned for a specific use but not presently being utilized for that use is not a current condition); or to existing resource use (i.e., ground water for drinking water); or to use of a body of water; or the migratory pattern of wildlife; or to other circumstances that are actually occurring.

** Future condition is defined as any land use or other condition which is not actually occurring at the time the project is ranked, but is reasonably expected in the future.

projects that are not evaluated under the priority setting process, but are automatically placed in the funding queue and guaranteed funds. These are:

- PRP RA projects;
- Small dollar fund RA projects (\$2.0 million or less), as long as they do not cumulatively exceed the small dollar project set aside (\$10 million range, dependant on available budget);
- Ongoing RAs that have been phased or incrementally funded;
- Mixed funding (preauthorization) response actions;
- Cashouts resulting from settlement agreements (depending on the cost of the RA and the funds received from the PRPs); and
- Long Term Remedial Action (LTRA) and other ongoing RA projects that require small amounts of additional funding to complete.

Ranking takes place only after project documentation has been submitted and certain enforcement milestones have been addressed. The enforcement milestones include:

- PRP search;
- Special notice letters;
- RD/RA negotiations; and
- UAO issued.

HQ will maintain an enforcement reserve of RA funds specifically for projects that had a high probability for PRP lead (75% or better), where negotiations failed and the project will now be funded. These sites are placed in the funding queue and will be funded out of the enforcement reserve.

Each year a funding queue is developed. It consists of RA projects that are ready for funding. In order for projects to be placed in the funding queue, the following activities must be conducted by the Region:

- Project must be ranked or meet the criteria discussed previously for projects that are not evaluated under the priority setting process;
- Large scale projects have been evaluated to determine whether aspects of the project can be funded in phases or segmented consistent with a well engineered approach to the site without increasing cost or risk to health or the environment;
- RD must be 95% complete (CERCLIS subevent code under development);

- State match must be available through a signed Superfund State Contract (SSC) for Federal-lead projects (C3101 = "SS"); and
- Site access for RA has been secured (C3101 = "RE").

A special report will be designed in FY91 that will pull these completion dates from CERCLIS. **The AOA for a site will not be issued until these subevents are completed.**

Developing and Managing the Funding Queue

Once a funding queue is established, RAs will be funded in order of relative priority until funds are exhausted. All Priority 1 projects will be funded first. Funding for Priority 2 projects will precede funding of Priority 3 projects. Based on the final FY91 RA budget, a "funding line" will be identified in either the Priority 2 or 3 category. Once an RA project has gone through the ranking process and is ranked above the funding line, funding is assured for those priority projects that stay on schedule through the first three quarters of the FY.

At mid-year, the priority list and the funding line will be reviewed and adjusted to reflect any schedule changes, projects which have been funded through other means or changes in the RA budget. Funds will be held in reserve for the mid-year assessment/adjustment. Since some priority projects could block other projects that are of a lower priority, but are ready for funding, it is vitally important that up-to-date information on the readiness of projects and the funding needs be maintained in the Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS).

Documentation

The initial assignment of an RA project to one of the three priority categories is performed by the Region. All RA projects within a Region that are scheduled to begin in a given year are examined. The affected state shall be consulted when the Region prepares the RA priority setting documentation. The Region should complete their evaluation of RA projects by preparing the RA Fact Sheet and submitting it to HQ. (A copy of the RA Fact Sheet can be found in Appendix J.) **Only projects where documentation has been submitted will be considered for ranking.**

Fact sheets for FY91 RA projects were submitted to HQ in June of 1990 in order for the ranking to be completed by negotiations in August 1990. Fact sheets for FY92 RA projects are due to HQ in June 1991.

If the status of a project changes during the FY, for example, an anticipated settlement falls through, an RD is completed ahead of schedule, or a potential threat becomes an actual threat, new or revised RA Fact Sheets should be sent to HQ.

It is not necessary for a Region to submit a new RA Fact Sheet if the schedule of a ranked RA project slips to the next FY, unless the facts associated with the project have changed. If the project has not changed, it will be placed in the funding queue based on the score it previously received. If circumstances have changed, it will be ranked again.

The Decision Making Process

The ranking of RA projects will be conducted by a panel composed of senior HQ and regional managers. The following procedures are planned:

- The RA priority setting panel will convene at least twice a year. The mid-year (April) panel meeting will review the status of projects that were ranked previously, rank fourth quarter projects and rerank projects that were below the funding line. The July panel meeting will rank sites scheduled to begin in the first three quarters of the upcoming FY. The RA panel will also conduct quarterly conference calls to rank new projects or revise the ranking for projects where conditions have changed.
- During the RA panel meeting, each Region will make a brief presentation of its projects.
- Panel members evaluate the merits of each project based on the priority setting criteria discussed earlier. A composite ranking score is computed for each project, resulting in a listing of RA projects in rank order by environmental priority.
- During the FY, HQ will pull RD, RA, and the subevent data from CERCLIS monthly to determine the latest schedule and funding needs. HQ will conduct conference calls with each Region at least once a quarter, more often if necessary, to discuss the status of the planned RA projects. Regions will also be contacted regularly during the fourth quarter.

CERCLIS Implementation

Given the vital importance of accurate and timely information, it is essential that CERCLIS information be kept up-to-date. Regions should regularly generate and review the Target/Negotiation Report (SCAP-16) to ensure that all queued projects are accurately coded.

During the FY, Regions must maintain:

- RD and RA planned start and completion dates;
- Completion dates for the SSC (C3101 = "SS"), acquisition of site access (C3101 = "RE"), and RD 95% complete (subevent code under development);
- RA funding needs;
- Activity/Event Planning Status (C2110) associated with the RA; and
- Funding Priority Status (C3225) associated with the RA planned obligations.

Failure to maintain this information in CERCLIS could cause delays in funding.

Exhibit I-5 contains the CERCLIS coding instructions for all RAs. If a project has been queued and the planned start date has passed without funds, the planned start date should be moved to the next quarter.

EXHIBIT I-5**CERCLIS IMPLEMENTATION OF RA PRIORITY SETTING**

RA Project Criteria	Activity/Event Planning Status (C2110)	Funding Priority Status (C3225)
Projects that have not been ranked	A (Alternate)	ALT (Alternate)
Projects in the queue without being ranked; funds available	P (Primary)	APR (Approved)
Projects to be ranked	Q (Queued)	ALT
Ranked projects above funding line	Q	APR
Ranked projects below funding line	Q	ALT

RI/FS Priority Setting Process

The RA environmental priority setting process responded to the severe funding constraints on Fund-financed RA projects. Yet the remainder of the remedial pipeline also has significant resource constraints. With over 700 on-going RI/FS projects that demand a substantial number of Full-Time Equivalents (FTEs) to maintain and support, the program has had to severely constrain RI/FS starts in FY91 for both first and subsequent starts, and Fund-financed and Responsible Party (RP) lead projects.

Although regional offices have always prioritized their RI/FS projects, new RI/FS starts often continue for several years. In the past, most RI/FS projects have been scoped to accomplish a great deal at a site, in many cases addressing the entire site. Given RI/FS budget constraints and the projected growth in the number of sites awaiting RI/FS starts, a more systematic approach to making program management decisions early in the remedial pipeline will be implemented in FY91.

The objective of the strategy outlined below is to present a series of incentives and management initiatives to ensure that the worst problems at the worst sites in the Superfund program move forward most quickly to RA. This process should also assure the public that the Agency is taking seriously its pledge to address worst problems first. At the same time, the process outlined below attempts to maintain regional flexibility to make decisions to move forward based on a variety of factors, and to ensure that the "worst problems first" initiative will not be disruptive of the Superfund program.

Worst Problems First RI/FS Strategy

The FY91 strategy for addressing worst problems first in the RI/FS stage of remediation contains three components:

- Evaluation of ongoing RI/FS projects -- The purpose of this component is two-fold:
 - To identify opportunities to take early actions that may lead to a permanent treatment or stabilization of the principal threat of a site (as appropriate); and
 - To decide if some or all of the resources devoted to an ongoing RI/FS could be reallocated to other RI/FS projects (first or subsequent projects at other sites) within the Region that may be of a higher environmental priority.
- RI/FS Starts -- The purpose of this component is to establish the relative priority of all sites where choices must be made as to whether or not to initiate a first or subsequent RI/FS, so that appropriate decisions can be made as to which studies are of highest priority for funding. The objectives are to develop a tiered listing of RI/FS start candidates, first and subsequent, Fund and Enforcement.
- Flexible RI/FS funding proposal -- The purpose of this component is to provide Regions with the flexibility to initiate additional RI/FS starts (beyond their budget target) if resource savings result from the reassessment of ongoing projects. As long as all projects (new and ongoing) are fully funded, to the best of the Region's knowledge, flexibility would be provided for initiating additional (untargeted) RI/FS projects.

RI/FS Priority Assessment

- Projects to be Evaluated -- All RI/FS start candidates must be prioritized and a subset of ongoing Fund-lead RI/FS projects must be assessed.
 - Ongoing RI/FS Projects -- The universe to be assessed will be established as follows:
 - Those not to be assessed:
 - Ongoing RP-lead RI/FS (federal and state oversight);
 - Planned FY90 RODs, and Quarter 1/Quarter 2 FY91 RODs; and
 - Fund-lead RI/FS with strong potential for RP-lead RD/RA.
 - Those that will be assessed:
 - Recently started, Fund-lead RI/FS projects where the ROD is not near completion; and
 - Long duration RI/FS projects with ROD not near completion.

- The universe of potential projects are then assessed further, based on the following criteria:
 - State/community concerns and factors;
 - Insignificant savings (exclude, perhaps based on an established threshold);
 - Likelihood of RA funding (Priority 1 and 2 projects); and
 - Significantly higher cost to return to site if RI/FS stopped.
- Evaluation Process
 - Evaluation Criteria -- All Fund-lead and RP-lead RI/FS start candidates (first and subsequent) will be evaluated for their relative priority based on environmental criteria. Additionally, as is done in ranking RA projects, various program management considerations (including the relation to other site work) may elevate the relative priority of a project above that based solely on the above environmental criteria.
 - Potential RP-lead Exemptions -- Depending on overall resources available for RI/FS starts, a certain number of RP-lead RI/FS projects may be started independent of the environmental priority of the problem(s) addressed.* The "very willing/able" PRPs identified by affirmative responses to the following questions would be the cases where exemptions from the RI/FS start priority process may be most appropriate.

Specific environmental criteria and the definition of "very willing/able" PRPs will be provided in other guidance. This manual may be updated at that time.

Ground Rules for Priority Setting

- RI/FS priority process informs, but does not decide which RI/FS projects are started/continued. Regional funding decisions would be based on a variety of criteria. Depending on the importance of other factors, projects at the lower end of the Region's environmental priority list could be funded ahead of projects higher on the listing.
- RI/FS priority process is based on environmental and public health criteria. While various program management factors may be considered, political factors are specifically excluded.
- The subset of ongoing Fund-lead RI/FS projects are assessed using standard criteria. Regions will be required to report their findings and actions at a summary level.
- RI/FS start candidates are to be more formally ranked using standard criteria.
- All Regions will receive at least a minimum number of RI/FS starts based on the national target. Additional RI/FS starts may be allocated based on the Region's assessment of the RI/FS priorities.

* There are 35 RI/FS starts targeted for FY91 and any exclusions will need to be carefully considered.

Management Process

The RI/FS priority process will be conducted independently by each Region with minimal HQ involvement by HQ. Each Region will define its universe from CERCLIS (with supplemental analysis to eliminate some projects, as noted above). HQ's role will be to ensure consistency between the Regions in establishing the priorities.

SITE ASSESSMENT PROGRAM GOALS

At the end of FY90, the SI completion goal imposed by SARA is expected to be met in five Regions. During FY91, resources will be placed into the remaining five Regions such that the SI backlog is eliminated to the greatest extent possible prior to reauthorization.

The third SARA site assessment goal requires all sites in CERCLIS as of the date of enactment to be evaluated for inclusion on the NPL by October 1990. The transition to the revised HRS will be achieved in FY91 and the program will concentrate on using the revised HRS to score sites. Regions should continue to evaluate the NPL potential of all sites. Priority should be given to the pre-SARA sites whenever possible such that the SARA goal may be met as soon as possible.

As the Regions continue to evaluate the inventory of identified CERCLIS sites, concerns have been raised that there is a universe of potentially hazardous sites that are not being addressed. In FY90, HQ initiated a pilot to evaluate various discovery strategies. One focus of the FY90 effort was aimed primarily at identifying the "types" of facilities that may be candidates for the site assessment program. Three major categories of sites were identified:

- municipal landfills;
- large quantity hazardous waste generators; and
- Resource Conservation and Recovery Act (RCRA) Subtitle D industrial landfills.

A concentrated regional effort to find sites in these categories could potentially add 30-40 thousand new sites to CERCLIS. Other pilot discovery efforts were initiated in some Regions and this program is expected to continue and be expanded in FY91.

The regional objectives of the site assessment program are as follows:

- Continue EPA's policy of conducting PAs within one year of CERCLIS listing in order to prevent the build-up of a PA backlog;
- State, Field Investigation Teams (FIT) and EPA staff conducting PAs, site reconnaissance and SIs, should consider the need for removal activities at all sites evaluated. Removal personnel must be notified in all instances where evidence of potential fire, explosion or direct exposure hazards exist or where removal activities may substantially improve a hazardous situation;
- Complete all SIs in the pre-SARA universe;
- Review all completed SIs and develop HRS listing packages, as appropriate on the basis of SI data;

- Determine which sites cannot be listed without the installation of monitoring wells and perform Listing Site Inspections (LSI) at those sites;
- Continue to implement the Environmental Priorities Initiatives (EPI);
- Enter all site assessment decisions/priority recommendations at each step of the evaluation process and all appropriate identifiers (RCRA, Federal Facilities, Indian lands, etc.) into CERCLIS as rapidly as possible to facilitate overall program planning and to expedite response to Congressional and public inquiries; and
- Continue to list sites on the NPL at historical rates.

REMOVAL PROGRAM GOALS

In FY91, as in the past, the key goal of the removal program is to ensure that resources are available for time critical removals and not diverted to less critical removal actions. Regions should prioritize time critical removals in the following order:

- Classic emergencies;
- Removals at NPL sites; and
- Time critical removals at non-NPL sites posing major environmental and public health threats that can not be addressed by other authorities.

Ensuring that NPL sites do not pose an immediate threat remains a high priority. Starting in FY91, Regions have the responsibility of reviewing half their NPL sites each year to ensure no immediate threats have arisen. If necessary, response actions should be promptly scheduled and conducted.

Non-time critical removals should be undertaken only as resources allow. Non-time critical removals at NPL sites should be planned and budgeted site specifically. For all non-time critical removals, Regions should involve states and PRPs to the maximum extent practicable. In classic emergencies, PRPs should be notified orally and given up to 24 hours to respond, depending on the situation. Oral notification should be followed up in writing. For time critical removals, enforcement activities (PRP searches, negotiations and issuance of an order) should be initiated as soon as the site is identified, and scheduled for completion based on the timing of the removal start.

FEDERAL FACILITIES PROGRAM GOALS

A Federal Facility is defined based on the RCRA definition of facility (47 Federal Register (FR) 32288-9 (1982) and 50 FR 28712 (1985)). This property based definition encompasses all contiguous land that is owned by a department, agency, or instrumentality of the United States. The definition includes all individual waste release areas or units on the owner's property, including Government-owned, contractor operated areas.

The Federal Facility Hazardous Waste Compliance Docket contains the primary universe of Federal Facilities that are being assessed for inclusion on the NPL. The bulk of the facilities

on the Docket that have been or will be placed on the NPL are facilities owned by the Department of Defense (DOD) and the Department of Energy (DOE). Over time, facilities and lands owned by the Bureau of Land Management (BLM) within the Department of the Interior (DOI) will probably score high enough for inclusion on the NPL. To date, the Docket does not contain facilities that fall within the "formerly-owned" category. HQ is currently analyzing these facilities relative to the requirements of CERCLA Section 120.

The primary program focus is directed to overseeing response activities at Federal Facilities currently on or proposed to the NPL. Regions should issue notice letters and conduct 90 day negotiations to execute three party Section 120 Interagency Agreements (IAG) with these facilities for RI/FS through RD/RA activities. The first priority for FY91 is to continue to oversee work at facilities with signed §120 IAGs. The second priority is to complete §120 IAG negotiations at facilities which were targeted in FY90 but slipped to FY91, and the third priority is to enter into §120 IAGs at all facilities where one does not currently exist. All proposed and final Federal Facilities should have signed §120 IAGs by the end of FY91.

Many of the Federal Facilities will have significant RCRA/CERCLA integration issues. Regions, in conjunction with states, need to address these issues relative to the scope of the IAG early in the negotiations process. Both RCRA and CERCLA program staff, as well as HQ and the Office of Regional Counsel (ORC), need to be involved in these discussions.

CHEMICAL EMERGENCY PREPAREDNESS AND PREVENTION PROGRAM

The main goal of the Chemical Emergency Preparedness and Prevention Program (CEPP) is to prevent and prepare for chemical accidents. The program's authorities are CERCLA and the Emergency Planning and Community Right-to-Know Act of 1986, also known as Title III of SARA. CEPP's FY91 Strategic Targeted Activities for Results System (STARS) measures focus on key activities to meet the above goal, specifically, technical assistance and training activities, simulations, after incident evaluations, chemical safety audits, and the Accidental Release Information Program (ARIP) measure aimed at gathering and analyzing information on accidental releases and prevention methods. Enforcement measures are also included. The SCAP measures for CEPP complement and supplement the STARS measures and include outreach activities, reporting on the status of Title III implementation nationwide, participation in Regional Response Team (RRT) activities, and earthquake preparedness and national security emergency preparedness activities. Because the deadline for completion of initial Local Emergency Planning Committee (LEPC) emergency response plans occurred in FY89, review, exercise, revision, and improvement of plans will be emphasized in FY91. Plans must be reviewed, revised, and updated at least annually. RRTs may also review plans.

CEPP STARS information does not need to be entered into CERCLIS. The reporting mechanism is outside the CERCLIS system.

Earthquake and National Security Emergency Preparedness Programs

The plan for Federal response to a catastrophic earthquake was mandated by the Earthquake Hazards Reduction Act. The plan, which is being developed by 25 Federal departments and agencies and is coordinated by the Federal Emergency Management Agency (FEMA), is an effort to improve Federal, state, and local preparedness and response to a catastrophic earthquake. EPA's responsibility in plan development is to act as the primary agency for Emergency Support Function (ESF) #10 — "Hazardous Materials", and as a support agency to other ESFs. Each EPA Region that has a high-risk, high population area for a catastrophic earthquake within its boundaries must develop a risk-area specific, hazardous materials annex to the multi-agency

regional response plan. This annex operationally identifies how the agency and its support agencies would respond to multiple hazardous material incidents, including radiological incidents, during a catastrophic earthquake. In Regions containing more than one catastrophic risk area, risk-area specific sub-plans are necessitated.

The purpose of the National Security Emergency Preparedness Program (NSEPP) is to ensure the performance of essential functions of the Agency in the event of a national security emergency. EPA's responsibilities are outlined in Executive Order 12656 and related directives. Each Region is required to establish and maintain a designated team of personnel for such events; participate in EPA, FEMA or other agency sponsored planning sessions, workshops, training and exercises; and assist in preparing program support materials.

STRATEGIC PLANNING

In late March 1989, the Administrator instructed the Agency's four program offices (Air and Radiation, Pesticides and Toxic Substances, Water, and Solid Waste and Emergency Response) to develop four year strategic plans to "...guide the Agency toward more direct implementation of its original and principal purpose: to reduce risk to human health and the environment." The strategic plans were designed to cover the period FY92 to FY95.

The strategic plan of OSWER has four basic parts: the mission statement, goals, objectives, and activities. OSWER's mission is to protect human health and environment from unacceptable risks posed by solid and hazardous wastes and by releases of oil and hazardous substances into the environment. To fulfill this mission, OSWER has established the following four goals:

- Minimize the generation of wastes;
- Ensure proper management of solid and hazardous wastes;
- Prevent releases of oil and hazardous substances into the environment; and
- Prepare for and respond to releases of oil and hazardous substances when they occur.

Objectives are actions that must be accomplished in order to achieve a goal. The OSWER objectives are measurable, time specific, and stated in risk reduction terms as much as possible. All the objectives that have been developed may not be accomplished fully within the four years of the strategic plan. To address this possibility, OSWER ranked the objectives using the following criteria:

- Risk;
- Court-ordered or statutory deadlines;
- Public or political expectations (credibility);
- Risk reduction potential (technical and economic feasibility, cost effectiveness, and administrative considerations); and
- Leveraging potential.

The ranking indicates which objectives should be completed and which might be partly deferred.

Included with each objective are the activities that OSWER's programs must complete in order to fulfill the objective. The list of activities is short and general.

To fulfill OSWER's mission, the following principles will be followed:

- Assure an effective and open dialogue and exchange of information with all entities that have a stake in OSWER's mission;
- Foster a special relationship with states and Indian Tribes in sharing responsibility for implementing OSWER's programs;
- Exhibit leadership in developing programs based on enhancing public and private capabilities;
- Anticipate problems and seek creative solutions and approaches using the flexibility available under the law;
- Continuously improve all aspects of OSWER's activities;
- Recognize that information is a valuable resource, vital to the success of OSWER's programs, to be planned and managed appropriately;
- Implement a broad spectrum of incentives, including enforcement, to enhance program effectiveness; and
- Recognize that OSWER's employees are its most valuable resource and that they need a positive working environment, and manage all activities accordingly.

CHAPTER II

SUPERFUND COMPREHENSIVE ACCOMPLISHMENTS PLAN PROCEDURES

CHAPTER II - SUPERFUND COMPREHENSIVE ACCOMPLISHMENTS PLAN PROCEDURES

ONE MINUTE PROGRAM MANAGER RULES

Following are the actions regional managers must take to comply with the requirements described in this Chapter. In order to acquire a more in-depth understanding of these requirements, the Chapter itself should be read.

- Most of the Superfund Budget is based on the SCAP.
- HQ will not recognize a Superfund Comprehensive Accomplishments Plan (SCAP)/Strategic Targeted Activities for Results System (STARS) accomplishment unless it is recorded in the Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) by the specified pull date.
- Regions have complete responsibility for maintaining CERCLIS, WasteLAN, and selected portions of the CERHELP data base.
- The preliminary and final SCAP/STARS targets are established in March and August, respectively.
- During negotiations, Regions may propose changes in targets to match the total regional Superfund resource level.
- Response and enforcement funding needs identified in January form the basis for the annual regional budgets.
- RA cost estimates for outyear budget should be derived using the draft FS, the ROD or Cost of Remedial Action (CORA) model.
- Final "approved" funding requests must be within the annual regional budget proposed by HQ.
- On the fifth working day of February and July, HQ pulls SCAP data from CERCLIS for negotiations.

CHAPTER II - SUPERFUND COMPREHENSIVE ACCOMPLISHMENTS PLAN PROCEDURES (Cont'd)

ONE MINUTE PROGRAM MANAGER RULES

- On the fifth working day of each month, HQ pulls planning and accomplishment data from CERCLIS to support a variety of official reporting requirements.
- SCAP/STARS amendments require HQ concurrence and approval.
- Changes to STARS should not be made simply because a target cannot be met.
- STARS amendments should be submitted from the Regional Administrator to the AA SWER by April 15.
- Amendment requests will not be approved unless they are in CERCLIS.
- Planning and accomplishment data should be updated at least monthly.

CHAPTER II - SUPERFUND COMPREHENSIVE ACCOMPLISHMENTS PLAN PROCEDURES

INTRODUCTION

The Superfund Comprehensive Accomplishments Plan (SCAP) process is used by the Superfund program to plan, budget, track, and evaluate progress toward Superfund site cleanup. The SCAP planning process is a dynamic, ongoing effort that has a significant impact on Superfund resource allocation and program evaluation. Planned obligations and STARS targets and measures are generated through SCAP and influence the Superfund budget and evaluation process. SCAP planning is a day-to-day responsibility of the Regions. A semi-annual process has been established through which HQ and Regions formally negotiate plans for the future. CERCLIS serves as the conduit for the SCAP process. CERCLIS provides both HQ and Regions with direct access to the same data. Reports can be produced allowing for daily, interactive updates of planning and site cleanup progress information.

BACKGROUND

The SCAP process is crucial to Superfund program planning, tracking, and evaluation. As the Superfund program's central planning mechanism, it is interrelated with all Agency and Superfund program specific planning and management systems, such as the Agency Operating Guidance, the Superfund budget, Agency Operating Plan, STARS, and the Superfund workload models. The Agency Operating Guidance defines Superfund goals for the upcoming year. SCAP targets/measures are designed to reflect the Agency Operating Guidance. In some cases, new SCAP categories are developed, or the projections for SCAP activities are adjusted to match the Agency's goals.

Most of the Superfund program's budget is based on the SCAP. The operating year's budget is developed 18 months prior to its beginning. For example, the SCAP existing in the third quarter of FY91 will be used to formulate the FY93 budget. The site schedules reflected in the SCAP serve as the foundation for determining outyear budget priorities, such as the dollar levels to be requested in the budget and the total level of FTEs to be made available for distribution through the workload model. Because dollars for Fund-financed RAs and RDs dominate Superfund's overall budget, it is critical that the SCAP identify RD and RA candidates and projected funding needs. RA cost estimates should be derived using the draft FS, ROD or Cost of Remedial Action (CORA) Model estimates.

The Superfund budget provides the basis for the Agency Operating Plan. The Operating Plan, which is finalized prior to the FY, establishes the funds available to the Regions for performing Superfund work.

STARS, formerly the Strategic Planning and Management System (SPMS), is used by EPA to set and monitor the environmental objectives identified in the Agency's Operating Guidance for a FY. National and regional STARS goals for Superfund are established and tracked through SCAP. STARS targets are a subset of those contained in SCAP. STARS targets and measures are reported quarterly by HQ and the Regions to the Office of Pollution Prevention (OPP). OPP tracks regional progress toward STARS goals on a quarterly basis as part of the overall Agency performance evaluation process. With the exception of CEPP, HQ will not recognize a STARS accomplishment unless it is correctly recorded in CERCLIS.

The Superfund workload models distribute FTEs for each program and Region. There are two Superfund program models, the Hazardous Site and Spill Response model, which distributes resources for the site assessment, remedial and removal programs, and the Technical Enforcement model which distributes enforcement FTEs. SCAP plans form the basis of the workload models. In FY91, each Region's FTE will be frozen at the FY90 levels. Resources will remain frozen for a period of two years provided that the national budget does not increase or decrease by ten percent. While the freeze ensures that total regional Superfund resources will not be affected, shifting of resources within the Region among the different program areas many occur. This includes shifts between the response and enforcement programs. All shifts will be based on the FY91 national budget and the integrated Priority Setting Matrix.

SCAP AND CERCLIS/WASTELAN RELATIONSHIP

CERCLIS is the data base used by HQ and regional personnel for Superfund site, program and project management. CERCLIS contains the official inventory of CERCLA sites and supports current site planning and tracking functions. In CERCLIS, financial data are integrated with data from the site assessment, remedial, removal and enforcement programs. Site assessment, remedial and removal activities are called "events" in CERCLIS. Enforcement actions are labeled "activities". SCAP information is a subset of the site data collected through CERCLIS. Data entry responsibilities and report retrieval abilities exist at the regional level so that regional managers and users play a central role in maintaining and using the data base. HQ relies on CERCLIS as the sole repository of information on plans and accomplishments and uses the data base to generate national reports.

CERCLIS consists of two data bases: a site specific data base, CERCLIS, and a non-site specific data base, CERHELP. The site specific data base contains site, OU, event, enforcement activity, technical and financial information. Each week financial data from the agency-wide Integrated Financial Management System (IFMS) are transferred into CERCLIS. The data transferred include such information as commitments, decommitments, obligations, deobligations, outlays, credits, transaction date, obligating document number and funding vehicle.

CERHELP contains information such as SCAP/STARS targets and accomplishments, Advice of Allowance (AOA), budget, and information on non-site/incident activities. The CERHELP data base consists of the following separate files:

- The Targets and Accomplishments System is the data file used for setting and tracking SCAP/STARS targets. Preliminary and final regional SCAP/STARS commitments are entered into the system by the HQ SCAP Coordinator. Target data are updated by the Region to reflect SCAP adjustments and by HQ to reflect approved amendments. Regional reporting of non-site/incident accomplishments is also performed through this system. Data from this system are used in all official SCAP targets and accomplishment reports and are the baseline for regional evaluation.
- The Budget Control/Advice of Allowance (BC/AOA) file is used by HQ for SCAP budget development and control and for tracking and reporting the AOA process.
- Planning and tracking of non-site/incident activities and financial data are accomplished through the Non-Site/Incident Activity system. Regions are responsible for entering and maintaining SCAP non-site specific information.

Using CERHELP, Regions will be able to track planning data and reconcile the site specific planning in CERCLIS with the AOA and SCAP/STARS targets. It serves as an important management tool for Regions and HQ.

WasteLAN is a personal computer (PC)-based regional extension of CERCLIS that provides an alternative to direct data entry into the main frame CERCLIS data base. WasteLAN maintains the regional CERCLIS data base on a local area network (LAN) in the Region and regularly uploads the data to the CERCLIS data base.

WasteLAN is designed to meet three objectives:

- Support regional program management -- Regional program management needs are supported by the use of an integrated data base that provides information for program evaluation and management reporting of STARS/SCAP plans and accomplishments.
- Provide key information to main frame CERCLIS -- Key information is entered into WasteLAN. The system has the capability to electronically transfer a copy of the data in the regional PC data base to the CERCLIS main frame data base.
- Support site project management -- Site project management needs are supported by the detailed site and contract level data for site planning and project management purposes.

In this Manual, CERCLIS will be used as a generic term that will encompass CERCLIS, CERHELP, and WasteLAN.

Additional information, including regional responsibilities for CERCLIS, CERHELP, and WasteLAN can be found in the CERCLIS Users Reference Manual or the WasteLAN Users Reference Manual.

SCAP ROLES AND RESPONSIBILITIES

HQ responsibilities for maintaining the SCAP in CERCLIS include:

- Entering negotiated preliminary and final SCAP/STARS targets and measures and site back-up in the CERHELP Targets and Accomplishments data file;
- Updating the numbers and site back-up in the Targets and Accomplishments data file to reflect approved amendments to the SCAP throughout the year;
- Entering preliminary and final budget data in the CERHELP BC/AOA system;
- Determining the AOA based on SCAP planned activities in CERCLIS;
- Entering and maintaining AOA data in the CERHELP BC/AOA system; and
- Responding to regional requests for changes in plans through the amendment and change request process.

Regions have complete responsibility for maintaining CERCLIS/WasteLAN, SCAP and selected portions of the CERHELP data base. At a minimum this requires:

- For sites which are beginning the RI/FS in the current or next FY, planning and scheduling all pipeline remedial events and enforcement activities through the NPL deletion process. These data are to be entered into CERCLIS in the month/day/year (MM/DD/YY) format;
- Keeping SCAP planning data current, including updating site schedules established at the RI/FS stage and RA cost estimates when better planning data become available;
- Updating the site back-up in the Targets and Accomplishments data file to reflect adjustments to the SCAP throughout the year;
- Reporting accomplishments as they occur;
- Reconciling CERCLIS financial data with IFMS;
- Entering and maintaining quarterly planning, budget and accomplishments reporting in CERHELP for non-site specific activities;
- Preparing SCAP amendments and change requests; and
- Tracking and record Technical Enforcement Support (TES) work assignments (tasking).

The regional Information Management Coordinator (IMC) is a senior position which serves as regional lead for all Superfund program and systems management activities. The following lead responsibilities for regional program planning and management rest with the IMC:

- Coordinate SCAP/STARS planning, development and reporting;
- Ensure regional accomplishments are accurately reflected in CERCLIS;
- Reconcile IFMS data transferred into CERCLIS;
- Provide liaison to HQ on SCAP/STARS and program evaluation issues;
- Coordinate regional evaluations by HQ; and
- Ensure that the quality of CERCLIS data are such that accomplishments and planning data can be accurately retrieved from the system.

OVERVIEW OF THE SCAP PROCESS

The SCAP process generates data that fulfill the following functions:

- Tracking of accomplishments against targets/measures;
- Updating planning (schedules and funds) for the current FY;
- Developing planning data for the upcoming FY; and
- Providing data for outyear budget planning purposes.

It is essential that SCAP data remain current and up-to-date and that accomplishments be reported as soon as they occur. Planning information should be reviewed and updated as necessary.

The SCAP formal negotiation cycle is a semi-annual process. The focus of the two formal negotiations is slightly different. Exhibit II-1 indicates the significant differences between the February and August negotiating sessions.

The fourth quarter SCAP planning cycle is important because of its direct impact on the upcoming FY's budget. Regions are required to manage their funds and operate within the annual non-RA budgets established during the fourth quarter update. Funds within the Region's non-RA budget must be reprogrammed to meet unexpected contingencies.

During the second quarter negotiations, and throughout the third and fourth quarters, the RAs that are scheduled for funding based on the environmental priority setting criteria will be carefully assessed to identify schedule slippage. If it appears that planned RAs with approved funding will not be ready to proceed in FY91, other priority RAs will be funded instead. Funding will be provided for approved RAs that remain on schedule through the first three quarters of the FY. Once an RA project is ranked and placed above the funding line, Regions have the flexibility to modify the budget to accommodate the RA project funding needs.

SCAP CHANGE CONTROL PROCEDURES

Stability in the SCAP process through the year is essential to the success of SCAP planning and accomplishment reporting/evaluation procedures. The following procedures are used to control changes to the SCAP:

- Changes (including additions or deletions) to SCAP targets, measures, definitions, methodologies, planning processes, accomplishment reporting, financial management or any other processes described in this Manual must be presented by the Office Director for the program office proposing the change and have the concurrence of both OWPE and OERR;
- All proposed changes must be sent to the Regions and all other program offices for review and comment prior to implementation; and
- The decision on whether to proceed with the proposed change must be documented in writing. If the proposed change will be implemented, an addendum to the Superfund Program Management Manual will be issued.

EXHIBIT II-1

SCAP PLANNING YEAR

SECOND QUARTER (JANUARY/FEBRUARY/MARCH 1991)

- Regional program office consults with states and ORC on plans and schedules for the upcoming year
- Revise FY91 annual budget ceilings to reflect first and second quarter performance and revised plans for the remainder of the year
- Update and negotiate planning information in CERCLIS for the third and fourth quarter FY91
- Negotiate third and fourth quarter enforcement AOA(s)
- Review slippage in FY91 targets for development of action strategies
- Assess the status of RAs
- Negotiate preliminary FY92 SCAP/STARS targets and measures
- Negotiate preliminary annual regional budgets for FY92
- Provide complete site schedules including planned RA obligations to allow HQ to project the outyear budget (FY93)

FOURTH QUARTER (JULY/AUGUST 1991)

- Establish final SCAP/STARS commitments for FY92
- Establish FY92 annual regional budget

PROCEDURES FOR ANNUAL TARGET SETTING

The process for the development of a FY's SCAP and STARS targets/measures begins with the SCAP developed during the second quarter of the previous FY. Preliminary targets/measures for the upcoming FY are set by early March. All targets/measures are negotiated and numbers are established only after discussions between OERR, OWPE, and the Regions. In the Regions, a joint review of commitments should be undertaken by the program office and ORC. Final SCAP and STARS targets are negotiated in the fourth quarter (August). Final targets/measures also involve HQ/regional negotiations. The dates for pulling CERCLIS information that will be used for negotiations can be found in the Manager's Schedule of Significant Events found at the beginning of this Manual.

The negotiation of preliminary and final SCAP/STARS targets and measures has become complicated as a result of the freeze in regional FTE. During negotiations, Regions may propose changes in targets to match the total regional Superfund resource level. The changes in targets must be made in accordance with the integrated Priority Setting Matrix and the overall budget. HQ will work to ensure that the cumulative regional targets meet national budget commitments.

The procedures for target setting for the upcoming FY are as follows:

- At the beginning of the second quarter (January) HQ sends to the Regions initial targets and planning estimates based on the SCAP/STARS Methodologies and the budget for the upcoming FY. SCAP/STARS Methodologies for FY92 are presented in Appendix A.

- Regions will respond to proposed SCAP/STARS targets/measures through CERCLIS within the timeframes established for the second quarter SCAP negotiations. To adequately plan for the year, a Region must make decisions on the status of projects. States and ORC should be consulted prior to making these decisions. Remedial and enforcement projects (except RAs) should be identified as either "Primary" (P) or "Alternate" (A) in the Activity/Event Planning Status field (C2110 and C1725) in CERCLIS. Primary projects represent those that have the greatest likelihood of meeting the schedules in CERCLIS. Alternates represent sites that can be substituted for primary targets. The negotiated number of primary projects will be used to determine preliminary SCAP/STARS commitments. A sufficient number of alternate projects should be maintained to replace primary projects which experience slippage or are deferred because of revised project priorities. A Region should identify alternate projects to ensure that it can maintain a steady pipeline of remedial activity. (See Exhibit II-2 for an example of the use of the activity/event planning status field.)
- At this time, the schedules for queued RA projects should be reevaluated. Projects experiencing slippage that lead to a planned start date in the upcoming FY are placed in the new funding queue based on their existing score. The correct Activity/Event Planning Status field codes for different RA projects are presented in Chapter I Exhibit I-5.

Fourth quarter FY91 RA projects that will not be funded because of budget constraints should be coded with an Activity/Event Planning Status flag of "Q" (queued). During fourth quarter negotiations, the planned start date for these projects should be changed to FY92.

- The regional response to non-site/incident targets or planning estimates should be reported in the Targets and Accomplishments file in CERHELP. The regional target or planning estimate must be entered into CERHELP with the appropriate activity code and a "Proposed" (P) in the Version data field in CERHELP. Appendix D identifies the targets and measures which are planned on a site specific vs. non-site/incident basis.
- Regions must also identify FY92 remedial and enforcement funding needs in CERCLIS. States should be consulted to ensure that state-lead activities and state funding needs are accurately reflected in SCAP. At this time, the Region only needs to provide the planned quarter of obligation, the budget source, amount, and contract vehicle for response funding needs. RA funding needs should also be identified as "Approved" (APR) or "Alternate" (ALT). Chapter I Exhibit I-5 presents the rules for identifying "ALT" and "APR" RA projects.

Appendix G contains the CERCLIS coding instructions for requesting Case Budget funds.

- HQ/regional negotiations and FTE reconciliation occur during the second quarter. A negotiation schedule is sent to the Regions. Action strategies developed for current year performance problems are a factor in the negotiation of targets and measures.
- Preliminary targets/measures are set after completion of the negotiations in early March. Regional RA start targets will be established after the RA priority setting panel meeting in July.

- Based on the fourth quarter SCAP reflected in CERCLIS, a second round of negotiations and FTE reconciliation is held to finalize the targets and planning estimates and the regional budget. At this time, only minor changes to targets and measures developed during the second quarter should occur. These negotiations are conducted in August and final targets, measures, and associated budgets are in place by early September.
- In preparation for the fourth quarter SCAP negotiations, final proposed regional budget ceilings for removal, remedial, and enforcement programs will be sent to the Regions. RA funds are not included in the budget ceiling. However, the Funding Priority Status field for all RA projects should be reviewed and updated if necessary. Those remedial events or enforcement activities which have the greatest likelihood of requiring funding during the FY that are within the Region's budget allocation should be identified by placing "Approved" (APR) in the Funding Priority Status field (C3225 and C2909) in CERCLIS. The total of all approved funding must not exceed the budget ceilings or HQ will not initiate negotiations.

For all events (RI/FS, RD, RA) scheduled to begin during the FY, the "APR" funding status can only be placed on funds for sites which are coded with "P" Activity/Event Planning Status. For example, only RI/FS starts that are primary SCAP/STARS targets will be used by HQ to establish the RI/FS budget. Projects with a Funding Priority Status (C3225 and C2909) of "Alternate" (ALT) are moving toward the point of obligation. As with primary and alternate SCAP/STARS targets and measures, projects with alternate funds may be substituted for approved projects which experience slippage or are deferred due to changing priorities. Activities/projects identified as alternate will also form the basis for any requests for supplemental funding.

Projects may also be identified with a Funding Priority Status (C3225 and C2909) of "CON" (Planned Contingency Funds). This code allows Regions to indicate funding needs for projects that have a medium or high potential for the PRP assuming lead responsibility. (See Chapter V for additional information on coding PRP probabilities.) The financial amounts associated with event/activity that has the greatest likelihood of requiring funding would be coded as "APR". The financial amounts associated with event/activity that has the least likelihood of requiring funding would be coded as "CON". (See Exhibit II-2 for an example of the use of the Funding Priority Status field.)

- The Activity/Event Planning Status should also be updated prior to fourth quarter negotiations.
- Any site scheduling or target changes that result from the negotiation of preliminary or final targets/measures must be entered into CERCLIS by the Regions. At this point, Regions should also reflect the RA priority setting funding decisions in CERCLIS.
- Written concurrence of final negotiated targets and budget levels will be obtained at the close of negotiating sessions between HQ and each Region.

EXHIBIT II-2**EXAMPLES OF ACTIVITY/EVENT PLANNING STATUS AND
PRIORITY FUNDING STATUS****ORIGINAL PLAN**

<u>Site Name</u> (C104)	<u>OU</u> (C1101)	<u>Event</u> (C2101)	<u>Ld</u> (C2117)	<u>Activity/Event Planning Status</u> (C2110)	<u>Plan Start</u> (C2132)	<u>Actual Start</u> (C2140)	<u>Qual</u> (C2103)	<u>Funding Status</u> (C3225)	<u>Budget Source</u> (C3229)	<u>Finan Amount</u> (C3230)
X	01	C01	F	P	91/2		L	APR	R	750,000
Y	01	C01	F	P	91/4		M	APR	R	500,000
								CON	E	25,000
Z	01	C01	F	A	91/2		H	ALT	R	750,000
								CON	E	75,000

ALTERED PLAN

<u>Site Name</u> (C104)	<u>OU</u> (C1101)	<u>Event</u> (C2101)	<u>Ld</u> (C2117)	<u>Activity/Event Planning Status</u> (C2110)	<u>Plan Start</u> (C2132)	<u>Actual Start</u> (C2140)	<u>Qual</u> (C2103)	<u>Funding Status</u> (C3225)	<u>Budget Source</u> (C3229)	<u>Finan Amount</u> (C3230)
X	01	C01	F	A	91/4		L	ALT	R	750,000
Y	01	C01	F	P	91/2	2/16/91		APR	R	500,000
Z	01	C01	RP	P	91/2	3/20/91		APR	E	75,000

- HQ will enter preliminary and final commitments including the site specific back-up where appropriate into the Targets and Accomplishments file in the CERHELP data base.
- Targets and measures, site back-up, and the regional budget are sent to the AA for approval in early September. They are then submitted to the OPP as final STARS targets.

SCAP PLANNING

Regions are required to keep the SCAP data in CERCLIS up-to-date and accurate. Changes in planning information (schedules and funds) should be entered into CERCLIS within five days. If changes affect a SCAP or STARS target or measure or the approved funding level for a site, the Activity/Event Planning Status and Funding Priority Status fields in CERCLIS must also be updated.

Semi-Annual Planning Process

As a final check to ensure that SCAP data are up-to-date, Regions should generate SCAP and Audit reports periodically, especially those Regions which have delegated responsibility for the database to Remedial Project Managers (RPM) and On-Scene Coordinators (OSC). At a minimum, reports should be generated for the major updates in January and June for internal review of the planning data in CERCLIS. These planning data should reflect any adjustments or approved amendments made to the annual plan. Regions should note that changes made in CERCLIS to site schedules and other planning data will not automatically result in changes to SCAP/STARS targets. Although Regions have the flexibility to alter plans, they are still accountable for meeting the targets negotiated at the beginning of the FY. (See the section on SCAP/STARS Adjustments and Amendments).

On the fifth working day of February and July, HQ pulls the proposed regional SCAP update which serves as the basis for HQ/regional mid-year and final negotiations. HQ will perform all negotiations based on the information in CERCLIS on these pull dates. To ensure consistency in the negotiation phase, the CERCLIS data bases are frozen prior to pulling the reports used for negotiations. As a result, all parties (HQ and the Regions) will have identical data for use during the negotiation process.

CERCLIS data quality problems that affect the SCAP update shall be resolved prior to negotiations. These problems are to be resolved on a Region-specific basis through telephone calls between HQ and the IMC or program manager.

CERCLIS Reports for SCAP Planning/Target Setting

Exhibit II-3 presents the CERCLIS reports used by HQ and the Regions in the development and negotiation of regional targets/measures. Following is a discussion of these reports:

- The SCAP/STARS Targets and Accomplishments Summary Report (SCAP-14) displays current year aggregate quarterly target and accomplishment totals and site back-up by SCAP activity.
- The Event/Activity Summary Report for NPL Sites (SCAP-27) provides planned obligations, first and subsequent start and completion codes, and budget source for events and activities at sites on the NPL. It is similar to the SCAP-2 except for the addition of these codes and the deletion of the SCAP note field.
- The Non-NPL Site Summary Report (SCAP-1) displays major planned, ongoing and completed activities for sites that are not on the current NPL. Information on PRP searches, non-NPL removals, non-NPL removal AOs, etc. are found on this report. A site must have planned or ongoing work to show on this report.
- The NPL Site Summary Report (SCAP-2) contains major planned and actual data for events and enforcement activities at sites that are on the NPL, including deleted and removal sites.
- The SCAP Financial Report (SCAP-4) aggregates dollars by program area and provide both site specific backup from CERCLIS and non-site specific backup from CERHELP. These reports should be used to compare the funding requests contained in CERCLIS and CERHELP against the regional budget. Regions are prompted for "APR", "ALT", "CON" and "TOTAL".

EXHIBIT II-3**SCAP PLANNING/TARGET SETTING CERCLIS REPORTS**

SCAP-1:	<i>Non-NPL Site Summary Report</i>
SCAP-2:	<i>NPL Site Summary Report</i>
SCAP-4:	<i>Financial Report</i>
SCAP-23:	<i>SCAP/STARS Measures Negotiations Report</i>
SCAP-14:	<i>SCAP/STARS Targets and Accomplishments Summary Report</i>
SCAP-16:	<i>Target/Negotiation Report</i>
SCAP-21:	<i>Budget Control Report</i>
SCAP-27:	<i>Event/Activity Summary Report for NPL Sites</i>
ENFR-4:	<i>SOL Management Report</i>
ENFR-46:	<i>Cost Recovery Category Report (CRCR)</i>
ENFR-47:	<i>FY91 Case Budget Request for New and Ongoing Activities/Events: Approvals and Alternate Dollars</i>
ENFR-48:	<i>FY91 Case Budget Request for Activities/Events with only Alternate Dollars</i>
ENFR-49:	<i>Case Budget Modeling Audit Report for FY91</i>
AUDIT-26:	<i>Underlying Data and Error Types Report</i>

- The Budget Control Report (SCAP 21) is similar to the Financial Report. It provides quarterly and annual regional budget ceilings and shows the difference between the ceilings and the total annual regional budget.
- The Underlying Data and Error Types Report (AUDIT-26) is an edit report used to check data quality.
- The Target/Negotiation Report (SCAP-16) is similar to the SCAP/STARS Targets and Accomplishments Report (SCAP-14) and is used for target negotiations for the upcoming FY. The activity/event planning flags and other coding requirements needed to identify a given event/activity as a planned start or completion is included in the report. A similar report, SCAP/STARS Measures Negotiations Report (SCAP-13) will be used for negotiation of SCAP measures and used for budget and FTE allocations.
- The SOL Management Report (ENFR-4) identifies planned and actual completion dates and obligations for response activities.
- The Cost Recovery Category Report (CRCR) (ENFR-46) is used to negotiate cost recovery targets and track cost recovery actions at sites. It divides sites into a number of categories based on SOL considerations and planned or actual cost recovery enforcement activity.
- The Case Budget Reports (ENFR -47, 48 and 49) are used for Case Budget financial management.

SCAP ACCOMPLISHMENT REPORTING

Accomplishments data are recorded on Site Information Forms (SIF) or Integrated SIFs (ISIFs) and CERHELP Non-Site Incident Activity Maintenance Forms, or other regional data entry forms, and entered into CERCLIS by the IMC or designee. Data on accomplishments should be entered into CERCLIS within five working days of the event or activity. **Only accomplishments correctly reported in CERCLIS will be recognized by HQ. If a Region feels that it has correctly recorded an accomplishment that is not showing in the SCAP/STARS Targets and Accomplishments Summary Report (SCAP-14), please contact the appropriate HQ office.**

Prior to the fifth day of each month, Regions should generate SCAP reports for internal review. Regions should perform data quality checks and make adjustments to CERCLIS if the data bases do not reflect actual accomplishments.

On the fifth working day of each month, HQ will pull data from CERCLIS on a selected number of key indicators of progress in the Superfund program (i.e., removals, RI/FS starts, RODs, RDs, RA starts, RD/RA Consent Decrees (CDs), Section 120 IAGs, cost recovery referrals). These numbers will be the official numbers used for the Superfund Progress Report (SPR) and any reports of progress given to the Administrator, AA, Congress and the news media.

On the fifth working day of each quarter, HQ pulls SCAP reports from CERCLIS. These reports are reviewed by HQ to evaluate regional progress toward SCAP targets and are submitted to OPP for reporting STARS accomplishments. It is important to note that in addition to reporting accomplishments in CERCLIS, Regions must verify the accuracy of the STARS data entered by HQ into the OPP STARS system. If a Region identifies a discrepancy in the accomplishments reported by HQ, they should note it in the system and contact the relevant HQ program office. Discrepancies must be resolved, generally by the 15th working day of a quarter.

End of the year accomplishments will be pulled during the third week of October and reported to OPP in November. This allows the Regions ample opportunity to review end-of-year financial data and record accomplishments in CERCLIS.

CERCLIS Reports for Accomplishment Reporting

Exhibit II-4 presents CERCLIS reports HQ uses to evaluate regional accomplishments. All are used for reporting and crediting SCAP/STARS targets and accomplishments. Following is a discussion of these reports:

- The SCAP/STARS Measures Accomplishments Report (SCAP-13), SCAP/STARS Targets and Accomplishments (SCAP-14) and Event/Activity Report for NPL Sites (SCAP-27) reports are used by the site assessment, removal, remedial and enforcement programs to provide planned and actual information for events and activities.
- Financial information and the status of obligations are provided by the SCAP Financial Report (SCAP- 4) and the SCAP Budget Control Report (SCAP-21).

EXHIBIT II-4**PROGRAM EVALUATION CERCLIS REPORTS**

SCAP-4:	<i>SCAP Financial Report</i>
SCAP-13:	<i>SCAP/STARS Measures Accomplishments Report</i>
SCAP-14:	<i>SCAP/STARS Targets and Accomplishments Summary Report</i>
SCAP-21:	<i>Budget Control Report</i>
SCAP-27:	<i>Event/Activity Report for NPL Sites</i>

SCAP/STARS ADJUSTMENTS AND AMENDMENTS

After targets have been finalized and funding levels developed, the SCAP process provides the flexibility to modify plans during the year. Modifications to planned targets are termed either adjustments or amendments. **Amendments require HQ concurrence and approval.** Adjustments do not require HQ approval, but may require HQ notification. Amendments and adjustments should be reflected in CERCLIS by updating the site specific data base and the CERHELP Targets and Accomplishments data file on an ongoing basis. Exhibit II-5 lists the major Superfund amendments and adjustments. Exhibit II-6 describes the procedures that must be followed when processing amendments.

SCAP amendments should contain the following information:

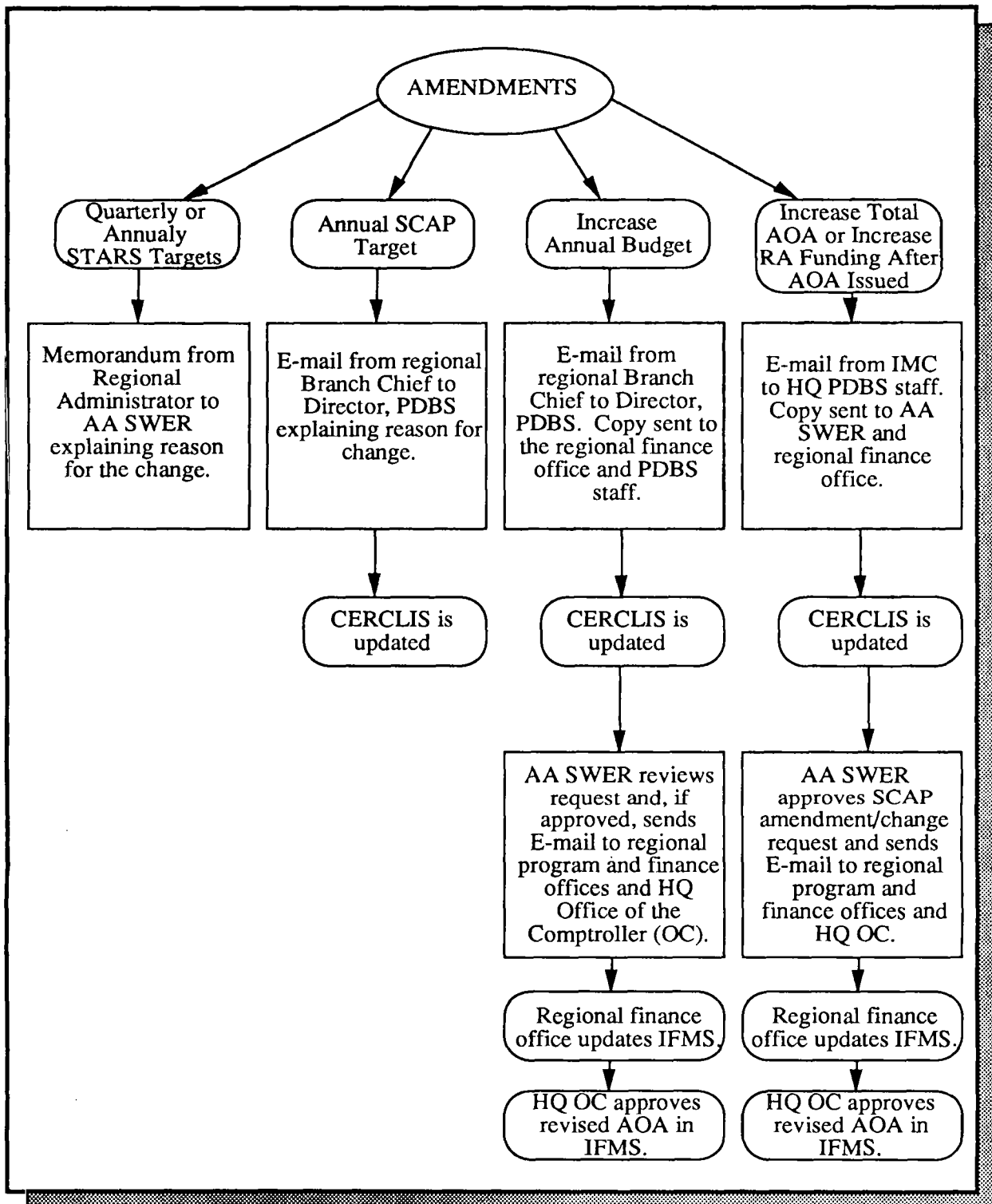
- Site name and Site/Spill Identification number (S/S ID);
- Event/activity affected;
- Justification/purpose;
- Funding amount (if the amendment requests an increase in the annual budget or is a change request);
- Allowance that is being increased and/or allowance that is being decreased, if a change request is required; and
- Program element (TGB-enforcement or TFA-response), if the amendment is also a change request.

Amendments or adjustments that modify the Region's AOA require a change request. In these situations, the SCAP amendment becomes the change request. Chapter VI outlines the change request procedures.

EXHIBIT II-5
AMENDMENTS AND ADJUSTMENTS

SITUATION	AMENDMENT OR ADJUSTMENT	CHANGE REQUEST REQUIRED	PROCEDURES
INCREASE ANNUAL BUDGET	AMENDMENT	YES, IF APPROVED	SEE EXHIBIT II-6 OR CHAPTER VI, EXHIBIT VI-4
DECREASE ANNUAL BUDGET	ADJUSTMENT	NO	REVISE CERCLIS; NOTIFY PROGRAM DEVELOPMENT AND BUDGET STAFF (PDBS)
INCREASE TOTAL (OWPE AND OERR) AOA AFTER ISSUANCE W/IN ANNUAL BUDGET	AMENDMENT	YES	SEE EXHIBIT II-6 OR CHAPTER VI, EXHIBIT VI-4
DECREASE TOTAL (OWPE AND OERR) AOA AFTER ISSUANCE	ADJUSTMENT	YES	SEE CHAPTER VI, EXHIBIT VI-4
INCREASE/DECREASE RA FUNDING BEFORE AOA ISSUED	ADJUSTMENT	NO	REVISE CERCLIS
DECREASE RA FUNDING AFTER AOA ISSUED	ADJUSTMENT	YES	SEE CHAPTER VI, EXHIBIT VI-4
INCREASE RA FUNDING AFTER AOA ISSUED	AMENDMENT	YES	SEE CHAPTER VI, EXHIBIT II-6 OR EXHIBIT VI-4
SHIFT EXISTING FUNDS W/IN ALLOWANCE	ADJUSTMENT	NO	REVISE CERCLIS
SHIFT EXISTING FUNDS BETWEEN ALLOWANCES	ADJUSTMENT	YES	SEE CHAPTER VI, EXHIBIT VI-4
CHANGE ANNUAL SCAP TARGET	AMENDMENT	NO	SEE EXHIBIT II-6
CHANGE STARS QUARTERLY OR ANNUAL TARGETS	AMENDMENT	NO	SEE EXHIBIT II-6
TARGET SITE SUBSTITUTIONS	ADJUSTMENT	NO	REVISE CERCLIS

EXHIBIT II-6
SCAP AMENDMENT PROCESS



The Office of Program Management (OPM) coordinates requests from the program offices in OERR. OPM and the CERCLA Enforcement Division of OWPE provides input on SCAP amendment approval decisions.

Changes to STARS commitments should not be made simply because targets will not be met. However, in some cases, amendments to targets may be necessary and may be changed under the following conditions:

- Major, unforeseen contingencies arise that alter established priorities (i.e., Congressional action, natural disasters);
- Major contingencies arise to alter established regional commitments (i.e., state legislative action); or
- Measure or definition in system is creating an unanticipated negative impact.

OSWER requires that all STARS amendments be submitted to HQ by April 15 in order to meet the April 30 deadline for changing targets imposed by OPP. STARS amendments must be approved by AA SWER. The OPM and program offices in OERR and the CERCLA Enforcement Division in OWPE provide input on STARS amendment approval decisions.

All amendments should be recorded in the CERCLIS site specific data base as an “approved” action after the Region issues the change request or memorandum to OSWER. Regions should not initiate any obligation against change requests until the Office of the Comptroller (OC) and AA SWER approve the revised AOA in IFMS. The site back-up in the CERHELP Targets and Accomplishments and BC/AOA data files will be revised by HQ if the amendment is approved. If the amendment is not approved, HQ will notify the Region and the “approved” record in CERCLIS will have to be revised.

MAINTAINING THE TARGETS AND ACCOMPLISHMENTS FILE

HQ is responsible for entering the preliminary and final negotiated SCAP/STARS targets and site back-up in the Targets and Accomplishments file in CERHELP. During the FY, HQ will also be responsible for changing the targets and site back-up if amendments are approved. Regions are responsible for updating the Targets and Accomplishments file to reflect SCAP/STARS adjustments. Appendix D contains tables which show which targets and measures require site specific backup in CERHELP.

Following are guidelines for regional maintenance of the Targets and Accomplishments file. Additional detailed instructions on CERHELP can be found in the CERCLIS Users Reference Manual.

- Regions will be allowed to add to or delete sites from the Targets and Accomplishments file only in the case of site substitutions. However, the site specific CERCLIS records should be updated at the time a SCAP or STARS amendment is requested.
- The number of approved sites named in the Targets and Accomplishments file must be at least equal to the numerical target. If a Region has a target of eight RDs, for example, eight approved sites must be named in the Targets and Accomplishments site back-up.

- If “To Be Determined” (TBD) sites are used instead of real sites in the Targets and Accomplishments file, there must be enough candidate sites in CERCLIS that can be used to replace the TBD sites as soon as possible.
- A site and its associated events/activities that are planned site specifically must be in CERCLIS before they can be in the CERHELP Targets and Accomplishments file. FTE distributions use site data in CERHELP. Regions may lose FTE if appropriate site backup is not in CERHELP.
- It is essential that the list of sites that support the targets be kept up-to-date and current. Regional SCAP adjustments must be reflected in CERHELP. This includes site substitutions and changes in schedules that do not affect STARS or SCAP targets.

Following are the procedures for making changes to the CERHELP target site data:

- Each time a change to site data in CERCLIS results in a SCAP adjustment, run the CERHELP Target Maintenance Report (Report #4 on the CERCLIS Site Reports Menu).
- Locate the Target Activity Code page on the report (report is sequenced alphabetically by Target Activity Code).
- Scan target site data to locate site no longer being targeted and delete the EPA ID, OU and Event or Enforcement Activity Code.
- Record corresponding codes for the replacement site.
- Access Non-Site/Incident Screen #27 — CERHELP Target/Accomplishment Data Maintenance Screen:
 - Enter Action Code C=Change and Record Type S=Site;
 - To access record to be changed, enter required field data (Region, FY, activity type, lead, quarter and sequence number codes) directly from report;
 - Enter replacement site data (EPA ID, OU and Event or Enforcement Activity Codes); and
 - Run Target Maintenance Report to verify changes. File report for use in making subsequent changes.
- The HQ SCAP Coordinator and interested program offices will run National Target Maintenance Reports as needed to review changes.

CHAPTER III
NATIONAL INFORMATION NEEDS

CHAPTER III - NATIONAL INFORMATION NEEDS

ONE MINUTE PROGRAM MANAGER RULES

Following are the actions regional managers must take to comply with the requirements described in this Chapter. In order to acquire a more in-depth understanding of these requirements, the Chapter itself should be read.

- CERCLIS data should be updated at least monthly.
- On the fifth working day of each month, HQ pulls planning and accomplishment data from CERCLIS to support a variety of official reporting requirements including Superfund Monthly/Quarterly Management Reports, Superfund Progress Report, and SCAP/STARS quarterly reporting.
- No accomplishments are reported that are not accurately recorded in CERCLIS by the pull date.
- Environmental Indicator data is required to be reported in CERCLIS for completed removals and RAs and semi-annually for ongoing RAs.
- Regions must keep the National Priorities List (NPL) Book site fact sheets up to date.
- Estimates of RA costs must be entered into CERCLIS at various points along the remedial pipeline.
- Regions will not receive credit for an RA start unless the remedial technology type is in CERCLIS.
- Regions will not receive funds for an RA in their AOA unless the remedial technology type is in CERCLIS.

CHAPTER III - NATIONAL INFORMATION NEEDS

In the past, CERCLIS was primarily used to support STARS (previously SPMS) and SCAP planning and accomplishment reporting requirements. Prior to FY89, Regions were only required to assure that data were up-to-date before the quarterly planning and accomplishment data pulls. In FY89, CERCLIS data became the basis for major periodic reports that served national information needs (other than SCAP/STARS) on Superfund planning and progress. These reports provided historic, current, and future information on Superfund sites at the national, regional and state level. The data for these reports were pulled from CERCLIS on a monthly basis. As a result, CERCLIS data had to be updated at least monthly by the fifth working day. In addition, CERCLIS provided valuable information for other administrative requirements such as responding to Freedom of Information Act (FOIA) requests, ad hoc requests from Congress, and as a link to other data bases.

The uses of the data in CERCLIS continues to evolve and, in FY91, the Agency will take major steps to expand CERCLIS so it can be used as a comprehensive environmental data base. CERCLIS will continue to support SCAP/STARS, the major national information needs, and administrative requirements. In addition, it will provide data on environmental indicators and RAs. This chapter will provide additional information on the data that will be obtained through CERCLIS (other than SCAP/STARS which are fully discussed in other parts of this Manual) and associated regional CERCLIS data entry and data quality requirements. It will also discuss other major national information initiatives that will be handled outside the CERCLIS environment.

NATIONAL INFORMATION

Periodically, reports are pulled from CERCLIS that provide national information on Superfund planning and progress. These reports must be consistent with the SCAP/STARS data. **It is essential that end-of-month CERCLIS data be up-to-date as of the fifth working day of each month.** (Specific dates are listed in the Manager's Schedule of Significant Events found at the beginning of this Manual.) This is the day that data will be pulled from CERCLIS to satisfy monthly reporting requirements. It is strongly recommended that planning and accomplishment data be entered on a real time basis as events, activities, and slippage occur.

The following sections provide a brief description of the reports used for Superfund program management.

Superfund Progress Report

The SPR is a monthly report of year-to-date and program inception-to-date national accomplishments of the Superfund program. No planning data are included in the SPR. The report records site-level (as opposed to OU, event and activity) accomplishments at all NPL and non-NPL sites. It is essentially derived from the SCAP/STARS event and activity data. The SPR is distributed widely to the press, public and Congress and is the official source for many of the statistics used to measure the progress of the Superfund program.

Recently (February 1990) OERR briefed the OSWER Deputy AA on options for continuation of the SPR. An OERR/OWPE workgroup will propose a new look for the SPR which will incorporate graphics and new information to portray national progress in implementing the Superfund program.

Superfund Management Reports

The improvement of CERCLIS data quality and the establishment of a solid data base led to the development of a series of senior management reports. The management reports are designed to supplement conventional quarterly SCAP/STARS accomplishment reporting by providing a more frequent and detailed examination of program activity. The format and content of the report has evolved over time to address project needs. Basic data and graphics are updated monthly, and more detailed analysis is provided quarterly in the December, March, June and September (end-of-year) reports. The reports are completed approximately 30 days following the end-of-the-month/quarter.

The format and contents of the Superfund senior management reports are summarized below:

Monthly Reports

The monthly reports contain project status information and regional comparisons in a graphic format. The monthly management reports and formats change from time to time. Following is the current format:

- Section 1 — Summary of SCAP/STARS accomplishments and targets for the site assessment, remedial and enforcement programs;
- Section 2 — Summaries of regional commitments and obligations; and
- Section 3 — Summaries of program implementation progress.

Quarterly Reports

The Superfund Quarterly Management Reports depict the progress being made by the Agency in moving projects through the remedial pipeline and in increasing PRP involvement. The quarterly management reports contain the information that is available in the monthly reports supplemented with detailed graphic displays, as well as a section on the duration of events and trend analysis of PRP involvement.

- Section 1 - Targets and Accomplishments
 - Site Assessment and Remedial Program Performance - displays the percent of target achieved in the major program areas;
 - SCAP/STARS Targets and Accomplishments - displays quarterly and annual target and accumulated accomplishment totals by SCAP/STARS activity for each Region;
 - Proactive Report - shows the planned events and activities for the current quarter and the number of sites slipping to upcoming quarters or the next FY; and
 - Graphs on SCAP/STARS Accomplishments - these bar charts graphically present program accomplishments and targets for each Region.

- Section II - Regional Commitments and Obligations - these graphs display the percentage of allocated funds committed or obligated by Regions for the removal and remedial programs.
- Section III - Summary of Program Implementation
 - Inventory Assessment - pie chart showing status of sites in CERCLIS inventory;
 - Site Inventory and Progress Toward SARA Goals - table, by Region, of sites in site assessment stage;
 - Work at NPL Sites - pie chart showing status of NPL sites;
 - Superfund Numbers Matrix - this event based report displays project start and completion accomplishment totals since program inception, pre-SARA and post-SARA;
 - Ongoing Work at NPL Sites - the report provides statistics, broken out by lead, for major ongoing remedial activities at NPL sites;
 - Pipeline of Ongoing Major Remedial Events - this report displays the number of carry overs from previous years, starts, completions, and ongoing projects by year for RI/FS, RD, and RA first starts;
 - Removal Starts and Completions - provides a summary of all NPL and non-NPL removal starts and completions since program inception and includes information on duration of ongoing removals; and
 - Completion/Deletions Site Listing - lists the sites that have been deleted from the NPL, sites noticed for deletion, sites with completed Superfund Site Close Out Reports awaiting publication of deletion notice, long term response actions, and sites with completed final action but Superfund Site Close Out Report not final.
- Section IV - Analysis of Program Implementation
 - Cost and Duration of Events - these charts show the duration of selected events and between events by Region, and by lead, and a table shows the cost and duration of events;
 - Trend Analysis - PRP Involvement in Superfund - these charts depict current PRP involvement in various events and for the NPL universe, and show increasing PRP involvement by year; and
 - Additional Analysis - by design, Section IV will evolve over time. As new analytical displays are developed to assess selected aspects of program implementation, they will be incorporated into Section IV.

Enforcement Reports

The following CERCLIS reports along with the Superfund Monthly Reports are used by Enforcement management in order to monitor accomplishments vs. targets, planned activities, or any activities that might require immediate action:

- CRCR (ENFR-46) – this report lists every removal completed, every RA started, and some pre-RA activities that are candidates for cost recovery. Sites/projects are divided into one of four universes and seven categories of cost recovery response;
- SOL Management Report – this report lists planned and actual completion dates for removal, RI/FS, and remedial activities for all quarters. Planned and actual obligations for each type of activity are also included (These activities are linked with cost recovery actions);
- Master 1 - Event Report – this report lists all events started/completed program-to-date. It summarizes the data by Region, FY, lead, event start, event completion, and first vs. subsequent;
- Master 2 - Negotiations – this report lists all negotiations program-to-date. Data are divided by negotiation category and summarized by FY, Region, milestones, completed negotiations, and ongoing negotiations;
- Program-to-date Superfund Settlements – this report lists all settlements with financial type of “R”, or where PRP work is to be performed;
- ENFR 25, 32, 33 – list of settlements and orders for cost recovery.
- ENFR 27, 28, 34 – list of all Section 106, 106/107, and 107 referrals without settlement summarized by pre-RA and RA and other categories.

Administrative Requirements

In addition to the previously mentioned reporting requirements, CERCLIS provides valuable information to a broad range of users. For example, FOIA provides public access to CERCLIS data that have not been designated as confidential. These data are provided to private citizens, public and private interest groups, and industry (see Appendix B for FOIA information). Site name, description, location, NPL status, and current site activity are of particular interest to some of these groups, while not always being critical to internal management reporting requirements.

Ad hoc requests from Congress can also be answered, in many cases, by data contained in the CERCLIS data base. The more up-to-date and complete Superfund site data are, the better outside requests can be satisfied by queries of the CERCLIS data base, and less time will have to be spent by the Regions in searching through files.

There are also data elements in CERCLIS that are used as a link to other data bases. The Zip Code is used by the Geograph data base to provide system generated data to CERCLIS with site latitude, longitude, hydrogeologic unit, standard metropolitan statistical area, county name, county code, and congressional district. The EPA ID is supplied by the Facility Index System

(FINDS) and is used in data bases throughout EPA and other Federal agencies, which relate to Superfund sites. The Superfund account number is used in CERCLIS and IFMS and links CERCLIS and IFMS financial data. While some of these elements are not critical to SCAP, STARS, or SPR, they are nonetheless of great importance to the efficient running of the CERCLIS data base and other related programs.

NPL BOOK

Although deletion of a site from the NPL is not the only measure of Superfund progress, it is the measure that has received the greatest focus, often resulting in Congressional and public criticism of the program's perceived lack of success. The NPL deletion process takes several years and often represents multiple investigations, evaluations, removals and RAs. One of the recommendations in the Superfund Management Review was to better communicate the ongoing efforts of the Superfund program and the progress that is being made in site cleanup activities.

Toward this goal, the Agency developed the NPL Book. This book is a concise, readable compendium of site descriptions and the status of cleanup for all proposed, final, and deleted NPL sites. It describes the site history and location, major contaminants and human health threats, NPL listing information, removal and RAs accomplished, environmental progress, and plans for the future.

The NPL Book is published by state. Each book has a short state summary and the individual site summaries. Appendix H contains a sample site fact sheet in final publishing form. A companion book contains a national summary of the NPL sites. It also includes: definitions; key to symbols; list of NPL sites by state; summary status of NPL sites; summary of how NPL sites have been addressed, and environmental progress statements.

The initial efforts to develop and publish (June/July 1990) the NPL Book were concentrated in HQ. Editions will be published annually. The responsibility for updating the NPL data base/site summaries will belong to regional staff. HQ will retain responsibility for publication.

The data base for the NPL Book is site specific, stored in word processing format and can be accessed by regional staff through WasteLAN. Regions will be required to update the data in the NPL Book at least annually. A new edition of the Book will published in the April/May timeframe. However, since the site summaries will be available for other regional uses, Regions are encouraged to update data as changes (progress or plans) occur. At sites where no significant changes have occurred, regional staff will annually certify that present information is still current and applicable.

FY90 HQ data collection was completed for sites on the NPL through Update 10. In FY91 Regions will need to provide the information required to prepare NPL Book data summaries for newly listed sites and update information for all others. The process and timeframe for regional update of the NPL data is currently under development. Initial discussions were held with the Regions in a May workgroup meeting and Regions will be involved in determining the final procedures for updating the NPL Book data in FY91.

ENVIRONMENTAL INDICATORS

An emerging means the Agency is using to communicate progress and accomplishments in the Superfund program is environmental indicators. The first phase of the Environmental Indicator program involved the development of indicators that would accurately report environmentally based cleanup progress. A pilot study was conducted in FY88-89 that evaluated the effectiveness of eight specific indicators in reporting Superfund progress.

In FY89, the focus of the Environmental Indicator program shifted toward implementation. Data was collected on completed RAs, ongoing RAs, NPL removals, and non-NPL removals with costs in excess of \$200,000. Exhibit III-1 on page III-7 summarizes how various types of Superfund clean-ups should be reported via three indicators. The three indicators are as follows:

- Progress Toward and Achievement of Human Health and Ecological Goals for a Medium - This indicator involves determining where and when the media specific cleanup goals have been met. Progress under this indicator is classified as fully-achieved, partially achieved and underway.
- Reduction or Elimination of Human Health Threats - This indicator reveals success in closing off exposure pathways through interim or temporary removal or RAs such as on-site containment or stabilization, physical barriers, alternate water supply, relocation of residents, or elimination of fire and explosion potential.

This indicator will report progress made in protecting human health as a result of these actions. Where affected population is not readily available, the pathway of exposure eliminated and site-wide population will be measured.

- Volumes of Waste Treated, Removed and Contained - This indicator involves reporting the weight or volume of contaminated material treated (on or off-site), removed or contained on-site. This includes surface and ground water, soil, and solid or liquid waste.

Appendix I contains a set of decision flowcharts that determine how to report environmental indicator data. The appendix also contains a summary of the data elements that support reporting on Superfund environmental indicators.

HQ performed the initial data collection and published an initial summary report in FY90. Beginning in FY91, Regions will be responsible for updating and reporting environmental indicator data directly to CERCLIS. This will include reporting on:

- RA Projects and NPL Removals: The following environmental indicator data is to be reported for all completed RAs and NPL removals. Additionally, environmental indicator data is to be reported semi-annually for all ongoing RA projects.
 - Measure A: Progress toward and achievement of health or ecological goals for a medium – Regions will be required to report the following data for ongoing and completed RA projects, and for completed NPL removal actions with permanent remedies:
 - Goal achievement: fully achieved, partially achieved or final cleanup underway;

- Medium addressed:
 - Surface contaminants (soils, sediments, solid and liquid wastes);
 - Groundwater; or
 - Surface water.
 - Site Population: specific guidance will follow.
- Measure B: Reduction or elimination of health threats – Regions will be required to report the following data for interim RAs or removal actions that result in reduced or eliminated exposures, without achieving a final remedy for the affected medium:
- Type action: interim RAs (including alternative water supply, fencing, and population relocation) and non-permanent removal actions;
 - Medium addressed:
 - Surface contaminants (soils, sediments, solid and liquid wastes);
 - Groundwater; or
 - Surface water.
 - Population affected: for alternative water supply and population relocated only.

EXHIBIT III-1
ROAD MAP TO INDICATORS

Indicator	Fully Achieved Cleanup Complete for Media	Partially Achieved Progress Toward Final Cleanup; Cleanup Partially Complete for Media	Cleanup Underway
A: Achievement of Health or Ecological Media Goals	1) Completed RAs that meet ROD goals for media. 2) Completed NPL removal actions that meet ROD goals for media (e.g., No Action ROD).	1) Completed RAs, using permanent remedies, where additional media work remains to be done. 2) Completed NPL removals that take waste off site, or use permanent treatment technology (e.g., completed removals of liquid or solid waste).	1) All RAs where implementation of final cleanup actions are underway.
B: Reduction of Health or Ecological Threats	1) Interim RAs. 2) All removal actions not reported under measure A (e.g., non-permanent removals and all non-NPL removals).		
C: Amount of Waste Addressed	Amounts of material handled in completed and ongoing cleanup actions (amounts are associated with projects reported under A & B above).		

- Measure C: Amount of waste treated, removed and contained – Regions will be required to report the following data which details the actions taken to achieve final goals (Measure A) or reduce/eliminate risks (Measure B):
 - Medium addressed;
 - Technology employed (already required for new RA projects);
 - Amount of materials handled; and
 - Units being reported.
- Non-NPL Removal Projects: To the maximum extent possible, Regions should also report environmental indicator data for non-NPL removals completed following the FY90 HQ data collection. At a minimum, environmental indicator data will be required for non-NPL removals where costs exceed \$200,000. However, data under Measure A will never be reported for these sites, since EPA has not conducted the detailed studies that establish final site cleanup goals.

A key FY91 objective of the environmental indicator initiative is to merge the collection and reporting of indicators with the existing management of the Superfund program. There is a strong desire by the Agency's management to supplement, and perhaps in time replace some of the traditional administrative measures of progress with environmental indicators. National summaries of environmental indicator data reported by the Regions are expected to be incorporated into the following:

- Superfund Annual Report to Congress;
- STARS briefings - the new STARS measure (S/C-7, Type of Media Addressed) will report achievement of site media goals. Other indicator information will be summarized and presented in the quarterly STARS briefing; and
- NPL Book - the annual NPL Book will contain site level environmental indicator information.

REMEDIAL ACTION INFORMATION

As the Agency approaches reauthorization and measures the progress made toward meeting the requirements of SARA, additional and more accurate information is required for RA activities. This information will be used to:

- Support and justify the response RA budget;
- Facilitate priority setting for Fund-financed RAs;
- Provide RA cost tracking information; and
- Provide the capability of characterizing RA projects and their associated costs.

The RA information that will be recorded in CERCLIS by the Regions includes:

- Planned and actual start and completion dates for RD, RA, and RA related events;
- RA cost estimates at different times during the remedial pipeline; and
- Technical information on the selected remedy.

Each of these will be discussed in greater detail in the following sections.

Planning and Accomplishment Data

Planned start and completion dates for RD, RA, and award of RA contract are entered into CERCLIS when a site is beginning the RI/FS. These dates represent the best estimate on when the activities are scheduled to begin. The schedules are updated regularly as better information becomes available. The scheduled start for RA on-site construction is placed in CERCLIS when the RA contract is awarded. The schedules for these activities are used for many different purposes, including:

- Projects planned to start or complete during a given FY become regional SCAP/STARS targets or measures;
- RA priority setting and tracking the status of the queue;
- Indicating progress in site cleanup and movement of sites to the advanced phases of the remedial pipeline; and
- Analyzing standard durations and timeframes.

Beginning in FY91, planned schedules will be entered into CERCLIS in the MM/DD/YY format. The FY/Q data will be system generated. This process currently exists in WasteLAN. These dates will be tracked closely and true planned dates should be entered, not the last day of the quarter. This information must be updated until the start or completion is actually accomplished.

RA Cost Estimate

There are five types of RA cost estimating/projections that need to be reported to HQ:

- CORA Model cost estimate for Fund and PRP RI/FS projects;
- Fund and PRP ROD RA cost estimate;
- Fund RD 90% complete RA cost estimate;
- Fund RA contract award RA cost estimate; and
- Total planned Fund RA cost estimate.

The SCAP-25 RA Cost Estimate Information Report contains the information in CERCLIS on RA cost estimates/projections. Exhibit III-2 provides examples for coding RA cost estimates.

EXHIBIT III-2

RA COST ESTIMATING CODING

OU C1101	EVENT C2101	LEAD C2117	PLAN START FY/Q C2132	ACTUAL START C2140	PLAN COMP FY/Q C2133	ACTUAL COMP C2141	FINAN TYPE C3202	FINAN FY/Q C3218	FINAN DATA C3220	FUND STATUS C3225	BUDGET SOURCE C3229	FINAN AMOUNT C3230	INSTRUCTIONS
01	C01	F	87/2	3/15/87	89/2	3/30/89	E					10,000,000	CORA MODEL ESTIMATE = \$10,000,000 SEND CORA DISK TO PDBS
01	RO1	F			89/2	3/30/89	E					12,000,000	ROD ESTIMATE = \$12,000,000 (CAPITAL COST) ENTERED WHEN ROD IS SIGNED
01	RDI	F	89/4	9/19/89	90/4	8/2/90	E					13,500,000	RD 90% ESTIMATE = \$13,500,000 ENTERED WHEN RD IS 90% COMPLETE
01	RAI	F	90/4	9/30/90	92/2		A	90/4	9/30/90	APR	R	13,500,000	TOTAL PLANNED RA COST ORIGINALLY ENTERED 88/2, UPDATED AS BETTER INFORMATION BECAME AVAILABLE
							A	91/2	2/20/91	APR	R	1,500,000	
							P	92/2		APR	R	300,000	
							E		1/17/91			13,225,000	RA CONTRACT AWARD = \$13,225,000 ENTERED WHEN CONTRACT IS AWARDED
							E		4/2/91			14,000,000	RA CONTRACT AWARD = \$14,000,000 ENTERED WHEN CONTRACT IS MODIFIED

CORA Model Estimate

Prior to a ROD being signed, Regions may estimate the RA cost using the CORA model. This RA estimate is entered into CERCLIS against the RI/FS or FS event with a Financial Type (C3202) of "E" (RA Cost Estimate). A copy of the CORA model disk must be sent to the HQ Program Development and Budget Staff (PDBS).

ROD Estimate

When the ROD is signed, the capital cost of the remedy must be entered into CERCLIS against the ROD event with a Financial Type (C3202) of "E" (RA Cost Estimate).

If the ROD is amended, an alternative technology is chosen over the original. The new ROD capital cost should be entered against the new ROD event with a Financial Type (C3202) of "E". When a significant change is made that alters the scope, performance, or cost of a component of the remedy, it is documented in an Explanation of Significant Differences (ESD). The new cost estimate is entered against the original ROD with a Financial Type (C3202) of "E", the date of the ESD in the Financial Date (C3220), and "ESD" in the Financial Note Field (C3242). In both situations, the original RA cost estimate remains in CERCLIS. See Chapter V for additional information on changes to RODs.

RD Estimate

When the RD reaches the 90% completion point, the Region will enter the total RA cost estimate in CERCLIS based on the information gathered during the design. This estimate should be entered against the RD event with Financial Type (C3202) of "E" (RA Cost Estimate).

RA Contract Award

When the RA contract is awarded to the construction contractor, Regions enter the construction contract award amount into CERCLIS against the RA event with a Financial Type of "E" (RA Cost Estimate). The date of the contract award should be entered into Financial Date (C3220). If the contract is later increased, a second entry must be made for the new total contract amount. The Financial Date field (C3220) should be used to enter the date of the modification.

Total RA Cost

Regions estimate and report the total RA cost estimate by entering planned obligations, actual obligations and open commitments into CERCLIS. This includes planned obligations for the current year and upcoming FY as well as any incremental funding needs during the duration of the project. This total RA cost estimate constitutes the total regional funding request for an RA. The RA cost estimate for RAs scheduled to begin in FY92 must be in CERCLIS prior to mid-year negotiations. **Regions should update the RA cost estimate on a continuous basis as better information becomes available.**

Technical Information

Regions will not receive funds for an RA in their AOA unless the remedial technology type is in CERCLIS. Similarly, Regions will not receive credit for a RA start unless the remedial technology type is in CERCLIS. Exhibit III-3 contains coding guidance for the remedial technology types. Exhibit III-4 contains the CERCLIS RA technology type codes. SCAP-24, RA Technology and Pipeline Tracking Report, displays the events and the remedial technology types.

ROD Technical Information

When a ROD is signed, an Explanation of Significant Differences (ESD) to a component of the ROD is issued, or a ROD amended, the Region must enter the remedy technology type into CERCLIS against the ROD events. This is done by entering Remedial Technology (C3401 = "RT") with the specific technology type(s) entered into the Technical Information Qualifier fields (C3402-C3411). The first ten treatment types are coded with a "1" in the Technical Information Type Suffix (C3415). When more than ten technology types are chosen, the Region should adjoin the types to the ROD event by entering the appropriate sequence number (C3415) in CERCLIS. If the remedy selected is "no action", the Regions should code the remedial technology against the ROD with the "NA" (no action) technical qualifier. The "NA" event (no action ROD) should not be used. Additional information on ESDs and ROD amendments can be found in Chapter V.

RD Technical Information

When a RD is started, the Region must enter the technology type into CERCLIS. Like the ROD, this is done by entering the Remedial Technology (C3401="RT") against the RD with the specific technology type(s) entered into the Technical Information Qualifier (C3402-C3411).

If the ROD is amended after the RD has started, the Region must determine if a new RD is necessary. If a new RD is required, the original RD event should be discontinued and a new RD event entered. The First and Subsequent Completion (FSC) code (C2116) for the original RD should be "E" (Event Anomaly). The completion date for the old RD and the start date for the new RD should be the same. The First and Subsequent Start (FSS) code for the new RD should be "E" (Event Anomaly). If the ROD is amended and a new RD is not necessary, the Technical Information Qualifier field should be updated.

If the design is split into multiple operable units from the ROD, the remedial technology and technical information qualifiers should be attached to the appropriate RD.

RA Technical Information

When requesting RA funds or recording a RA start, the Region must enter remedial technology (C3401) and the remedial technology types (C3402-C3411) against the RA event.

If the RA is split into multiple OUs from the ROD or RD, the remedial technology and technical information qualifiers should be attached to the appropriate RA.

EXHIBIT III-3

CODING GUIDANCE – REMEDIAL TECHNOLOGY TYPES

OU	EVENT	LEAD	PLAN START FY/Q	ACTUAL START	PLAN COMP FY/Q	ACTUAL COMP	RA TECH TYPE	RA TECH TYPE SEQ	TECH QUAL-1	TECH QUAL-2	TECH QUAL-3	TECH QUAL-4
C1101	C2101	C2117	C2132	C2140	C2133	C2141	C3401	C3415	C3402	C3403	C3404	C3405
01	C01	F	87/2	3/15/87	89/2	3/30/89						
01	RO1	F			89/2	3/30/89	RT	1	RO	OH		
01	RD1	F	89/4	9/19/89	90/4		RT	1	BO	OH		
	RD2	F	90/2	1/15/90	91/1		RT	1	RO	OH		
01	RA1	F	90/4		92/2		RT	1	BO	OH		
	RA2	F	91/2		92/2		RT	1	RO	OH		

EXHIBIT III-4
REMEDIAL ACTION TECHNOLOGY TYPE CODES

Code	Definition	Technology
RI	Incineration/Thermal Destruction	On-site Off-site
SO	Solidification/Stabilization	Fixation Neutralization
VX	Vacuum Extraction	Soil Vapor Extraction
VS	Volatilization/Soil Aeration	Aeration Flaring
WF	Soil Washing/Flushing	Metals Precipitation Ion Exchange
BO	Biodegradation/Land Application	In-Situ Biodegradation Biodentrification Activated Sludge
OT	Other Treatment Technologies	Decontamination Dewatering Off-site RCRA Treatment and Recycling In-Situ Flaming Dechlorinization (APEG/KPEG)
ON	On-site Containment	Soil Cover Asphalt Cap RCRA Cap Levees Slurry Wall On-site RCRA Landfill (Above/Below Grade) Deep Well Injection Excavation Sediment Excavation and Dredging Pumping Contained Wastes Debris Removal Groundwater Extraction/Injection (Hydraulic Containment) Active Landfill Gas Collection
RO	Off-site Containment	Soil Excavation Sediment Excavation and Dredging Pumping Contained Wastes Debris Removal Groundwater Extraction/Injection (Hydraulic Containment) Active Landfill Gas Collection Off-site RCRA Landfill Off-site Solid Waste Landfill

EXHIBIT III-4
REMEDIAL ACTION TECHNOLOGY TYPE CODES (Cont.)

Code	Definition	Technology
OS	Other Source Control Remedies	On-site/Off-site Residual
PT	Pump and Treatment	Air Stripping Carbon Absorption Electrochemical Reduction Extraction Filtration Ion Exchange Oil/Water Separator Precipitation Wellhead Treatment Activated Carbon Units - Residential Publicly Owned Treatment Works (POTW) Coagulation Flocculation Activated Sludge
RH	Alternate Water Supply	Municipal Distribution System
OH	Other	Monitoring Plume Management Natural Attenuation Subsurface Water Diversion/Collection Slope Stabilization Demolition Relocation Institutional Controls
LT	Leachate Collection/Treatment	
NA	No Action	
TS	Temporary Storage	On-site Off-site

CERCLIS DATA QUALITY

HQ will work with the Regions to improve data quality in CERCLIS. Inconsistencies continue to be a problem particularly for historical data and long-term projects. Wherever possible, HQ will implement ways to improve the quality of data necessary for project administration by establishing reasonable standards and developing appropriate data quality reports. The Audit-26 Underlying Data and Error Types report has been operational since the start of FY90 and has proven to be a useful tool in enhanced CERCLIS data quality. The CERCLIS reports librarian has compiled the select logic for key CERCLIS/SCAP reports in The Standard Select Logic document.

When analyzing (or in particular comparing) annual data, it is important to recognize that selection criteria or definitions may have changed over the years to accommodate program needs. It may be useful to review definitions before making comparisons.

CHAPTER IV
TARGETS AND MEASURES

CHAPTER IV - TARGETS AND MEASURES

ONE MINUTE PROGRAM MANAGER RULES

Following are the actions HQ has taken in STARS targeting and reporting. In order to acquire a more in-depth understanding of the SCAP/STARS targeting and reporting requirements, the Chapter itself should be read.

- Beginning in FY90, OSWER initiated a process to eliminate STARS measures that are difficult to predict or closely related in time and retain or develop STARS measures that provide information on progress and support environmentally significant program priorities.
- The new FY91 STARS measures generally focus on the communication of progress being made in the advanced stages of the remedial pipeline.
- FY91 new STARS measures:
 - RD Completions (target);
 - Award of RA Contract (target);
 - RA Completions (target);
 - RD/RA Negotiations Completed (target);
 - Section 106 or 106/107 Referrals for RD/RA (target);
 - Unilateral Orders Issued for RD/RA (target);
 - Type of Media Addressed (reporting); and
 - Administrative Orders (AO) Issued for RI/FS, RD, Removal or Cost Recovery.

CHAPTER IV - TARGETS AND MEASURES (Cont'd)

ONE MINUTE PROGRAM MANAGER RULES

- FY90 STARS measures eliminated in FY91:
 - RD Starts;
 - RA Starts;
 - NPL Sites Where All Remedial/Removal Implementation Completed;
 - Section 106 RD/RA Referrals/Orders;
 - AO Issued for Removals; and
 - Section 106/107 Referrals With or Without Settlement.
- The majority of the FY90 STARS measures that were eliminated are now SCAP targets or SCAP reporting measures.

CHAPTER IV - TARGETS AND MEASURES

ROLE OF SCAP

SCAP and STARS targets are the key device by which program goals are translated into quantifiable program achievements. They identify performance expectations for the Regions and should not be seen as only a method for allocating resources. Specific targets are negotiated by HQ and the Regions. The Regions are expected to concentrate their resources on achieving these targets.

STARS is used by the Administrator to set and monitor the progress each program is making toward meeting its environmental goals. STARS targets and measures are reported quarterly by HQ and the Regions to the OPP through the OPP STARS computer system. SCAP is used by the AA SWER and senior Superfund managers to monitor the progress each Region is making toward achieving its Superfund goals. SCAP targets and measures are reported monthly by the Regions through CERCLIS. As discussed in Chapter I, the CEPP does not use CERCLIS for reporting SCAP accomplishments. The reports used by the CEPP in recording quarterly accomplishments can be found in Volume II, Appendix F.

National and regional STARS goals are established and tracked through SCAP. STARS targets are a subset of those contained in SCAP.

SCAP/STARS TARGETS AND MEASURES

A SCAP or STARS target (either quarterly or annual) is a pre-determined numerical goal that is established prior to the FY the designated activities will take place. STARS targets and measures track the priorities set forth in the Superfund Management Review. All STARS targets are SCAP targets. An example of a SCAP and STARS targeted activity is a RI/FS completion (ROD). Annual budgets are allocated based on STARS and SCAP targets. In addition, Regions are evaluated on a quarterly basis according to their completion of activities with established targets.

A SCAP or STARS measure, on the other hand, is used to track an activity that is important in monitoring overall program progress. The three types of measures are SCAP planning estimates, STARS reporting, and SCAP reporting measures. Planning estimates result in numerical goals being established prior to the FY which are used in setting annual budgets. Regions report progress against the planning estimates. SCAP/STARS reporting measures have no associated quantitative goals; only actual accomplishments are tracked (i.e., media addressed).

Following are the changes to the SCAP/STARS targets and measures from FY90 to FY91:

- PA completions is a SCAP measure instead of SCAP target;
- A STARS target for RD completions has replaced the STARS RD starts target. RD starts remains a SCAP target;
- RD/RA negotiations completed is now a STARS and SCAP target;

- A STARS target for RA completions has replaced the FY90 STARS target for sites where all remedial/removal activity has been completed. Sites where all remedial/removal activity has been completed is a SCAP measure in FY91;
- NPL deletion initiated is a SCAP measure in FY91 instead of a SCAP target;
- A new STARS reporting measure, S/C-7a Type of Media Addressed, has been added;
- Sites nominated for the Superfund Innovative Technology Evaluation (SITE) program is a new SCAP measure;
- AOs issued (both unilateral and consent) for removal, RI/FS, RD and/or RA have replaced the STARS reporting measure of AOs issued for removal; and
- Unilateral orders issued for RD/RA regardless of compliance status are a new STARS target.
- The FY91 STARS target for Section 106 or 106/107 RD/RA referrals has replaced the FY90 STARS target for Section 106 RD/RA referrals/orders;
- Section 106/107 referrals with or without settlement is a STARS target and a SCAP measure;
- The start and completion of removal negotiations and compliance enforcement are no longer SCAP measures; and
- Enforcement added three new SCAP reporting measures - State CD for RD/RA Issued; State Order for RI/FS Issued; and De minimis Settlements Achieved.

Exhibit IV-1 contains a summary of the key outputs from the FY91 national budget. These outputs will be translated into regional SCAP/STARS targets.

Exhibits IV-2 and IV-3 contain the SCAP/STARS Targets and Measures. Definitions and planning requirements for the Site Assessment, Remedial, Removal, Enforcement, Federal Facility and Oil Spill activities are in Volume II, Appendix D. SCAP/STARS Targets and Measures for the CEPP are found in Exhibit IV-4. CEPP definitions and requirements can be found in Appendix F.

EXHIBIT IV-1
KEY BUDGET OUTPUT SUMMARY - FY91 *

ACTIVITY	NUMBER	ACTIVITY	NUMBER
<u>Remedial</u>		<u>Enforcement</u>	
RI/FS start (total)	35	106 RD/RA referrals	96
Fund	15	w/wo settlement	
PRP	20		
RD start (total)	154	107 (Remedial)	35
Fund	71	107 (Removal/Site Assessment))	56
PRP	83		
RA start (total)	75	RP Removals	63
Fund	20		
PRP	55		
<u>Site Assessment</u>			
PA	2000		
SI	1550		
LSI	30		
NPL addition	100		
<u>Removal</u>			
Classic emergencies (incl. NPL)	110		
Non-NPL	80		

* Data source - FY91 President's Budget

EXHIBIT IV-2
SCAP/STARS TARGETS

ACTIVITIES	STARS TARGET	SCAP TARGET	QUARTERLY TARGET	ANNUAL TARGET
<u>Site Assessment</u>				
Screening Site Inspection (SSI) Completions (S/F-1)	X	X	X	X
<u>Remedial</u>				
RI/FS				
- First RI/FS Starts		X	X	X
- Subsequent RI/FS Starts		X	X	X
- RI/FS To Public		X	X	X
RI/FS Completions (ROD) (S/C-3)	X*		X	X
- First RI/FS Completions (ROD)		X	X	X
- Subsequent RI/FS Completion (ROD)		X	X	X
RD Starts				
- First RD Start		X	X	X
- Subsequent RD Starts		X	X	X
RD Completion (S/C-5)	X*		X	X
- First RD Completions		X	X	X
- Subsequent RD Completions		X	X	X
RA Start				
- First RA Start		X	X	X
- Subsequent RA Start		X	X	X
- Fund		X	X	X
- PRP		X	X	X
Award of RA Contract (S/C-6)	X*		X	X
- First RA Contract Award		X	X	X
- Subsequent RA Contract Award		X	X	X
RA Completions (S/C-7)	X*		X	X
- First RA Completion		X	X	X
- Subsequent RA Completion		X	X	X
- Final RA Completion		X	X	X
<u>Removal</u>				
NPL Removal Start		X		X
Non-NPL Removal Start		X		X
NPL Site Completion thru Removal		X	X	X

* The STARS target combines first and subsequent, if appropriate, as a single target. Includes projects with the following leads: Federal (F), State (S), PRP actions under state order/decreed (PS), In-house RDs (EP), Responsible Party under Federal order/decreed (RP), Mixed funding (MR) and Federal Facility (FF).

EXHIBIT IV-2 (continued)
SCAP/STARS TARGETS

ACTIVITIES	STARS TARGET	SCAP TARGET	QUARTERLY TARGET	ANNUAL TARGET
<u>Remedial/Removal</u>				
NPL Sites Addressed Through Removal Action or RI/FS Start (S/C-2)	X**			X
<u>Enforcement</u>				
RD/RA Negotiation Starts		X	X	X
RD/RA Negotiation Completions (S/C-4)	X	X	X	X
Section 107 Referrals/Settlements (<\$200,000)		X	X	X
Administrative Cost Recovery Settlements		X	X	X
Section 106 or 106/107 Referrals for RD/RA (S/E-4)				
- With Settlement	X	X	X	X
- Without Settlement	X	X	X	X
Unilateral Orders issued for RD/RA (S/E-1c)	X	X	X	X
Section 107 Referral /Settlements (>\$200,000) (S/E-2)				
- Pre-RA	X	X	X	X
- RA and Other pre-RA Events	X	X	X	X
<u>Federal Facility***</u>				
Signed IAGs at Federal Facilities (S/E-5)	X	X	X	X
RI/FS Start		X	X	X
- First RI/FS Start		X	X	X
- Subsequent RI/FS Start		X	X	X
RD Start		X	X	X
- First RD Start		X	X	X
- Subsequent RD Start		X	X	X
RA Start		X	X	X
- First RA Start		X	X	X
- Subsequent RA Start		X	X	X

* The STARS target combines first and subsequent, if appropriate, as a single target.

Includes projects with the following leads: F, S, PS, EP, RP, MR, and FF.

** Includes projects with the following leads: Federal (F), State (S), PRP actions under state order/decreed (PS), In-house (EP), Responsible Party under Federal order/decreed (RP), Mixed funding (MR) and Federal Facility (FF).

*** Federal Facility STARS targets are included under the Remedial section.

EXHIBIT IV-3
SCAP/STARS MEASURES

ACTIVITIES	STARS REPORTING	SCAP PLAN/REPORT	QTRLY	ANNUAL
<u>Site Assessment</u>				
PA Completions		X	X	X
% SSI Candidates Requiring Further Action (S/F-1a)	X		X	X
FIT-PA/SI Completions		X		X
State-PA/SI Completions		X		X
LSI Starts		X	X	X
<u>Remedial/Removal</u>				
Percent of NPL Sites Addressed (S/C-2a)	X		X	X
NPL Sites Where All Remedial/ Removal Activity Completed		X	X	X
<u>Remedial</u>				
RA On-Site Construction		X	X	X
Treatability Studies		X	X	X
Type of Media Addressed (S/C-7a)	X		X	X
Sites Nominated for the SITE Program		X		X
NPL Deletion Initiated		X	X	X
<u>Removal</u>				
Removal Investigations Completed at NPL Sites		X		X
Removal Completions		X		X
<u>Oil Spill Activities</u>				
Spill Prevention Control and Countermeasure (SPCC) Inspections/Reviews		X		X
Clean Water Act (CWA)Funded Oil Spills Cleaned Up by EPA		X		X
On-Scene Monitoring of Oil Spill Responses		X		X

EXHIBIT IV-3 (continued)
SCAP/STARS MEASURES

ACTIVITIES	STARS REPORTING	SCAP PLAN/REPORT	QTRLY	ANNUAL
<u>Enforcement</u>				
NPL PRP Search Start		X	X	X
Non-NPL PRP Search Start		X	X	X
NPL PRP Search Completions		X	X	X
Non-NPL PRP Search Completions		X	X	X
Issuance of General Notice Letters (GNL)		X	X	X
Issuance of Special Notice Letters (SNL)		X	X	X
AOs Issued (S/E-1)				
- On Consent for Removal, RI/FS, RD or Cost Recovery	X	X	X	X
- Unilateral for Removals and RI/FS	X	X	X	X
RI/FS Negotiations Start		X	X	X
RI/FS Negotiations Complete		X	X	X
Section 106/107 Referrals with or w/o Settlement (Cost Recovery >\$200,000)				
- Pre-RA		X	X	X
- RA and Other Pre-RA Events		X	X	X
Section 106, 106/107 Case Resolution		X	X	X
Section 107 Case Resolution		X	X	X
Cost Recovery Amounts Referred and Settled (S/C-3)				
- Value of Cases Referred to Department of Justice (DOJ)	X		X	X
- Value of Settlements	X		X	X
104(e) Letters Issued		X	X	X
104(e) Referrals		X	X	X
Demand Letters Issued		X	X	X
Cost Recovery Close-out Memo		X	X	X
Administrative Record Compilation Completed (Removal and Remedial)		X	X	X
State CD for RD/RA Issued		X	X	X
State Order for RI/FS Issued		X	X	X
<u>De minimis</u> Settlement Achieved		X	X	X

EXHIBIT IV-4
CEPP SCAP/STARS MEASURES

ACTIVITIES	STAR/SCAP TARGET	STARS REPORTING	SCAP REPORTING	QTRLY	ANNUAL
CEPP Technical assistance and training activities conducted, sponsored, developed, assisted in developing, participated in or presented by EPA (CEP-1)	X	X		X	X
State or local exercises or after incident evaluations EPA conducted, sponsored, assisted in developing or participated in (CEP-2)	X	X		X	X
ARIP questionnaires sent to and returned by facilities having releases (CEP-3)		X		X [†]	X [†]
Chemical safety audits conducted (CEP-4)	X	X		X	X
Investigations of possible violations of CERCLA 103 and Title III 304 (C/E-1a)	X	X		X*	X
Facility compliance investigations for Title III 302, 303, 311, and 312 (C/E-1b)	X	X		X*	X
Violations of Title III 304 and CERCLA 103 identified (C/E-2a)		X		X* [†]	X [†]
Violations of Title III 302, 303, 311 and 312 identified (C/E-2b)		X		X* [†]	X [†]
EPA complaints, AOs and judicial referrals issued (C/E-3a)	X	X		X*	X
State orders issued (C/E-3b)		X		X* [†]	X [†]
Status of Title III implementation in each state			X	X**	X
Outreach activities EPA conducted, sponsored, assisted in developing or participated in			X	X [†]	X [†]
Participation in RRT activities			X	X [†]	X [†]

* Report of EPA activities in each state

** Biannually

† Report accomplishments on a quarterly and annual basis

EXHIBIT IV-4 (continued)
CEPP SCAP/STARS MEASURES

ACTIVITIES	STAR/SCAP TARGET	STARS REPORTING	SCAP REPORTING	QTRLY	ANNUAL
<u>EARTHQUAKE PREPAREDNESS</u>					
Development and completion of the Hazardous Materials Supplement (ESF #10) to the Multi-agency "Plan for Federal Response to a Catastrophic Earthquake"	X**		X	X	X
Planning support provided to other Regions	X**		X	X	X
Planning activity developments in other ESFs for which EPA provides support	X**		X	X	X
Participation and dissemination of information to other Regions and HQ on earthquake preparedness activities	X**		X	X	X
<u>NATIONAL SECURITY EMERGENCY PREPAREDNESS (NSEP)</u>					
Participation in NSEP activities	X**		X	X	X

** SCAP target only

CHAPTER V
PROGRAM PLANNING REPORTING
REQUIREMENTS AND PROCEDURES

CHAPTER V - PROGRAM PLANNING REQUIREMENTS AND PROCEDURES

ONE MINUTE PROGRAM MANAGER RULES

Following are the actions regional managers must take to comply with the requirements described in this Chapter. In order to acquire a more in-depth understanding of these requirements, the Chapter itself should be read.

- Site-Assessment
 - In order to receive credit for Preliminary Assessment (PA) and Site Inspection (SI) completions, the completion date and a decision on further activities must be entered into CERCLIS.
- Removal
 - Enter planning data on removal actions into CERCLIS as soon as a site is identified or the quarter before a removal will begin.
- Response
 - CERCLIS must identify lead for all response events and enforcement activities.
 - If a PRP takes over an RI/FS after Fund dollars have been obligated, the Region should retain the funds needed for oversight during the current FY and deobligate the remainder.
 - If a PRP takes over an RD/RA after Fund dollars have been obligated, the Region should retain the funds needed for oversight of the entire project, and deobligate the remainder.
 - The probability of PRPs assuming responsibility for response activities must be entered into CERCLIS.
 - Prepare site management plans shortly after a site is proposed for the NPL.
 - For outyear budget purposes, provide schedules for all core remedial events and enforcement activities when identifying sites for RI/FS starts.

CHAPTER V - PROGRAM PLANNING REQUIREMENTS AND PROCEDURES

ONE MINUTE PROGRAM MANAGER RULES

- Response (Cont'd)
 - Standard durations should only be used if more accurate time frames for response events and enforcement activities are not available. When better planning data and schedules are developed, CERCLIS must be revised.
 - A response mega-site management plan must be submitted to the Hazardous Site Control Division (HSCD) for all sites where the total site RI/FS work exceeds \$3 million.
 - Send copies of RODs and ROD amendments to HSCD.
 - Request funds for treatability studies separate from the RI/FS. Record actual start and completion dates for treatability studies in CERCLIS.
 - The nomination and acceptance of a project to the Superfund Innovation Technology Evaluation program are to be entered into CERCLIS.
 - Negotiate reimbursement of Technical Assistance Grants (TAG) at Federal Facilities during Interagency Agreement (IAG) negotiations.
 - Assess the capacity and the capabilities of the various entities available to perform response and oversight work prior to assignment of Superfund work.
 - An in-house RI/FS should be planned in each Region where sites/projects are available.
- Enforcement
 - Mixed funding settlements must be planned. Funds are part of the Region's budget .
 - Enforcement mega-sites (sites or projects that require more than twice the average pricing factor) management plans must be submitted to Office of Waste Programs Enforcement (OWPE).

CHAPTER V - PROGRAM PLANNING REQUIREMENTS AND PROCEDURES

ONE MINUTE PROGRAM MANAGER RULES

- Enforcement (Cont'd)
 - Send notice letters to Potentially Responsible Parties (PRPs), conduct negotiations and issue AOs at every removal, time permitting.
 - Issue notice letters for RI/FS at least 90 days prior to the planned RI/FS start
 - Funds expended for oversight of PRP activities must be tracked and billed to the PRPs. Collection of oversight funds should be tracked and recorded in CERCLIS.
 - Special notice letter for RD/RA should be issued about the time of ROD signature.
 - The PRP compliance status code must be maintained for all orders and Consent Decrees (CD).
 - Send copies of CDs to the OWPE Compliance Branch.
- State Enforcement
 - Report state orders or CDs for RI/FS and state CDs for RD/RA in CERCLIS.
- Federal Facilities
 - Schedules for ongoing or planned Federal Facility IAG negotiations should be forwarded to HQ two weeks prior to each quarter.

CHAPTER V - PROGRAM PLANNING REPORTING REQUIREMENTS AND PROCEDURES

INTEGRATED PLANNING

Planning in the Superfund program is accomplished through the budget, operating guidance, SCAP and performance evaluation process. Successful planning requires the reflection of program priorities in the budget and operating guidance, accurate costing of these priorities in the budget, workload model and SCAP, and translation of the priorities and resource requirements into specific output commitments in SCAP and STARS. Candid evaluation of performance against these commitments is essential to the assessment of the viability of program priorities, resource requirements and overall effectiveness.

Integrated planning is the responsibility of HQ, regional program offices, the states and ORC. In order to provide adequate resources for priority actions at Superfund sites, HQ allocates resources within and between response and enforcement. Regions are responsible for providing data on the level of resources needed to accomplish those priority activities and negotiate commitments consistent with realistic site planning. Regions should not accept targets that require completion of activities which cannot be funded or staffed within the resources provided.

Flexibility to adjust resources in response to changing program conditions decreases as the operating year approaches, especially since the total number of FTEs remain constant from FY90 to FY91. The budget is most flexible while being developed, 12 to 18 months prior to the FY and becomes less flexible once the operating year starts. Exhibit V-1 summarizes levels of flexibility as the operating year is entered. Major phases in the decision making continuum include:

- Formulation of the outyear budget 12 to 18 months prior to the FY. Development of the budget includes identification of major program issues, analysis of program costs, and alignment of resources among competing priorities. These activities receive resource allocations that were established by the Administrator and AA SWER. These allocations balance the needs of the Superfund program with the needs of other Agency programs.
- Development of the initial operating plan occurs six months prior to the FY and is finalized before the start of the FY. The operating plan and associated SCAP/ STARS output commitments are the vehicle by which OSWER translates national budget commitments into Region specific targets. OSWER provides resources to support targets through the AOA and workload process. Regions are expected to work within the annual regional budgets established at the start of the year until the mid-year SCAP update. Regions have substantial flexibility within the general budget and AOA structure to shift funds as needed to meet priority activities. Once the initial operating plan is established at the start of the year, generally additional resources can be shifted to a Region only at the expense of resources for other Regions.
- The mid-year SCAP update is used to realign resources in the current FY and establish preliminary resource and target levels for the upcoming FY. Current year resource adjustments focus on changes needed due to cost and project schedule modifications. **Changes may result in shifts within program areas and revised annual funding levels.** Estimates developed for the upcoming FY represent the first formal opportunity for changing resources among program areas at a national level. The revised resource estimates also serve as a "baseline" for examining program needs in the budget year.

PROGRAM MANAGEMENT PROCEDURES

This section describes the information flow and HQ/regional responsibilities associated with integrated planning.

HQ responsibilities in the integrated planning process include:

- Establish a combined Fund and Enforcement hierarchy of program priorities in consultation with the Regions to be used in negotiations and adjustments of targets;
- Review integrated operating plans and site commitments proposed by the Regions prior to negotiations;
- Involve the Office of Enforcement (OE) in the planning process;
- Work with regional managers to determine how resources should be adjusted to meet program priorities;
- Negotiate and assess the status of response and enforcement mega-sites;
- Communicate in a timely manner with the Regions on changes/additions to SCAP schedules;
- Shift regional resources if needed to support priority activities;
- Provide the funding and FTE at levels consistent with established pricing factors for negotiated targets and measures;
- Increase participation of regional managers in the formulation of preliminary resource requests; and
- Develop policy and guidance in response to Congressional or Agency initiatives.

Effective operation of integrated priority setting depends heavily on regional willingness to do the following:

- Manage projects to integrate enforcement and Fund milestones and to ensure schedules and timeliness are met;
- Negotiate and assess the status of response and enforcement mega-sites;
- Involve the state and ORC in the planning process;
- Provide accurate, complete and timely project planning data in CERCLIS and SCAP;
- Follow established planning procedures and requirements so that HQ has a common basis to evaluate regional proposals; and
- Recognize that missed commitments severely impact resource availability (for example, FTE and dollars budgeted for negotiations and/or RD in a FY cannot be used if the ROD slips past the FY. The FTE cannot be replaced and the funds do not automatically roll over into the next FY.)

EXHIBIT V-1**FLEXIBILITY SCALE FOR BUDGETING/PLANNING**

<div> <div>←</div> <div>MINIMUM</div> <div>→</div> <div>MAXIMUM</div> <div>→</div> </div>		
OPERATING YEAR BUDGET (FY91)	OPERATING YEAR BUDGET (FY92)	OPERATING YEAR BUDGET (FY93)
1. Operating Plan Establishes Funding Ceiling (90/4)	1. Development of Operating Plan Begins 6 Months Prior to FY (Begins 91/2)	1. Formulation Begins 12 - 18 Months Prior to FY; Largely Dependent on Reg. Planning Data in CERCLIS (Begins 91/2)
2. Quarter Specific Targets are Set - - STARS targets can be changed only through formal Regional Administrator request - Sites can be substituted to meet commitments	2. Initial SCAP/STARS Targets Set in March; Finalized in August	2. No Targets Set but Schedules and Estimated RA Cost Help to Drive Budget Request
3. Pricing Factors are Set - Cannot Change Pricing on Events/Activities	3. Pricing Factors can be changed through Regional/ HQ Consensus	3. Pricing Factors are Subject to Review
4. Additional Funds/FTEs can only be Obtained through Special Requests	4. The Budget is Set but There is More Leeway to Make Adjustments Based on Proven Need	4. Budget is Constrained Based on Resource Cap Imposed by AA and Administrator Unless Exception can be Justified
5. Regions have Flexibility within General Budget and AOA Structure to Shift Funds to Meet Priority Activities		5. Maximum Flexibility to Design Budget to Optimize Cross-Program Priorities
6. Mid-Year SCAP Update Used to Realign Resources	5. Mid-Year SCAP Update Sets Preliminary Resource Levels	
7. Flexibility on Dollars much Greater than FTEs through Reg. Reprogramming	6. Flexibility on Dollars and FTE may be Constrained by President's Budget and Freeze	

SITE ASSESSMENT PLANNING AND REPORTING REQUIREMENTS

Preliminary Assessments/Screening Site Inspections (SSI)

Regions can only be given credit for PA and SSI completions if the completion date and a decision on further activities at the site are entered into the appropriate CERCLIS site record.

There are three decisions on further activities that must be made at the completion of the PA:

- High priority for an SSI;
- Medium priority for an SSI;
- No Further Remedial Action Planned (NFRAP); and
- Deferred to another authority.

There are four decisions on future activities that must be made at the completion of the SSI:

- High/medium decision for scoring;
- Recommendation for an LSI;
- NFRAP; and
- Deferred to another authority.

Listing Site Inspection

LSIs are reserved for sites that require installation of monitoring wells to support a groundwater HRs pathway. LSIs are not RI/FS substitutes and, consequently, the expenditures must be efficient and focused. Two important goals are to limit technical hours for each LSI and to minimize subcontracting expenditures. LSIs to meet SCAP planning estimates must be identified on a site specific basis.

REMOVAL PLANNING AND REPORTING REQUIREMENTS

The nature of removal activities is to respond to emergency, time critical and non-time critical situations at NPL and non-NPL sites. Each Region should recognize that it probably does not have sufficient funds to address all actual or threatened releases that meet the removal criteria in the National Contingency Plan (NCP). Responsible management means having to make some tough decisions such as deferring funding time critical actions in order to maintain a sufficient contingency for classic emergencies. Additionally, Regions have to depend more upon state and local authorities to address the real, but smaller threats that Regions now occasionally handle.

The increased use of enforcement authorities becomes essential as the funds for removal actions remain the same and responses get more expensive. PRP searches should be initiated as

soon as a candidate site has been identified. Oral notice, followed by written notice, should be given to PRPs in emergency situations. For time critical situations, written notice should be given to identified PRPs, negotiations should be conducted and AOs issued to the extent possible where there are viable parties and the work can be properly scoped and implemented. PRP searches may continue after the removal has started to further identify PRPs for takeover of actions or cost recovery. Non-time critical removals with viable PRPs are prime candidates for PRP actions.

Since so much of the removal work cannot be anticipated, Regions are only required to do site specific planning one quarter in advance. Each quarter, a plan for the upcoming quarter is prepared. A Region begins this planning period by identifying sites in CERCLIS which are candidates for removal work in the upcoming quarter, designating the expected lead, identifying the funding each action will require and the category of each removal. Valid removal categories (C2118) are:

- TC - Time Critical;
- NT - Non-Time Critical; and
- EM - Emergency.

Oversight dollars for PRP removals will be provided through the Case Budget. In order for funds to be available for classic emergencies or for sites that cannot be identified during the planning process, a removal contingency amount is placed in the non-site/incident activity section of the CERHELP data base by the Region.

The process for determining quarterly AOA for the removal program is described in Chapter VI.

REMEDIAL RESPONSE PLANNING REQUIREMENTS

PRP Search Outcome/Site Classification

Beginning in FY90, Regions were no longer required to enter or maintain the site classification. However, upon completion of the first phase of a NPL or non-NPL PRP search, Regions are required to record the outcome in CERCLIS (C1719). Valid outcome codes are:

- NV - Search complete, no viable PRPs, orphan site;
- VC - Viable PRP; cannot do work; and
- VP - Search complete, viable PRPs.

See the Enforcement Planning Requirements section titled Pre-RI/FS Enforcement Activity of this Chapter for additional information.

Project/Event Lead Codes

Project/event lead codes identify the entity performing the work at the site. Exhibit V-2 shows the valid project/event lead codes.

EXHIBIT V-2**PROJECT/EVENT LEAD CODES IN CERCLIS IN FY91**

<u>Lead</u>	<u>Definition</u>
F	Federally financed response actions performed by Fund/EPA (applies to response events)
RP	PRP financed response actions performed by the PRP under a federal order/CD (applies to response events)
S	Federally financed response actions performed by a state - Money provided through a CA (applies to response events)
PS	PRP financed response actions performed by PRP under a state order/CD with PRP oversight paid for or conducted by EPA through an EPA CA with the state or, if oversight is not funded by EPA, a SMOA or other formal document between EPA and the state exists which allows EPA review of PRP deliverables (applies to response events)
SN	State financed (no Fund dollars) response actions performed by the state (applies to response events)
SR	PRP response under a state order/CD and <u>no</u> EPA oversight support or money provided through a CA and <u>no</u> other formal agreement exists between EPA and the state (applies to response events)
CG	Work performed by the Coast Guard - Limited to removals (applies to response events)
MR	Preauthorization Mixed Funding work performed by PRP under a federal decree with an agreement that the Fund will provide reimbursement to the PRP (applies to response events)
SE	Enforcement activities performed by a State - Money provided through a CA or if not funded by EPA, a comparable enforcement document exists (Also applies to ROD events at PS-lead response events)
FE	Enforcement activities performed by Fund/EPA or work done by enforcement program (Also applies to ROD events at RP-lead response events). Historically (Pre-FY89) applied to RI/FS and RD response events
EP	Response activities performed by EPA using in-house resources
FF	Work performed by the Federal Facility with oversight provided by EPA and/or the state at sites designated as Federal Facilities on the NPL; also applies to RODs at Federal Facilities

A lead code must be placed in CERCLIS for all response events and enforcement activities. The lead code for a project support activity is the same as the lead code for the activity being supported. For example, management assistance funds to a state in support of a PRP RI/FS should be coded as RP-lead. All enforcement actions (i.e., orders, decrees, PRP searches, etc.) performed by EPA and all RODs resulting from RP-lead RI/FS projects should have a lead of "FE". All enforcement actions conducted by the state should have a lead of "SE". RODs at PS-lead RI/FS projects should have a lead of "SE" or "FE" depending on the entity preparing the ROD. RODs at Federal Facilities have a lead code of "FF". CERCLIS should not contain planned obligations for projects with "SR" or "SN" leads. No funds will be provided for activities with these leads.

The Agency acknowledges that states can and have assumed the lead role in reaching an agreement with the PRPs for response activities at NPL sites without negotiating a cooperative agreement or other formal agreement with EPA (SR lead). However, the NCP has determined that in the absence of a formal agreement the state will not be officially recognized as the "lead agency" for the project and EPA will not concur on the remedy selected.

Takeovers

A takeover means a change in entity performing an event after the event has started and credit given. Typically, this occurs where a settlement with the PRP has been reached after the event has been started. It may also occur where the Fund assumes a RP-lead project because of non-compliance.

For each remedial or removal event takeover, a new CERCLIS record must be created and FSS and FSC codes (C2115 and C2116) revised. A takeover does not create a new OU. The original CERCLIS event must be updated to show the completion date as the date of the takeover. The start date for the new CERCLIS event is also the date of the takeover.

The CERCLIS Event Takeover Flag (C2114) is manually maintained. A "T" is used in this field to flag the original event which has the change in lead. The new event has an event code followed by a sequence number to indicate the original event that was taken over.

When the takeover of a response event occurs and work has not proceeded past the workplan stage, credit will be given to the program taking over the lead for both a start and completion. For example, assume a settlement is reached for a PRP to conduct a RI/FS for which funds have been obligated but no work has been approved. The PRPs, in picking up the project at this stage, will get a RI/FS start. Had the work plan been approved, the Fund would have received credit for the RI/FS start. In order to assure credit is given to the proper program, the FSS and FSC codes should be placed with the event which was taken over. (See Exhibit V-3 for an example of the takeover coding.) However, if a takeover occurs after the workplan stage then the new lead will only receive credit for a completion; the previous lead retains credit for the start. Exhibit V-4 shows the proper placement of the FSS and FSC codes under these circumstances.

When there is a takeover of a removal action, credit is given to the program with the original start and the completion is credited to the program that completes the work.

EXHIBIT V-3**EVENT TAKEOVER AT WORKPLAN STAGE**

<u>OU</u>	<u>EVENT</u>	<u>LEAD</u>	<u>TAKEOVER FLAG</u>	<u>ACTUAL START</u>	<u>PLAN COMP.</u>	<u>ACTUAL COMP.</u>	<u>FSS</u>	<u>FSC</u>	<u>COMMENTS</u>
01	CO1	F	T	7/29/88	11/30/88	11/30/88	E	E	SITE WIDE
01	CO2	RP	CO1	11/30/88	12/15/90		A	A	SITE WIDE

EXHIBIT V-4**EVENT TAKEOVER**

<u>OU</u>	<u>EVENT</u>	<u>LEAD</u>	<u>TAKEOVER FLAG</u>	<u>ACTUAL START</u>	<u>PLAN COMP.</u>	<u>ACTUAL COMP.</u>	<u>FSS</u>	<u>FSC</u>	<u>COMMENTS</u>
01	CO1	F	T	11/15/87	4/30/90	4/30/89	A	E	SITE WIDE
01	CO2	RP	CO1	4/30/89	2/20/90		E	A	SITE WIDE

If a PRP takes over an RI/FS after response dollars have been obligated, the Region should retain the funds needed for PRP oversight for the remainder of the FY and deobligate the rest. Additional funds for oversight in future years should be obtained from the Case Budget. If the PRPs take over the RD or RA after response funds have been obligated, the Region can retain the funds needed to provide oversight of the entire PRP RD or RA activities. The remainder should be deobligated. RD funds that are deobligated may be replaced in the Region's AOA and used in accordance with the flexible funding priorities outlined in Chapter VI. Deobligated RA funds must be returned to HQ for funding of other priority RA projects.

When the Fund originally obligated dollars for response activities and a takeover occurs, Regions will have to request a change in account number through their regional Financial Management Office (FMO). The activity code within the account number changes if the Agency is acting in an oversight role as opposed to performing the response action.

Funds to support PRP negotiations, including the development of workplans, should be funded by the Case Budget.

PRP projects that are deficient may be addressed by the response program. If the project requires substantial Fund involvement to correct, it should be coded as a Fund take over in CER-CLIS.

Probability of PRP Funded Response Actions

During the development of budget planning information, Regions should pay particular attention to the probability of a PRP assuming responsibility for RD or RA or the potential for a mixed funding response. Historically, twenty to twenty five percent of each Region's Fund-lead RI/FS projects result in PRP lead RDs and RAs. Regions should examine the scheduled RD and/or RA starts in FY91 through FY93, ascertain PRP viability and the strength of the enforcement

case, the relative environmental priority of the project, and the likelihood of a PRP assuming the lead. The likelihood of the PRPs assuming lead responsibility should be recorded in CERCLIS in the event qualifier data element (C2103) with the event(s) that are scheduled to begin. (See Exhibit V-5 for an example of coding PRP probabilities.) As better information is received on the probability of the PRPs assuming responsibility, the qualifier in CERCLIS should be updated.

Valid probabilities are:

H - High, estimated 75% or better chance of PRP takeover;

M - Medium, estimated 25%-74% chance of PRP takeover; and

L - Low, estimated 24% or less chance of PRP takeover.

EXHIBIT V-5

PRP PROBABILITIES

OU (C1101)	EVENT (C2101)	LD (C2117)	TAKE OVER (C2114)	PLAN START (C2130)	ACTUAL START (C2140)	PLAN COMP (C2131)	ACTUAL COMP (C2141)	QUAL (C2103)
01	C01	F		3/30/88		9/30/90		
01	R01	F				9/30/90		
01	RD1	F		1/10/91		5/3/91		M
01	RA1	F		8/5/91		7/1/92		M

Operable Units in Remedial and Enforcement Programs

One of the driving mechanisms for Superfund's budgeting and planning process is the OU concept. Confusion over the definition of OU has led to conflicting planning and tracking methodologies among Regions. Outlined below is a standard methodology that each Region should implement for tracking OUs on an event-specific level.

The NCP defines an OU as "discrete actions that comprise incremental steps toward the final remedy." This means that any specific area or response may be considered an OU. Exhibit V-6 provides the ground rules for OUs and Exhibit V-7 provides examples of OUs for the different remedial phases. (See the Federal Facilities section of this Chapter for OU issues specific to Federal Facilities.)

RA projects that are being phased or segmented and incrementally funded in accordance with the RA priority setting criteria are not new OUs. They should be coded as another RA at the same OU.

EXHIBIT V-6**OPERABLE UNIT GROUND RULES**

- Each OU at the RI/FS stage must result in a ROD; subsequent RODs must address an aspect of the remedy not developed in the initial ROD.
- Each OU at the RD stage must result in separate plans and specifications.
- Each OU at the RA stage must be based on a separate bid package.
- PRP, state or EPA takeovers do not result in separate OUs.

EXHIBIT V-7**EXAMPLES OF OPERABLE UNITS**

- RI/FS
 - Source Control
 - Groundwater Cleanup
 - Permanent Relocation
- RD and RA
 - Pump and Treat System
 - Pilot Testing
 - Incineration
 - Cap
 - Waterline Installation
 - Soil Removal

The OU field in CERCLIS does not reflect the definitions or ground rules for OUs as defined in the NCP. In CERCLIS, an OU is defined by the combination of OU number, event sequence number, and FSS/FSC codes. Past the ROD stage the OU number field in CERCLIS is used to tie the RD and RA back to a particular ROD. For example, if you have only one ROD, no matter how many separate plans and specifications or separate bid packages are developed, the OU number in CERCLIS will remain "01". In this situation, the sequence number and FSS/FSC codes would be used to delineate that, by definition, there is more than one OU.

Many enforcement activities are conducted on an OU basis, e.g., negotiations, AOs, or CDs. A CERCLIS change request is currently being implemented that will allow enforcement activities to be linked to other enforcement activities and/or events. This change request is expected to be implemented in summer FY90. Additional guidance and training will be issued at that time.

There are several OU structures, as shown in Exhibit V-8 including:

- One occurrence of each event;
- Multiple events (RDs, RAs) from a single ROD; and
- Multiple events from multiple RODs.

If a site has multiple like-events (e.g., RDs) within a single OU, CERCLIS automatically generates a sequence number for each event. The sequence number is dependent on the order the event is entered into the system. If a single OU has multiple RDs and RAs, the only way to tie an RD with its corresponding RA is through the system-generated sequence number. Therefore, Regions must be certain that the planning information for the RD and its RA are entered into CERCLIS at the same time.

EXHIBIT V-8
OPERABLE UNITS AND
FIRST AND SUBSEQUENT START AND COMPLETIONS CODING

ONE OCCURRENCE OF EACH EVENT/ACTIVITY

<u>OU</u>	<u>EVENT</u>	<u>PLAN START</u>	<u>ACTUAL START</u>	<u>PLAN COMP.</u>	<u>ACTUAL COMP.</u>	<u>FSS</u>	<u>FSC</u>	<u>COMMENT</u>
	FN01	5/25/87	5/25/87	10/20/87	10/20/87			
01	C01	11/15/87	11/15/87	9/29/89		A	A	SITE WIDE
01	R01			9/29/89			A	SITE WIDE
	AN01	9/29/89		1/30/90				
01	RD1	2/13/90		3/12/91		A	A	SITE WIDE
01	RA1	3/30/91		3/20/93		A	A	SITE WIDE

MULTIPLE EVENTS/ACTIVITIES FROM A SINGLE ROD

<u>OU</u>	<u>EVENT</u>	<u>PLAN START</u>	<u>ACTUAL START</u>	<u>PLAN COMP.</u>	<u>ACTUAL COMP.</u>	<u>FSS</u>	<u>FSC</u>	<u>COMMENT</u>
	FN01	5/25/87	5/25/87	10/20/87	10/20/87			
01	C01	11/15/87	11/15/87	9/29/89		A	A	SITE WIDE
01	R01			9/29/89			A	SITE WIDE
	AN01	9/29/89		1/30/90				
01	RD1	2/13/90		3/12/91		B	B	SOURCE
01	RA1	3/30/91		3/20/93		B	B	SOURCE
01	RD2	2/14/90		3/20/92		D	D	GROUNDWATER
01	RA2	4/10/92		4/10/97		D	D	GROUNDWATER

MULTIPLE EVENTS/ACTIVITIES WITH MULTIPLE RODS

<u>OU</u>	<u>EVENT</u>	<u>PLAN START</u>	<u>ACTUAL START</u>	<u>PLAN COMP.</u>	<u>ACTUAL COMP.</u>	<u>FSS</u>	<u>FSC</u>	<u>COMMENT</u>
	FN01	5/25/87	5/25/87	10/20/87	10/20/87			
01	RI1	11/15/87	11/15/87	12/23/88	12/23/88	B		WATERLINE
01	FS1	12/23/88	12/23/88	12/29/89			C	WATERLINE
01	FS2	1/5/89	1/5/89	3/30/90			D	WATERLINE
01	R01			3/30/90			D	WATERLINE
	AN01	3/30/90		7/30/90				WATERLINE
01	RD1	8/20/90		3/13/91		C	B	WATERLINE A
01	RD2	3/30/91		12/15/91		D	C	WATERLINE B
01	RA1	3/30/91		9/19/93		B	C	WATERLINE A
01	RA2	12/30/91		4/13/92		C	B	WATERLINE B
	FN02	9/25/87	9/25/87	3/22/88	3/22/88			
02	C01	2/5/88	2/5/88	12/30/89		D	B	GROUNDWATER
02	R01			12/30/89			B	GROUNDWATER
	AN02	12/30/89		4/30/90				GROUNDWATER
02	RD1	6/10/90		6/20/91		B	C	GROUNDWATER A
02	RD2	7/15/90		6/14/93		C	D	GROUNDWATER B
02	RA1	6/30/90		12/10/94		C	C	GROUNDWATER A
02	RA2	6/30/90		12/22/94		D	D	GROUNDWATER B

First and Subsequent Starts and Completions

FSS and FSC codes (C2115 and C2116, respectively) are used to identify and characterize the sequencing of events and OUs. They are not used for enforcement activities. If an event does not have actual dates, the FSS and FSC codes are determined by the planned dates. One of the codes shown in Exhibit V-9 must be assigned to each remedial event as it is entered into CERCLIS.

EXHIBIT V-9

FIRST AND SUBSEQUENT START AND COMPLETIONS		
A	=	First and only event at a site
B	=	First of two or more events
C	=	Subsequent, but not final event
D	=	Final of two or more events
E	=	Anomaly

The FSS/FSC codes are based on event start and completion dates, not the system generated sequence number. Thus the first start of an event, for example an RD, at a site is coded "A". If a second RD is started, the "A" code for the first RD start must be changed to a "B" and the second RD is assigned a "D" code. If a third RD is started, the first RD remains a "B", the second RD must be changed from a "D" to "C" and the third RD is assigned a "D" code. Event completions use the same methodology. If there is one occurrence of each event, all FSS/FSC codes are "A".

A FSS/FSC code value of "E" is used to identify anomaly events that do not receive credit for a SCAP/STARS start or completion. For example, where there is a takeover a new event is entered, the FSS code (C2115) for the new event would be "E".

Exhibit V-8 illustrates the use of the FSS/FSC codes. Since the FSS and FSC codes are manually maintained, it is necessary to update these codes each time an event is added. Exhibit V-10 indicates combinations of FSS/FSC codes that are inconsistent with the coding procedures.

EXHIBIT V-10

IMPOSSIBLE FSS AND FSC CODE COMBINATIONS	
•	More than one A, B, or D
•	An A and B
•	An A and D
•	An A and C
•	C without a D and B
•	B and C without a D
•	C and D without a B

TBD Sites

Under certain circumstances, Regions may not be able to identify all the sites necessary to meet SCAP targets. This may occur for the following activities:

- Removals;
- First RI/FS starts;
- Administrative cost recovery settlements;
- Small case cost recovery referrals;
- Section 106 RD/RA referrals without settlement; and
- UAOs for RD/RA.

In such cases, Regions may enter planning data into TBD site records. CERCLIS provides the capability, through the use of a pseudo-EPA identification number, to set up temporary site records as TBDs until the actual site is identified. Following are procedures for handling SCAP TBD sites and associated planning data in CERCLIS.

The key data field for all CERCLIS site and related records is the EPA Identification Number (EPA ID). This number is twelve characters in length with the first two characters identifying the state in which the site is located. The third position identifies it as a permanent or temporary Dun & Bradstreet number, and the remaining nine digits are unique to a site within the state. The method of handling TBD sites in CERCLIS must be consistent with guidance for assigning EPA IDs to valid Superfund sites.

The procedure for assigning pseudo numbers is as follows. Each SCAP TBD site to be entered into CERCLIS will be assigned a unique 12-character EPA ID which is constructed from regionally assigned state codes and numbers. The pseudo state codes shown in Exhibit V-11 for each Region would be used in the first two positions of the pseudo ID.

EXHIBIT V-11

PSEUDO STATE CODES	
<u>Region</u>	<u>Pseudo State Code</u>
1	ZA
2	ZB
3	ZC
4	ZD
5	ZE
6	ZF
7	ZG
8	ZH
9	ZJ
10	ZK

The third position of the code will always be "T" which further identifies the site as being a "TBD" site. The remaining nine digits will be selected from the 1000 numbers purchased from Dun & Bradstreet by HQ and allocated to each Region.

An example of the use of the code is as follows. Region I has three TBD sites for RI/FS starts to be entered into CERCLIS. EPA IDs to be used for the three sites are as follows:

TBD site #1 - ZAT982565053

TBD site #2 - ZAT982565061

TBD site #3 - ZAT982565079

At the time a real site is determined for TBD site #1, the site and associated data for EPA ID ZAT982565053 are deleted from the CERCLIS data base. Subsequently, the appropriate planning data are added to the real site in the CERCLIS data base. The pseudo number, ZAT982565053, is then recycled for future use.

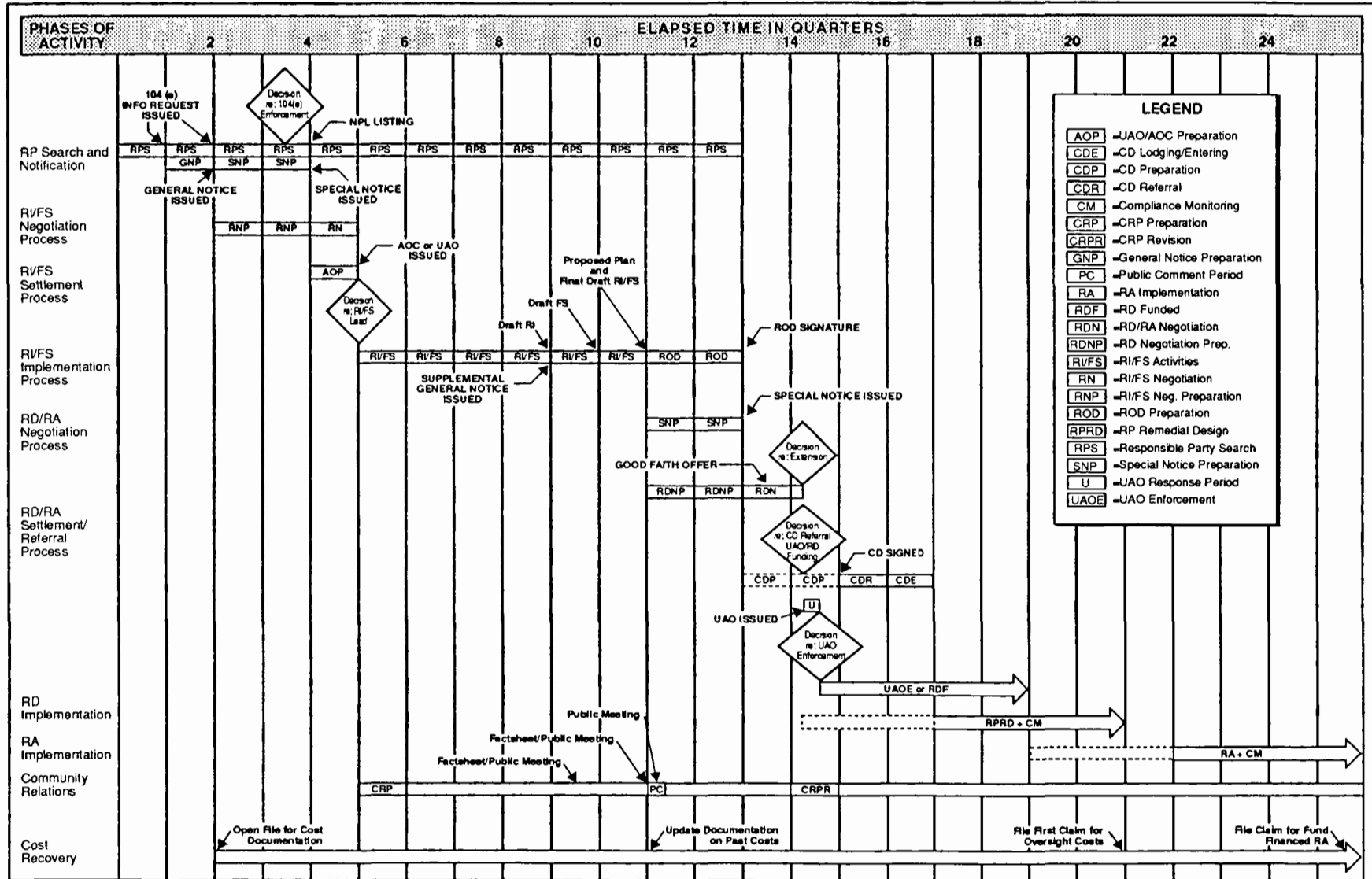
Regions may not use TBDs in planning subsequent RI/FS starts. When multiple OUs at a site are involved, Regions should schedule the subsequent starts and associated core activities when planning the first RI/FS start at the site to the maximum extent possible. Subsequent starts should be scheduled even if they are not planned to begin in FY91. Even though TBDs are being used for target setting purposes, Regions must have real sites in CERCLIS which can be substituted at a later date for the pseudo sites.

Integrated Timeline for Site Management

The Agency has developed a timeline that identifies critical decision-making points and timeframes for each step in the Superfund site cleanup process. The timeline shows the interface between response and enforcement activities at a site. The Integrated Timeline (Exhibit V-12) is a ten step site management process that spans a maximum of 24 quarters.

Regions are strongly urged to use a site management plan to ensure that proper funding, enforcement activities and management responsibilities are laid out for a site. A site management plan should be put together for a site shortly after proposal for the NPL. The plan should lay out important enforcement activities that are essential to happen at the site (proper PRP searches, issuance of RI/FS special notice, issuance of RD/RA special notice, RD/RA negotiations, development and finalization of CD, issuance of UAO). These enforcement activities should be integrated with Fund-financed or PRP response events at the site or OU. The plan can be used to ensure that funding is requested for the activities and that the proper people in all affected offices have been brought into the process at the appropriate points.

EXHIBIT V-12 INTEGRATED TIMELINE



When identifying sites for RI/FS starts, Regions must provide schedules for the remedial and enforcement activities contained in the Integrated Timeline. **The timeframes should only be used if more accurate estimates are not available. When better planning data and schedules are developed, CERCLIS must be revised to reflect these schedules.** Beginning in FY91 planned start and completion dates must be entered into CERCLIS in the MM/DD/YY format. The FY/Q will be system generated. Exhibit V-13 provides a summary of the timeframes for the steps in the Integrated Timeline plus other critical activities. Following is a description of the Integrated Timeline phases:

- **RP Search and Notification** - With an expected duration of 13 quarters, the PRP search and notification process involves the following activities:
 - Development of PRP search report;
 - Distribution of 104(e) information requests;
 - Distribution of general notice;
 - Initial determination of PRP viability and liability
 - Distribution of special notice or waiver of special notice; and
 - Decision whether to pursue 104(e) enforcement activities.

The PRP search may be extended up to the point of RD special notice.

EXHIBIT V-13

STANDARD TIMEFRAMES

<u>ACTIVITY</u>	<u>DURATIONS</u> <u>(In Quarters)</u>
Removal PRP Searches	1-2
Removal Negotiations	1
Removals	1-2
NPL PRP Searches*	13 (maximum)
RI/FS Negotiations*	3 (maximum)
Federal Facility Negotiations	1-2
Fund RI/FS or FF/PRP RI/FS Oversight*	8
(FS to Public)	(6)
(ROD)	(2)
RD/RA Negotiations (post ROD)*	2 (maximum)
Case Development (ends in referral)	2
Sec. 106 or 106/107 RD/RA Referrals without Settlement or Cost Recovery Referrals (ongoing cases referred to DOJ until conclusion)	14
CD Referral, Lodging & Entry	2
Fund RD or FF/PRP RD Oversight*	4
Fund RA or FF/PRP RA Oversight*	6
RA Contract Award	2 (post RA start)

*Core Activities/Events

- RI/FS Negotiation Process - The RI/FS negotiation process will be conducted a maximum of 3 quarters and generally begins with the issuance of general notice. Important milestones include:
 - Two quarters for negotiation preparation concurrent with the preparation of special notice; and
 - Formal negotiations, which begin with the issuance of special notice and last a maximum of 90 days (60 days if a good faith offer is not received).
- RI/FS Settlement Process - The one quarter settlement process is conducted concurrent with the last quarter of the RI/FS negotiation process. At the end of the settlement process, the Region will issue either an AOC or a UAO. At this point a decision is made whether to proceed with a Fund-financed RI/FS.
- RI/FS Implementation - Commencing after the issuance of the AOC/UAO or the obligation of funds for the action, the RI/FS has a estimated duration of 8 quarters and concludes with the signature of the ROD. Important milestones include:
 - Draft RI report after 4 quarters;
 - Draft FS report after the fifth quarter;
 - Final draft RI/FS report and proposed plan after 6 quarters;
 - ROD preparation which should take no more than 2 quarters; and
 - ROD signature.
- RD/RA Negotiation Process - The RD/RA negotiation process formally begins after completion of the final draft RI/FS report and proposed plan, though planning the pre-referral strategy may be conducted earlier. Special notice preparation is performed concurrent with ROD preparation. RD/RA negotiations have a maximum duration of 2 quarters and formally begin with issuance of SNLs. If the site has no viable or liable PRPs, a Fund-financed RD should be scheduled to begin the quarter after the ROD is signed. Important milestones include:
 - Draft of CD to go with SNL;
 - Issuance of special notice or waiver of special notice concurrent with ROD signature;
 - Formal RD/RA negotiations which commence with the issuance of special notice and extend a maximum of 120 days if a good faith offer is received;
 - Termination of RD/RA negotiations if a good faith offer is not received within 60 days after issuance of special notice. The Region will issue the UAO and decide whether to fund the RD or litigate.
 - Signature of the CD marking the conclusion of RD/RA negotiations; and

- A 30 day response period if a UAO is issued. During this time, the Region will decide whether to enforce the UAO or fund the RD.
- RD Implementation - RD implementation includes funded RD activities, RP-lead RD activities and compliance monitoring. Actual work on the RD will begin with the issuance of a UAO, the notice to the PRP contractors to proceed with the RD, or funding of the action. The average duration of the RD is 4 quarters.
- RA Implementation - The RA begins after the completion of the RD. It includes funded RA activities, RP-lead RA activities and compliance monitoring. The average duration of the RA is 6 quarters.
- Community Relations (CR) - CR activities begin after the decision is made on lead responsibilities for the RI/FS and continue throughout the RI/FS and RD/RA. Major components of the CR program include:
 - Preparation of a CR Plan concurrent with the preparation of the RI/FS workplan;
 - Preparing a minimum of two fact sheets and conducting three public meetings. The final public meeting will occur during the public comment period on the proposed plan; and
 - Revisions to the CR Plan after the conclusion of RD/RA negotiations.
- Cost Recovery - Cost recovery activities begin with the initiation of the PRP search and continue throughout the RI/FS and RD/RA. Important milestones include:
 - Opening the cost documentation file concurrent with the issue of general notice;
 - Update documentation on past costs after completion of RI/FS;
 - Update documentation on past costs after completion of RD;
 - File first claim for past costs at completion of RD; and
 - File a claim for Fund-financed RA costs at completion of RA activities.

Identifying core activities and providing planned obligation estimates are important due to the impacts these projects, especially RAs, have on outyear budgets for the program areas. The cost of RA projects makes it imperative that scheduled start dates and planned obligations are known well in advance of the beginning of the FY. In essence, dollars associated with RA project starts are locked in during budget formulation eighteen months prior to the beginning of the FY. As a result, as better information becomes available on project costs, dollar estimates, and project schedules, the core activity plans should be updated and kept current in CERCLIS.

Record of Decisions

The ROD is the document prepared after completion of the public comment period on the RI/FS which identifies the Agency's selected remedy for a site or OU. After a ROD is signed, new information may be generated that could affect the remedy selected. Three types of changes could occur:

- A non-significant or minor change;
- A significant change to a component of the remedy; or
- A fundamental change to the overall remedy.

Each of these categories is discussed below.

Non-Significant Changes

Non-significant changes fall within the normal scope of changes occurring during the RD/RA. These changes typically result from value engineering conducted during the RD and RA. This may result in minor changes to the type/cost of materials, equipment, facilities, services, and supplies. When such changes do not significantly affect the scope, performance, or cost of the remedy, they are considered minor or non-significant.

Minor changes should be documented in the post-ROD files. The documentation should not be part of the administrative record file for the ROD.

Significant Changes to a Component of a Remedy

Significant changes to a component of a remedy generally are incremental changes to the hazardous waste approach selected for the site (i.e., a change in timing, cost, or implementation). These changes do not fundamentally alter the overall approach intended by a remedy. When significant changes are made to a component of a remedy, an Explanation of Significant Differences (ESD) should be prepared.

The ESD is made available to the public and placed in the administrative record. A formal public comment period, public meeting and responsiveness summary are not required. While the ESD is being prepared and made available to the public, response activities should continue. An ESD is not a new ROD and should not be coded as such in CERCLIS.

Fundamental Changes to the ROD

When the hazardous waste management approach selected in the ROD is reconsidered, it is a fundamental change. For example, the innovative technology originally selected in the ROD did not perform satisfactorily during the RD pilot scale testing and a decision is made to switch to another remedy. This would represent a fundamental change. If, as a result of PRP negotiations, the remedy in the ROD is changed from incineration to bioremediation, this also represents a fundamental change. When such fundamental changes are made to a remedy, the ROD process (revised proposed plan, public comment period, public meeting, responsiveness summary, and amended ROD) should be repeated. The amended ROD must be placed in the administrative record. A fundamental change to the ROD should be recorded as a new ROD in CERCLIS.

An HQ/regional workgroup is being developed to determine how ROD changes should be recorded in CERCLIS. Additional guidance will be prepared and addenda to the Manual may be issued. Further information on ROD changes can be found in "Interim Final Guidance on Preparing Superfund Decision Documents", OSWER Directive 9355.302. Copies of all RODs and amended RODs should be sent to HSCD.

Five Year Remedy Review/Deletion of New Sites from the NPL

SARA requires EPA review those remedial actions that result "...in any hazardous substances, pollutants, or contaminants remaining at the site..." no less often than every five years after implementation. The proposed NCP states that EPA will review remedies that result in hazardous substances, pollutants, or contaminants remaining at the site "...above levels that allow for unlimited use and unrestricted exposure..." In the Superfund Management Review, the Administrator has determined that EPA will not delete from the NPL sites that require SARA reviews until at least one review has been completed. Taken together, the Superfund program is required to evaluate deletion candidate sites very carefully concerning five year reviews in order to ensure the appropriateness of deletion before publishing the deletion notice.

Pending a determination on which sites require a five year review before deletion, EPA will suspend deletion of any sites from the NPL. Regions will be notified when the decisions regarding the five year review have been made and the deletion of sites from the NPL may be resumed. Beginning in FY90, each ROD should attempt to identify criteria to be considered and the activities to be conducted in a five year review based on the nature of the remedy.

Planning for Response Mega-Sites

FY91 regional requests in CERCLIS for RI/FS starts should be limited to an average of \$750,000 per project and all ongoing fund and PRP RI/FS should be fully funded. The \$750,000 limit and full funding requirement do not pertain to response mega-sites (sites with total RI/FS projects in excess of or expected to exceed \$3 million). For response mega-sites, a mega-site management plan characterizing site problems and management options must be submitted to HSCD. Mega-site management plans require joint development by response and enforcement personnel including ORC. The purpose of the plan is to document the Region's approach for managing the site, to identify coordination options, and to project total resource requirements for the site. Mega-site management plans are to be completed by June 1991, so funding issues can be resolved prior to the development of the operating plan for FY92. Examples of mega-site management plans for large sites can be obtained from Region I (New Bedford site), Region VIII (Clark Fork site) and Region IX (San Gabriel). Technical assistance can be obtained from HSCD Site Policy and Guidance Branch.

Treatability Study Planning

The performance of treatability studies during the RI/FS is a priority for the remedial and enforcement programs. Separate identification of this work allows the program to determine and explain the impact of treatability studies on RI/FS and RD costs and schedules. Since funds for treatability studies are not included in the \$750,000 per OU and \$1.1 million per site RI/FS cost or the \$25,000 per quarter for enforcement oversight costs, it is necessary to establish treatability studies as a separate event code ("TS") in CERCLIS. Funds should be planned site specifically and planned and actual start and completion dates are required.

Superfund Innovative Technology Evaluation (SITE) Program

The purpose of the SITE program is to assess new technologies for the treatment of hazardous waste in order to develop permanent technologies. The SITE demonstration program sponsors pilot and full scale treatability studies at Superfund sites. The participating developers mobilize and operate their equipment during the test period. The EPA Office of Research and Development (ORD) develops the test plan, provides for site preparation, funds sampling and analysis, and prepares the documentation.

Technologies enter the program through an annual solicitation. Proposals are reviewed for their technical merit and applicability to Superfund problems. Approximately 37 developers are currently in the program and approximately 10 new developers are added each year. Once new technologies are accepted, it is necessary to find demonstration sites. A memorandum is sent to the regional Division Directors requesting the nomination of potential locations for testing the technologies. All projects should be considered regardless of the entity performing response activities at the site. Special consideration is given to selecting sites where the data will provide useful information for the ROD or RD.

As a result of a recent OIG audit of the SITE program, a new SCAP reporting measure was added -- Sites nominated for the SITE program. When a site is nominated by the Region for a SITE technology, the Region should enter an EP-lead (in-house) treatability study (TS) with an "A" (alternative) Activity/Event Planning Status (C2110) into CERCLIS. The date of the memorandum nominating the site for the program should be recorded in the plan start data field (C2130). When the site is accepted by HQ and matched with a technology, the actual start date should be entered and the Activity/Event Planning Status (C2110) should be changed to a "P" (primary). (See Exhibit V-14 for an example of the coding of sites.) The definition of the start and completion of this measure has been added to Appendix D. IMCs should work with the SITE coordinators in the Regions to determine when information needs to be added to CERCLIS.

EXHIBIT V-14

SITE PROGRAM CODING

<u>Site Nominated</u>							
OU (C1101)	EVENT (C2101)	LD (C2117)	EVENT PLANNING STATUS (C2110)	PLAN START (C2130)	ACTUAL START (C2140)	PLAN COMPLETE (C2131)	ACTUAL COMPLETE (C2141)
01	TS	EP	A	7/25/90			
<u>Site Matched with Technology</u>							
OU (C1101)	EVENT (C2101)	LD (C2117)	EVENT PLANNING STATUS (C2110)	PLAN START (C2130)	ACTUAL START (C2140)	PLAN COMPLETE (C2131)	ACTUAL COMPLETE (C2141)
01	TS	EP	P	7/25/90	10/13/90	5/20/91	

Project Support Activities

Regions are not required to plan or report the start or completion of project support activities (CR, technical assistance, support agency management assistance, etc.). Because of workload model impacts, this change does not apply to treatability studies, operation and maintenance (O&M) or LTRA. During the development of the budget, funding needs can be planned site specifically or non-site specifically by event type in CERHELP. During the operating year, activities needing funds in the upcoming quarter must either be planned site specifically in CERCLIS prior to generation of the CERCLIS AOA report or a quarterly breakout (by activity) of the annual funding need must be provided in CERHELP.

If the regional project support budget is established non-site specifically then, regardless of whether the quarterly planning is site or non-site specific, the total annual project support budget must be reduced by the quarterly funding needs prior to HQ placement of the AOA in CERHELP. If a Region plans project support activities non-site specifically, the planned funding amount in CERHELP must be reduced as the site specific funding documents are processed (See Chapter VI on handling financial data in CERCLIS). Failure to make these adjustments could cause the Region to exceed its annual budget and result in approval of their AOA being withheld.

Regions should also plan the conduct of aerial surveys and topographical mapping by the Environmental Management System Laboratories (EMSL) in CERCLIS. Prior to the August FY91 target and budget negotiations, EMSL contacted each Region to determine regional needs for aerial surveys and topographical mapping. Based on regional response, HQ and EMSL generated a list of sites and funding needs. This information was forwarded to the Regions in the June 1990 call memorandum. Regions should review the sites and funding requirements in the call memorandum and verify their accuracy by recording site specific topographic mapping (C2101="TO") and/or aerial surveys (C2101="AS"), the FY/Q planned obligation and funding amount in CERCLIS. A funding status (C3225) of "APR" (approved) and a HQ budget source code (C3229="D") should be used for the funds needed at the sites identified in the memorandum. HQ will set aside a budget for EMSL, off the top of the national budget, based on the funding needs identified for these sites. If a Region has a need for EMSL's services at sites that were not on the list, it should identify the need in CERCLIS. However, these sites/needs must be funded from the Region's annual budget.

Funds from the regional allowance can be obligated through a procurement request transferred to EMSL or through the change request procedures. The change request would keep the funds under TFAY9A and show the Allowance Holder as 60. The purpose should be shown as Aerial Surveillance. Regions must be sure to change the budget source in CERCLIS to a HQ account after the change request is processed. (See Chapter VI for additional information on budget source codes and change request procedures.) If a change request is used or the services were funded from the HQ account, Regions should follow up with a letter to EMSL detailing the site names and/or specific instructions.

A Region may also request technical assistance from another entity within EPA (i.e., ORD). To the maximum extent, the necessary funding should be planned in CERCLIS prior to the FY. Funds may be transferred to the other entity through a procurement request or an AOA change request. The AOA change request is the preferred method. In either situation, a scope of work should be prepared before the paperwork is processed. The scope of work should clearly identify the tasks that will be performed, any deliverables that are required, the timeframes for performance, and the funds that will be transferred.

The lead code for project support activities must match the lead code for the project/event being supported. For example, the lead for CR at an RP lead RI/FS should be RP.

Technical Assistance Grants

The Region should budget technical assistance grant (TAG) funds at Fund or PRP sites based on their knowledge of which communities may request such grants. Since many communities may not be eligible or may decline to apply for various reasons, the Region should not assume that every NPL site will require a TAG. Funds for all TAGs, including TAGs at Federal Facilities, are in the response budget. Regions should negotiate reimbursement of TAG costs at the Federal Facility during IAG discussions. The Regions are to administer the TAGs at Federal Facilities.

Assignment of Remedial Response and Oversight Work

Nationally there are five primary entities available for assignment of Fund-financed remedial activities. They are the state, ARCS contractors, remedial contractors (REM), USACE, and BUREC. Each of these entities has the capacity to do a certain amount of Superfund work. It is essential that the assignment of work be balanced with the capabilities of the various entities.

If EPA and the state decide that EPA will take the lead for remedial activities, the following must be considered when making a decision on who will perform the work:

- ARCS contractors should receive a significant number of new projects in FY91;
- USACE should conduct the RD and RA for all projects with an estimated RA cost of over \$15 million.
- USACE should conduct the RA projects with an estimated RA cost between \$5 and \$15 million, USACE or ARCS contractors can perform the RD. If an ARCS contractor is selected to do the RD, the USACE should provide technical assistance review of the RD to assure its quality;
- RAs with a construction value of less than \$5 million may be performed by USACE or the ARCS contractors;
- USACE may be tasked to review RI/FS projects;
- USACE may also be tasked to review PRP RDs and provide oversight of PRP RAs. Assignments to USACE for oversight of PRP RD or RA projects should be accompanied by a start up period of training and regional orientation; and
- USACE should always receive PRP oversight assignments where USACE performed the RD and the PRP took over the RA.

As a reminder, when RD and RA assignments are planned for different entities, a smooth transition is necessary. This can be easily achieved by giving a technical assistance assignment to the entity that will be performing the RA during the RD. The purpose of the assignment would be to review the plans and specifications for biddability, constructability, operability, and claims prevention. The entity that performed the RD should also be retained during the RA in a technical assistance role for design clarification, change order review, etc.

In-house RI/FS

The Superfund Manager's Report recommended all Regions initiate in-house RI/FS projects. The objectives of the in-house RI/FS are to:

- Increase the RPMs awareness of available in-house resources;
- Enhance the RPM's project management skills;
- Reduce RI/FS costs by reducing contractor involvement; and
- Improve the training of junior RPMs

Two approaches are being used for the in-house RI/FS process:

- A seasoned RPM manages the project and performs many of the tasks that, for other RI/FS projects, are routinely performed by contractors; or
- For each RI/FS, an RPM team is established to perform most of the required tasks. The team consists of a seasoned RPM (group leader and mentor) and junior RPMs. Matching new and experienced RPMs provides the new RPMs with the needed experience at the same time that it ensures reasonable cost control and quality of the project.

The general theme for either approach is the same, use non-contractor resources to accomplish most, if not all, of the standard RI/FS tasks. (Non-contractor resources include EPA regional staff and personnel from other EPA offices or other Federal agencies.) Initial project planning should assume that the RPM team will be directly involved in every task. As planning progresses, the Region is responsible for determining the mix of contractor and non-contractor resources most appropriate for a particular task. However, if the team approach is used, the group leader/mentor should ensure that each team member is exposed to as many RI/FS tasks as possible.

All Regions were requested to undertake an in-house RI/FS in FY90 and the program is expected to continue in FY91. Each in-house RI/FS will receive 150% of the normal FTE and as much as \$400,000, primarily for contractor drilling support or tasks that cannot be performed in-house. The decision to perform an in-house RI/FS is the Region's and is dependent on the sites or projects in the Region where the RI/FS has not started. Selecting an appropriate site for an in-house RI/FS will increase the probability of successfully completing a project and meeting the objectives of the in-house RI/FS initiative. As a general rule, smaller, less complex sites should be chosen. At the same time, sites should be complex enough that a wide assortment of RI/FS tasks/skills will be required. A second important consideration is the proximity of the site to the regional office. Lastly, selecting sites for which the Region has previous experience may allow for a more streamlined and focused study.

ARCS Coding

The ARCS was developed in response to the need for additional competition and the desire for more contractors in the remedial contracting program. The strategy builds on the concept of rewarding good performance on the part of the contractors by assigning more work to good performers.

Each Region or group of Regions has a set of contractors to which remedial planning, design, and construction management work may be assigned. Each contract will have a small base quantity of work and many options for additional work. With ARCS, Regions will have complete responsibility for contract management.

It is essential to the integrity of the ARCS concept that the work be distributed evenly to all contractors during start up. This will ensure a sound basis for evaluation and decisions regarding future assignment of work. It is also important for Regions to establish systems for monitoring, analyzing and projecting program management costs which will become part of the SCAP negotiations.

In order to convey ARCS contract information to HQ, the five character Financial Vehicle data element in CERCLIS (C3239) will be used to identify the type of contract, the Region, and the name of the ARCS contractor. If an entity other than the ARCS contractor will perform the work, the first three positions of the five character Financial Vehicle element is used to identify the type of contract and the last two characters should be blank. For example, if the activity is assigned to the USACE, the Financial Vehicle entered should be "COE" ("BUR" for Bureau of Reclamation projects). If the activity is assigned to ARCS, the first three characters of the Financial Vehicle data element should be "ARC." The fourth and fifth characters identify the particular ARCS contractor. Exhibit V-15 contains the codes to be placed in characters four and five based on the existing ARCS contractors. As new contractors are awarded contracts, the Region should contact HQ and a new code will be reserved for that contractor. During event/activity planning stages, work that will be assigned to the ARCS contractors should be identified by placing "ARC" in the Financial Vehicle. The name of the ARCS contractor should be placed in CERCLIS when inputting the actual obligation data. Funds needed for ARCS program management should be placed in the CERHELP data base by contractor.

If Regions are planning to use ARCS contractors and pay for them through the Case Budget, the same codes should be used.

EXHIBIT V-15
ARCS CONTRACTOR CODES

CONTRACTOR	CODE
Arthur D. Little	00
Bechtel	01
Black & Veatch	02
CDM	03
CH2M Hill	04
Donohue & Associates	05
EBASCO	06
Ecology & Environment	07
Fluor Daniel	08
ICF	09
Jacobs Engineering	10
Malcolm-Pirnie	11
Metcalf & Eddy	12
Morrison & Knudson	13
NUS Corporation	14
PRC Environmental	15
Sverdrup	16
TAMS Consultants	17
Tetra-Tech	18
TRC Environmental	19
URS Corp	20
Roy F. Weston	21
WW Engineering	22

ENFORCEMENT PLANNING REQUIREMENTS

Mixed Funding Settlements and Cashouts

The term "mixed funding" is used generically to refer to three types of settlements:

- Pre-authorization ("MR" lead);
- Mixed work (two or more OUs or phases, "RP" and "F" or "S" lead); and
- Cashouts ("F", "S", MR, or RP lead).

Preauthorization occurs where PRPs reach a settlement with EPA whereby they agree to perform a share of the response actions, and the Agency agrees to reimburse some part of their expenses. These are coded in CERCLIS as "MR" lead events. Mixed work occurs where PRPs and EPA agree to jointly work on a project or where work may be divided between the parties. No reimbursement to the PRPs occurs. Mixed work should be shown as separate OUs or phases in CERCLIS. OUs or phases where the PRPs are performing the work should have "RP" lead events. The lead for events at the OUs or phases where Fund-financed activities are being performed should be "F" or "S".

Cashouts are funds are received by EPA, a state, or another PRP under the terms of a settlement agreement that includes in whole or in part the future costs for a response action that is or may be implemented at a specific Superfund site. EPA strongly prefers that PRPs agree to perform the response action. The two primary circumstances when cashouts may be acceptable are de minimis settlements and settlements with PRPs (i.e., owners/operators) that lack resources to perform the response. In other very limited circumstances, cashouts with major parties may be acceptable. (See "Evaluating Mixed Funding Settlements Under CERCLA", OSWER Directive 9834.9, March 14, 1988.)

The terms and conditions of the cashout settlement should be documented in an AO or CD. The AO or CD must address the disposition of the monies. The two major considerations are 1) whether all or part of the funds are for future expenses or past costs, and 2) whether it is expected that other PRPs or EPA will perform the work. It may also include future cost provisions for any portion of the cost for the expected remediation efforts at the site and premium payments.

The response work at these sites may be performed by EPA, the state or other PRPs using cashout funds. In situations where EPA or the state will be performing the work, response events in CERCLIS should be coded "F" or "S". In a mixed funding situation, where the Fund and PRPs contribute to the cleanup but the PRPs conduct the work, an "MR" lead should be assigned. If the PRPs, both de minimis and non-de minimis, assure funding and oversight responsibility for the site, response events should have a lead of "RP". Chapter VI contains information on the financial aspects of a cashout settlement.

Planning for Enforcement Mega-Sites/Projects

An enforcement mega site is a Superfund site or enforcement activity that contains unusual characteristics that separate it from a typical site or project. These sites or projects require more than twice the average level of extramural resources to be managed. The characteristics of the sites or projects include, but are not limited to:

- Large geographic area defining a site (for example, Clark Fork);

- Sites that are part of an area wide problem (for example, San Gabriel);
- Sites that have an unusual level of community involvement requiring an above average level of attention (for example, Love Canal);
- Sites with a large number of PRPs that refuse to form a coalition, thereby making the negotiation and settlement process difficult (for example, Maxey Flats);
- Sites receiving national attention (for example, Times Beach/Ellisville); and
- Complex litigation issues (for example, Hardage).

Regions should be aware that the response definition for mega-sites is sites where the total RI/FS costs exceed \$3 million. Instructions for planning response mega sites are found earlier in this Chapter in the section titled Planning for Response Mega-Sites.

Resources are set aside in the Case Budget to address enforcement mega-sites. The methodology for the distribution of resources for enforcement mega sites is defined in the Case Budget section of Chapter VI.

PRP Removal

For non-NPL sites, PRP searches should be initiated as soon as a removal candidate has been identified. Before most time critical and non-time critical removals are initiated, the baseline phase of the search should be completed and the follow up phase started. This allows for timely negotiations for AOs (unilateral or on consent) to begin before the start of the removal. PRP searches also support possible cost recovery actions. Regions are required to report:

- NPL indicators;
- PRP search (start and completion dates, and outcome);
- AO completion date (compliance status in CERCLIS, removal remedy, value of removal);
- Removal start and completion dates, and lead; and
- Other technical data required by the removal program.

Notice letters to owners, operators and other identified PRPs should be sent and negotiations conducted before the removal is initiated, time permitting. Oral notice, followed by written notice, should be given in emergency situations. For certain non-time critical removals that are major response actions, the special notice procedures of Section 122(e) should be employed. Where special notice is not employed, written notice under Section 122(a) must be given.

Regions should issue AOs (unilateral or consent) at every removal action where viable PRPs have been identified. Unless time is a factor, an AOC is sent to the PRPs before a UAO is issued. UAO issuance is an effective tool and should be used when time and resources do not permit negotiations. Factors which may justify Fund financing without an order include technical difficulty in defining the steps to be taken; unique technical complexity; inappropriateness of

allowing a particular PRP to do the work; and insofar as resources are constrained, very low cost of remedy. In some cases, a UAO can be converted to an AOC, but this should be done without delaying PRP response. Oversight costs should be taken into account in negotiations, particularly for large removals.

Action memoranda should be issued at all sites where PRPs are performing removals, to provide for sufficient documentation and guard against subsequent 106(b) petitions for reimbursement. This is especially critical at sites where a UAO is issued.

Once RP-lead removals have begun, EPA will have an active oversight role, including on-scene presence. Contractor assistance is available if needed. Where PRPs are not complying with the order, they should be notified in writing what the deficiencies are and when they occurred. In this situation, Regions should be prepared to quickly move forward with a Fund-financed response. If this happens, the Region should seek treble damages and penalties during cost recovery actions as appropriate. Due to the time-critical nature of the removal program, Regions should use judicial action to seek preliminary relief only in exceptional circumstances.

Regions should be prepared to enforce the terms of the order via stipulated penalties, statutory penalties, or other sanctions when the PRPs have violated some terms of the order but are in compliance with other terms. When UAOs are issued and the PRPs are out of compliance and not performing the response action, treble damages should be sought during cost recovery where possible (unless there was a viable reason for PRPs not to conduct the work). Regions should track the PRP's compliance status in CERCLIS. Regions must also develop administrative records to accompany their actions at removal sites. The date the administrative record is compiled and available at the local repository must be recorded in CERCLIS. In addition, a "V" must be recorded in the Event Qualifier field (C2103) to indicate that the Record is for a removal activity.

Pre-RI/FS Enforcement Activity (PRP Search/Negotiations)

For sites likely to be added to the NPL, PRP searches should start concurrent with the LSI or, at the latest, the initiation of the listing process. The PRP search should be managed — including follow up, civil investigator assistance, and ORC review — to assure that: (1) PRPs, particularly generators, are identified early, (2) general notice is issued well before RI/FS special notice to enable PRPs to organize, (3) information related to PRPs is obtained months before the RI/FS special notice, and (4) special notice is issued over 90 days before the planned RI/FS obligation date. Information requests should be followed up to assure they are as comprehensive as possible. To the extent available, information required for special notice should be presented to PRPs before the actual special notice is issued. Regions are required to record dates associated with general notices, SNLs, and information request letters in CERCLIS. Copies of notice letters should be sent to Program Management Support Office (PMSO) in OWPE so information can be recorded in Superfund Enforcement Tracking System (SETS).

PRP searches should be completed prior to negotiations when possible and should be planned in advance to avoid delaying a scheduled RI/FS start date. Upon completion of the first phase of the PRP search Regions are required to record the outcome in CERCLIS. Valid outcome codes (C1719) are:

- NW - Search complete, no viable PRPs, orphan site;
- VC - Viable PRPs cannot do the work; and

- VP - Search complete, viable PRPs.

Regions should be prepared to move quickly through the negotiation process. This can be accomplished through:

- Developing a site management plan and negotiation strategy in conjunction with the state and ORC;
- Using a model order;
- Scoping of the RI/FS;
- Providing a draft of the model order and statement of work for the RI/FS with the special notice; and
- Establishing interim milestones to judge whether real progress is being made. Milestones should be shared with the negotiating parties.

The Regions have the option of starting discussions with PRPs before, as well as during the initial 60-day moratorium period. In addition, costs for ongoing or completed response actions, such as removals should be documented in advance and included for cost recovery in RI/FS negotiations.

The PRPs who receive special notice have 60 days to submit a proposal to undertake or finance the RI/FS. During this 60 day period, EPA may not initiate the RI/FS. Additional studies or investigations authorized under Section 104 may be initiated and nothing precludes EPA's authority to undertake response or enforcement activities regarding a significant threat to public health or the environment. The Regions may initiate a scope of work or a negotiations support document which should be funded by Case Budget. These activities are to be funded under RI/FS negotiations. The scope of work or negotiations support document should be provided to the PRPs when notice is given so they can prepare an adequate proposal.

RI/FS Settlement and Oversight

Settlements with PRPs for RI/FS are typically accomplished through an AOC or in rare circumstances by CD or UAO. AOCs are preferred. In any case, the settlement document should include either a workplan prepared by EPA using Case Budget funds or a detailed statement of work with a workplan to be developed according to EPA guidance manuals. A well-defined schedule that lists deliverables and milestones should also be included. If a Region settles through a CD, a copy of the CD should be sent to the Chief of Compliance Branch in OWPE.

EPA is required to use third party assistance in oversight of RP-lead RI/FS through the TES contract, ARCS, other Federal agencies (e.g., USACE) or states. Oversight resources are obtained through the Case Budget. At the time of settlement a detailed oversight plan should be developed identifying intramural and extramural resource needs. Oversight should include active field oversight as well as desktop review of engineering reports and other deliverables. **Oversight must be tracked and billed to PRPs. Collection of oversight funds should be tracked.** In addition, Regions must ensure compliance with the cleanup standards in Section 121 for ongoing and new RP-lead RI/FS. RPMs must keep up with the progress of RP-lead RI/FS as

if it were an EPA contractor performing the work. Where delays or inadequacies are noted, prompt action, including issuance of penalties, should be taken. Regions must maintain the PRP compliance status code (C1725) in CERCLIS.

Pre-RD/RA Enforcement Activity — RD/RA Negotiations and Oversight

Prior to completion of the draft FS, Regions should undertake considerable planning, including: (1) developing an enforcement strategy that includes activities, responsibilities and dates; (2) reviewing PRP search information for completeness; (3) considering settlement options, mixed funding and de minimis and discussions with PRPs before the special notice; (4) documenting past costs (e.g., RI/FS) to include in RD/RA negotiations; (5) preparing SNL and accompanying draft CD.

SNLs for RD/RA should be planned and issued about the time of ROD signature. PRPs will have 60 days in which to submit a good faith offer after receiving notices. If a good faith offer is submitted in that timeframe, another 60-day period follows for negotiations. If a good faith offer is not submitted, negotiations should be terminated. RD/RA negotiations should not last longer than two quarters post ROD signature. The moratoriums established in the special notice should be honored. Negotiations should be completed and settlement reached within the timeframes or a UAO should be issued to viable and liable PRPs. Negotiations are completed when the CD or referral without settlement is sent to HQ or Department of Justice (DOJ), a UAO is issued or the RD is funded. During the moratorium, EPA may not initiate RA. However, additional studies authorized under Section 104, may be initiated during the negotiation period. Initiation of RD during the moratorium period will only occur in exceptional circumstances and must have advance concurrence from HQ.

In order to proceed through negotiations expeditiously, a coordinated team effort involving the program, ORC, DOJ, the states, and HQ is required. This begins with the drafting of a site management plan and development of a negotiation strategy. The negotiation team should identify potential settlement issues up-front and be prepared to address them. Regions are urged to use UAOs when negotiations are protracted. In addition, where the negotiations do not produce agreement and there are viable and clearly liable PRPs, UAOs should be considered to obtain treble damages or as a step prior to referral. Every attempt should be made to complete negotiations within 120 days. However, in accordance with the streamlined settlement guidance, Regional Administrators may extend the negotiation period for up to 30 days. Further extensions require the approval of the OWPE Office Director.

All negotiated settlements for RD/RA, under SARA, must be in the form of CDs. Regions should consider including a provision in the CD allowing PRPs to begin the RD prior to lodging. AOCs for RA are not permitted. Regions should send a copy of the CD to the Chief of Compliance Branch in OWPE.

Oversight of PRP lead RD/RA is performed primarily through ARCS, although some TES oversight capacity exists. Regions should seek payment of oversight costs in all settlements, as well as past costs of RI/FS and other removal response costs. Where a partial settlement occurs, Regions should pursue non-settlers. The status of the PRP's compliance with the AO or CD must be updated monthly in CERCLIS.

Section 106 Judicial and Administrative Activity

Referrals for Section 106 enforcement action for RD/RA without settlement are an integral part of the Superfund Enforcement program. At the end of negotiations, if the decision is made to proceed with a Fund-financed RD, monies may be available. However, funds for RAs are constrained. The decisions made on which sites to fund and which to queue will be based on the environmental priority setting factors (see Chapter I). If RA funds are not available, Regions should reconsider issuing a UAO or pursuing Section 106 litigation if there are viable PRPs at the site.

The administrative authority under Section 106 should be used at all sites that meet the criteria outlined in OWPE guidance ("Guidance on CERCLA 106(a) Unilateral Administrative Orders for Remedial Design and Remedial Actions", OSWER Directive 9833.0-1(a), March 7, 1990), to bring PRP negotiations to a close or compel PRP response at the site. A UAO should be issued if a good faith offer is not submitted within the negotiation timeframes identified or a settlement is not reached at the end of the moratorium.

In most cases, unless there is a settlement or compliance with a UAO, regions should plan that RP-lead RI/FS projects will be candidates for referral as Section 106/107 judicial actions. Regions should plan that Fund-lead RI/FS projects without a settlement, funding, or compliance with a UAO will be candidates for referral as Section 106/107 judicial actions. Section 106/107 actions are expected to become easier, given review of remedial decisions on the administrative record, and the general success in motions for summary judgments on liability.

CERCLIS needs to be updated monthly with actual dates of referrals or orders issued, response remedy obtained, compliance status, milestones, dollars sought (in case of a cost 106/107 referral), value of RP work to be performed, and dollars recovered.

Cost Recovery

Cost recovery actions are one of the highest Enforcement program priorities in FY91. Consistent with the priorities matrix, Section 107 SOL referrals are the highest priority, followed by non-SOL RA and non-SOL pre-RA referrals, respectively. Sites ripe for cost recovery include sites with completed removal, completed RI/FS, and each RA where on-site construction has started. Regions should have a completed PRP search and information about the liability and viability of the PRPs; totals for funds obligated/expended; removal, RI/FS and RD completion dates; RA and RA on site construction start dates; and SOL dates. The following is a list of cost recovery programmatic strategies:

- Where there are viable PRPs, costs should be documented and a demand letter sent prior to or concurrent with cost recovery actions. The date the demand letter is issued should be recorded in CERCLIS;
- Where there is a partial settlement, an action against viable non-settlers should be pursued promptly (before the response begins) and treble damages should be pursued if a UAO was issued;
- Treble damages should be sought in the referral where UAOs are violated;

- Each Region should issue demand letters and pursue administrative settlement for response activities less than \$200,000. EPA will refer some cases where the PRPs did not respond to the demand letter; and
- Close Out memorandums should be initiated for all cases when a decision not to pursue some or all costs has been made. Prior to making this decision, particularly for large RAs, the PRP search is to be reviewed by a civil investigator and supplemented as necessary (PRP search follow-up phase). As soon as a preliminary decision is reached, the date of the Close Out memorandum and the funds *that will not be recovered* should be entered into CERCLIS. If the decision is preliminary, a planned date should be entered into CERCLIS for the final decision document.

The following is a list of possible SOL issues and methods for recording data in CERCLIS:

- Referrals for all removals greater than \$200,000 must be planned in order to be filed in court within one year of completion of the removal, if resources are available. *In no event* should the referral be later than three years from the date of completion of the removal, unless there was a Section 104(c)(1)(C) waiver or there clearly will be physical initiation of on-site construction of the RA within three years. It generally takes three to six months from referral to filing, but may take longer for complex sites;
- Referrals for RI/FS and RD should be planned to be filed within two years from completion of the RI/FS or RD unless there is physical on-site construction of the RA *within three years*;
- If an RA on-site construction is started within 3 years of a removal completion, RI/FS completion or RD completion, the SOL date for that component is 6 years from the on-site construction date;
- Referrals for remedial activities should be planned within a year of the RA start, if resources are available. If a RI/FS referral was conducted separately or there are no unreimbursed past costs, a referral *should be initiated when RA funds have been expended* unless special circumstances exist (i.e., non-settlers); and
- For cost recovery referrals and administrative settlements, CERCLIS data requirements are the following:
 - Plan/actual start and completions;
 - Value of referral/settlement;
 - Remedy; and
 - Full or partial settlement flag.

Negotiation of IAGs or other Federal agency compliance agreements should include a provision for recovery of past Fund expenditures, including EPA oversight costs.

As part of cost recovery management and preparation for civil referrals, Regions should plan supplementing PRP searches, assembly of administrative records, cost documentation, and demand letters. In addition, planning for RI/FS and RD/RA negotiations should include cost documentation of past removal and RI/FS costs. Finally, oversight cost recovery and accounts receivable must be managed.

State Enforcement

Regions are required to report progress on State Enforcement lead sites as they would any other site. This universe includes work financed by the PRP under a state order or state CD with PRP oversight paid for or conducted by EPA (PS-lead) and work financed by the PRP under a state order or state CD and no EPA oversight support or money is provided (SR). While this information is sometimes difficult to obtain, Regions should make reasonable efforts to get and report these data in CERCLIS. HQ will be tracking state orders and CDs through the new SCAP reporting measures – state CDs for RD/RA issued and state orders for RI/FS issued.

SR-lead activities/events should have no planned obligations. Funds for state oversight are awarded through CAs. Funds for oversight of PS-lead RI/FS projects are provided by the Case Budget. Funds for RD/RA oversight are provided by the response budget.

FEDERAL FACILITIES

Each Federal Facility, as defined in Chapter I is one discrete entry in the Federal Facility Docket. Most Federal Facility NPL listings address the entire facility. In a few limited cases, the "site" listed on the NPL only addresses a portion of the facility. This partial listing is not encouraged. However, in CERCLIS a complex Federal Facility may be broken up into two or more sites/incidents. Within CERCLIS, an OU at a Federal Facility will generally address a grouping of waste release areas that have similar characteristics or that are in close proximity. Specific guidance for coding events and enforcement activities at Federal Facilities will be developed and distributed under separate cover.

The Federal Facilities HQ office was moved from OWPE to OE in April 1990. However, the primary program focus remains directed toward overseeing response activities at Federal Facilities currently on or proposed to the NPL and entering into Section 120 IAGs with these facilities. The first priority for FY91 is to continue to oversee work at facilities with signed §120 IAGs. The second priority is to complete §120 IAG negotiations at facilities which were targeted but slipped and the third priority is to enter into §120 IAGs at all facilities where one does not currently exist. All proposed and final Federal Facilities, should have signed §120 IAGs by the end of FY91.

Many of the Federal Facility sites will have significant RCRA/CERCLA integration issues. Regions, in conjunction with states, need to address these issues relative to the scope of the IAG early in the negotiations process. Both RCRA and CERCLA program staff, as well as the ORC, need to be involved in these discussions.

EPA's policy is to enter into §120 IAGs with all Federal Facilities proposed to or on the NPL. The scope of these IAGs includes the RI/FS phase as well as the RD/RA phase. Where appropriate, and in conjunction with the RCRA program offices, these IAGs can be used to satisfy RCRA corrective action requirements. The concept is to use CERCLA to satisfy RCRA so that only one set of requirements is applied to avoid redundant and duplicative efforts. In

some cases, however, a combined RCRA/CERCLA permit/IAG approach may be taken when the situation warrants such an approach, e.g., at DOE weapons complex facilities, or when the state or EPA RCRA program has compelling interests at units on a facility. Pre-planning, coordination among appropriate offices, and definitive “scoping” of a Federal Facility are necessary factors for successful IAG execution and site remediation.

Regions should follow the Federal Facility negotiation policy for addressing Federal Facilities. In essence, the policy is as follows:

- Establish 90 day IAG negotiation periods based on the quarterly SCAP/STARS IAG targets. Schedules for all ongoing or planned negotiations are to be forwarded to HQ two weeks prior to each quarter;
- Address the RCRA/CERCLA issues prior to the negotiation period in conjunction with the state and RCRA program offices;
- Issue a Federal Facility notice letter to the facility establishing the negotiation time frame;
- Conduct three-party negotiations. The 90 day period may be extended 30 days if settlement is close; and
- If issues still remain after the 90/120 day period, the IAG is to be elevated to HQ for dispute resolution. Along with the elevation, the Region should recommend either a Section 106 AO or two-party agreement in the event that the HQ resolution fails. If a settlement is not reached, either the Section 106 AO will be referred to DOJ or the Region will enter into a two-party agreement, depending on which is appropriate.

In situations where a Federal agency is a PRP at a private site, the agency is to be treated the same as a private party. Cashouts with premiums with the Federal agency may expedite RI/FS and RD/RA negotiations. Similarly, at formerly-owned sites with multiple PRPs, the Federal agency is to be treated the same as a private party. At formerly-owned sites where the Federal agency is taking sole responsibility for the RI/FS and RD/RA, the Regions may use a §120 IAG approach.

CHAPTER VI
FINANCIAL PLANNING AND MANAGEMENT

CHAPTER VI- FINANCIAL PLANNING AND MANAGEMENT

ONE MINUTE PROGRAM MANAGER RULES

Following are the actions regional managers must take to comply with the requirements described in this Chapter. In order to acquire a more in-depth understanding of these requirements, the Chapter itself should be read.

- Regions are required to plan their obligations within the program specific budget allocations given to the Regions prior to the July update.
- Funding needs within the budget allocation should have a funding priority status of "Approved". Funding needs above the budget allocation should have a funding priority status of "Alternate".
- HQ will not initiate negotiations with a Region until the "Approved" funds requested are within the budget allocations.
- Regions are required to operate within their final negotiated annual operating budget and quarterly Advice of Allowance (AOA).
- RA funding decisions will be made based on the RA environmental priority setting process. These decisions will be re-evaluated at mid-year and throughout the third and fourth quarters.
- RI/FS costs should be reduced to a national average of \$750,000 per operable unit and \$1.1 million per site with the exception of mega-sites. RI/FS budgets will be developed based on these averages.
- No monies will be issued to the Region through the AOA process unless the appropriate project specific obligation and commitment data are reflected in CERCLIS.
- Regions must pull an AOA/Budget Control report from CERHELP and enter the AOA amounts for the upcoming quarter found in that report into the Integrated Financial Management System (IFMS) before the end of each quarter.

CHAPTER VI- FINANCIAL PLANNING AND MANAGEMENT (Cont'd)

ONE MINUTE PROGRAM MANAGER RULES

- Planned and actual obligations and open commitments in CERCLIS cannot exceed the annual regional budgets or the AOA will not be approved.
- HQ approval is not required to shift funds between projects in the other response, RI/FS, RD, removal or enforcement AOA.
- CERCLIS must be revised to reflect change requests/SCAP amendments. HQ will not approve a SCAP amendment request or a change request until CERCLIS reflects the proposed revisions.
- Regions will not receive funds for an RA in their AOA unless the RA remedy technology type has been entered into CERCLIS.
- Regions will not receive funds for an RA unless the project has been placed in the funding queue either automatically or through the RA priority setting process, and ranks above the funding line.
- A Region will not receive funds above its annual regional budget unless CERCLIS is revised and a SCAP amendment/change request has been approved by HQ.
- A regional contingency account can "hold" remedial response funds (except RAs) made available as a result of PRP takeovers, RD bids coming in under projected amounts or when actual obligations were less than planned obligations.
- The contingency account must be reduced when the Region identifies uses for these funds.
- In the event of a funding shortfall, the regional contingency account will be tapped as a first source of additional monies.

CHAPTER VI- FINANCIAL PLANNING AND MANAGEMENT (Cont'd)

ONE MINUTE PROGRAM MANAGER RULES

- If a Region receives funds in their AOA which were not obligated during the quarter, the relevant planned obligation data in CERCLIS must be revised or the amount placed in the contingency account. Failure to make this change in CERCLIS may cause a reduction in the next quarter AOA.
- Regions will receive their percentage of the annual removal budget if they have updated quarterly plans for those amounts in CERCLIS by the AOA pull date.
- Regions will not receive their third quarter AOA for a specific response category unless the commitment/obligation rate is 50% or greater in that AOA category.
- Enforcement mega-site and litigation contingency funding needs must be coded in CERCLIS and formally requested from HQ.
- Case Budget funding requests should be limited to only the amount needed during the current FY.
- The enforcement AOA is issued based on the planned obligation in CERCLIS.
- Technical Enforcement Support (TES) work assignments are entered into CERCLIS.
- Site specific spending plans for the third and fourth quarters are required if the Region's unused enforcement allowance is greater than 30% at the beginning of the third quarter.
- Review the financial status of all contracts, IAGs and cooperative agreements regularly. If the required activities have been completed and there are funds outstanding, the outstanding funds should be deobligated immediately. Copies of deobligation documentation should be sent to the HQ Resources Management Section.
- When a funding document has been processed by the Region, the planned financial data in CERCLIS must be replaced by the commitment or obligation data. Failure to make this change may cause a reduction or withholding of the AOA for subsequent quarters.

CHAPTER VI - FINANCIAL PLANNING AND MANAGEMENT

This chapter discusses the impact of the SCAP process on the regional operating budget and AOA and outlines Superfund financial management responsibilities.

In FY89, the Agency began implementation of the new IFMS. IFMS is still in the developmental stages. As a result, many of the financial management systems decisions have not been made and the information in this Chapter may need to be revised. Addenda to the Manual may be issued later in the FY.

DEVELOPMENT OF THE FY91 NATIONAL BUDGET

In FY91 there are insufficient resources for all ongoing activities plus the activities the Regions planned to begin. As a result, resource decisions were made based on the following program priorities and consistent with the integrated Priority Setting Matrix:

- Handle classic emergencies first;
- Support ongoing work to completion;
- Use enforcement to encourage PRP action;
- Fund response actions if enforcement cannot be used;
- Maximize cost recovery;
- Move sites to cleanup;
- Initiate new work to keep pipeline full;
- Support long term goals via site assessment, removal, enforcement and state programs; and
- Maintain essential program management elements within the limited budgets.

Using these criteria, the response and enforcement programs made specific budget decisions. The budgets for these programs and the decisions that were made are discussed in the following sections.

Response Budget

The response budget, at approximately \$1.25 billion, is nearly 75 percent of the total \$1.74 billion Superfund budget. This is \$61 million less than what the Agency requested. Within the response budget, the Agency was given a budget ceiling for removals and RAs. In addition, the response budget supports over \$300 million in contracts and the Contract Laboratory Program (CLP). In light of this, resources will be provided for:

- Removals at historical rates and within the budget constraints;
- Oversight of all RP-lead RD and RA projects;

- Ongoing RI/FS projects started as part of the “full funding strategy”;
- All RD starts; and
- The most threatening sites within the constraints of the RA budget.

To the greatest extent possible the following activities will be supported:

- PA and SI activities to meet the SARA goals and RCRA EPI commitments;
- New first and subsequent RI/FS projects;
- Listing of new sites on the NPL; and
- Support activities, such as the laboratory support resources.

Enforcement Budget

The enforcement budget for FY91 is approximately \$63 million. However, at the writing of this Manual there appears to be a substantial carryover of prior year funds into FY91 that will alleviate some of the potential constraints. The budget provides support for PRP removals, RI/FS starts, response negotiations, referrals, administrative and judicial cost recovery actions and project support activities. As with the response budget, decisions on which activities will be funded are based on the integrated Priority Setting Matrix. Within the matrix, the following activities are priorities:

- Maintaining ongoing PRP oversight and compliance enforcement;
- Maintaining ongoing litigation for response and cost recovery;
- Referring SOL removal and remedial cost recovery cases; and
- Negotiating PRP RD/RA response.

Beginning in FY91 funds for Federal Facility activities will be obtained from the OE budget.

SCAP'S RELATIONSHIP TO ANNUAL REGIONAL BUDGET

The SCAP process is the planning mechanism used by the Superfund program to identify site assessment, remedial, removal and enforcement funding needs for the FY. The planned obligations included in the second quarter SCAP update (February) form the basis for the regional budgets for the next FY. The final annual regional operating plan, and the associated budget, are a result of the August HQ and regional negotiations on the proposed outputs and program budgets. Though Regions are required to operate within their final negotiated annual operating budget (except for RAs), adjustments within this budget can be made during the FY.

The actual allocation of funds is done through the Agency's Phase III Operating Plan. This plan is submitted to the Office of Management and Budget (OMB) prior to the start of the FY for apportionment of funds. After OMB review and concurrence, the Operating Plan is submitted to the Congress for approval of significant reprogramming of funds. At this time, Con-

gress may also modify the Operating Plan based on Gramm-Rudman requirements, shifts in emphasis among different environmental programs, etc. Changes made by Congress may affect the regional budget negotiated in August.

Prior to the beginning of the FY, each Region will be given a proposed budget allocation for the site assessment, remedial, removal and enforcement programs. The budget allocations are developed using the program/activity specific criteria discussed later in this section. Regions are required to plan their obligations within the program specific allocations, they are not required to plan obligations within the activity specific criteria. Final budgets will be developed upon completion of the fourth quarter negotiations between HQ and the Regions. Planned obligations for regional activities (except RA) must fall within the total identified budget levels, and should be shown by entering "approved" in the Funding Priority Status data field. Funding needs above the HQ proposed total budget level must be designated as "alternate". This will allow HQ to see the regional funding priorities, what activities will not be performed as a result of lack of funds, and provide the information needed for any supplemental funding requests. HQ will not initiate negotiations with a Region until the "approved" funds requested (except RA) are within the proposed total budget levels. Planned obligations for RAs should be shown in CERCLIS using the criteria in Chapter I, Exhibit I-5. Fourth quarter FY90 RA projects that will not be funded because of budget constraints should also be coded with an Event Planning flag of "Q" (queued) and a Funding Priority Status of "ALT" (Alternate). During fourth quarter negotiations, the planned start date for these projects should be changed to FY91.

Following is an explanation of the criteria used to develop the regional budgets.

Site Assessment Annual Regional Budget

The budget for the site assessment program is almost \$7 million less than the funds available in FY90. The budget reduction, along with the commitment to eliminate the pre-SARA SSIs and maintain the historical NPL listing rate, caused a reduction in the resource levels for other site assessment activities. The proposed regional site assessment budgets were established based on the number of FIT and State-lead PA/SI completions, LSIs, NPL package development, Federal Facility SI reviews and Federal Facility NPL package development targeted in the March negotiations. PAs are priced at \$6,000 and SIs are priced at \$25,000 each. Management assistance or other forms of state assistance should be funded as project support or Core Program Cooperative Agreement (CPCA) funds.

Remedial Annual Regional Budget

In FY90, a number of Fund-financed RA project starts were not funded and there are not enough funds for the RAs scheduled to begin in FY91. Funding for RAs will be distributed to the Regions based on the RA environmental priority setting approach presented in Chapter I. Once a project is ranked, it will be funded in order of relative priority until funds are exhausted. Based on the final RA budget, a "funding line" will be established. Once an RA project has been placed in the finding queue and is above the "funding line", the funds necessary will be provided. Regions have the flexibility to modify their RA budgets to accommodate the project funding needs. Funding decision will be reevaluated at mid-year and throughout the third and fourth quarters.

The criteria used to develop the other major portions of the regional remedial budgets are shown in Exhibit VI-1 on the following page.

EXHIBIT VI-1

CRITERIA FOR PROPOSED REGIONAL RESPONSE BUDGET DEVELOPMENT

<u>ACTIVITY</u>	<u>CRITERIA</u>
RI/FS	<ul style="list-style-type: none"> • Negotiate mega-sites. • \$750,000 per new start. • Other ongoing RI/FS based on number of projects and funds obligated in previous FYs.
RD	<ul style="list-style-type: none"> • \$700,000 for each Fund-financed RD start targeted in the March negotiations.
RA	<ul style="list-style-type: none"> • Based on dollars and schedules in CERCLIS in accordance with the RA environmental priority setting criteria.
PROJECT SUPPORT	<ul style="list-style-type: none"> • Based on each Region's share of remedial targets negotiated in March.
TREATABILITY STUDIES	<ul style="list-style-type: none"> • Funds were allocated in proportion to each Region's Fund-financed RI/FS starts.
TAG	<ul style="list-style-type: none"> • Based on the number of NPL sites with remedial work ongoing in FY91.
CPCA	<ul style="list-style-type: none"> • Based on actual and planned CPCA obligations in FY90.
PRP RD/RA OVERSIGHT	<ul style="list-style-type: none"> • Based on the Region's PRP RD and RA projects priced at \$37,500 per quarter.
ARCS MANAGEMENT	<ul style="list-style-type: none"> • Based on the number of ARCS contracts in each Region multiplied by pricing factors for new or ongoing contracts. Funds are allocated to Regions that have ARCS project officers. 1.1 M per contractor

Fund-Financed RI/FS Funding Strategy

Successful implementation of the Fund-financed RI/FS full funding strategy requires meeting the RI/FS cost reduction goals initiated in FY89. This requires that RI/FS costs be reduced to a national average of \$750,000 per OU and \$1.1 million per site. Both the OU and site goals are important. The OU goal primarily affects year-to-year funding limits. The site goal is needed for long term cost management and to eliminate the incentive a Region may have to break sites into OUs to increase its annual budget. A Region's RI/FS budget is developed based on the full funding strategy.

Treatability studies are not included in the cost goals. These activities are funded as a separate event.

Removal Annual Regional Budget (Fund-Financed)

The removal annual regional budget consists of removal actions and removal support dollars. The FY91 removal action regional budget allocations will be based on 90% of the FY90 initial regional budget allocation. The balance of the FY91 removal budget will be held in reserve at HQ.

FY91 removal support dollars will be the sum of the program management costs in each Region's Emergency Response Cleanup Services (ERCS) contracts.

Enforcement Case Budget - Annual Regional Budget

The Case Budget refers to the extramural financial resources necessary to pay for the enforcement support provided by contractors, other Federal agencies, and the states. The majority of the Case Budget is used to pay for contractor support. Following are the Case Budget funded categories:

- Removal program (enforcement);
- PRP searches and RI/FS negotiations;
- PRP RI/FS oversight;
- Litigation support;
- State enforcement; and
- Program implementation.

Additional information on the allocation of the Case Budget can be found later in this Chapter in the OWPE Case Budget section.

ADVICE OF ALLOWANCE PROCEDURES AND FINANCIAL REPORTING REQUIREMENTS

The planned obligations identified through the SCAP process are the basis for the AOA approved by the OC and AA SWER. **No monies will be issued to the Regions through the AOA process unless the appropriate project specific obligation and open commitment data are reflected in CERCLIS.**

Regional Allowances

In FY91, the OC will issue six allowances to the Regions. They are:

- RA (site specific “site” allowance);
- RD (non-site specific “site” allowance);
- RI/FS (non-site specific “site” allowance);
- Removal (non-site specific “site” allowance);
- Other response (non-site specific “regular” allowance); and
- Enforcement (non-site specific “regular” allowance).

The “site” allowance is an event specific allowance. It includes funding for removal actions, RI/FS, RD, and RA projects and is issued on a site or non-site specific basis. The “regular” allowance includes site and non-site specific events or activities and is issued non-site specifically. The other response allowance contains funds for site assessments, removal and remedial project support, response program support, and oversight of RP-lead RDs and/or RAs. The following sections explain how these allowances are developed and the flexibility available in the AOA structure.

The AOA Process

The AOA is based on the Phase III Operating Plan which identifies projected obligations for each quarter of the FY. The Phase III Operating Plan for FY91 is based on the final SCAP plans developed in the fourth quarter of FY90. Funds available for obligation, however, are limited to projected needs for the upcoming quarter. The AOA process was revised with the implementation of IFMS. Regions enter the quarterly AOA into IFMS. The AA SWER and the OC review the funding levels entered by the Region and compare them to the AOA amounts generated by the HQ program offices. If the two agree, within three working days after the start of the quarter, the HQ OC Budget Division and the AA SWER approve the AOA in IFMS and the funds are available for obligation.

Four weeks before the end of the quarter, HQ will generate an AOA report which reflects the approved planned obligations in CERCLIS. HQ will enter the AOAs into the CERHELP BC/AOA system two weeks before the end of the quarter. Regions must pull the report from CERHELP and enter these amounts into IFMS. If the planned and actual obligations and commitments in CERCLIS exceed the regional budget, the Region will be contacted, the AOA will

not be entered into CERHELP and the AOA in IFMS will not be approved until CERCLIS is revised. If the AOA entered by the Regions does not agree with the AOA in CERHELP, IFMS will not be approved and the Automated Document Control Register (ADCR) will not work. Only projects planned in CERCLIS can be funded by the AOA. Exhibit VI-2 illustrates the AOA process. Regional IMCs should work closely with their regional finance office on the entry of the correct AOA into IFMS.

The HQ OC Budget Division monitors obligations against the AOA weekly. If a Region exceeds any of the allowances, or a site specific RA allocation, the HQ OC Budget Division will notify the Region and request resolution of the overcommitment/overobligation. The Region then has until the end of the current month to rectify the overcommitment/overobligation or shut down procedures will be initiated. If the Region does not submit a change request, decommit or deobligate funds, or effect corrections in IFMS as necessary, the HQ Budget Division will initiate reprogramming from the Region's regular allowance. Repeated violations for site or allowance allocations may result in partial or total withdrawal of the Region's site allowance.

As is standard Agency policy, if a Region exceeds either the regular or site allowance, the HQ OC Budget Division will withdraw obligation authority in accordance with existing procedures. During the last quarter of the year, the HQ OC Budget Division will work with the Regions and OSWER as necessary to ensure that all allowances and obligations are aligned prior to year-end closing.

In the past, the AOA obligation rate through the first two quarters of the FY has been low. As a result, **Regions will not receive their third quarter AOA for a specific response category unless the commitment/obligation rate is 50% or greater in that AOA category.** If the commitment/obligation rate for one response allowance (i.e., RDs) is 35% while the rate for another (i.e., removals) is 65%, the third quarter removal AOA would be issued but the RD AOA would not be issued. For those Regions that continue to have a low rate of commitment/obligation, OSWER will renegotiate the Regions' operating plan for the remainder of the year during June.

The Enforcement program has also developed rules for utilization of Case Budget funds. See the HQ/Regional Adjustment sub-section of the OWPE Case Budget section later in this Chapter.

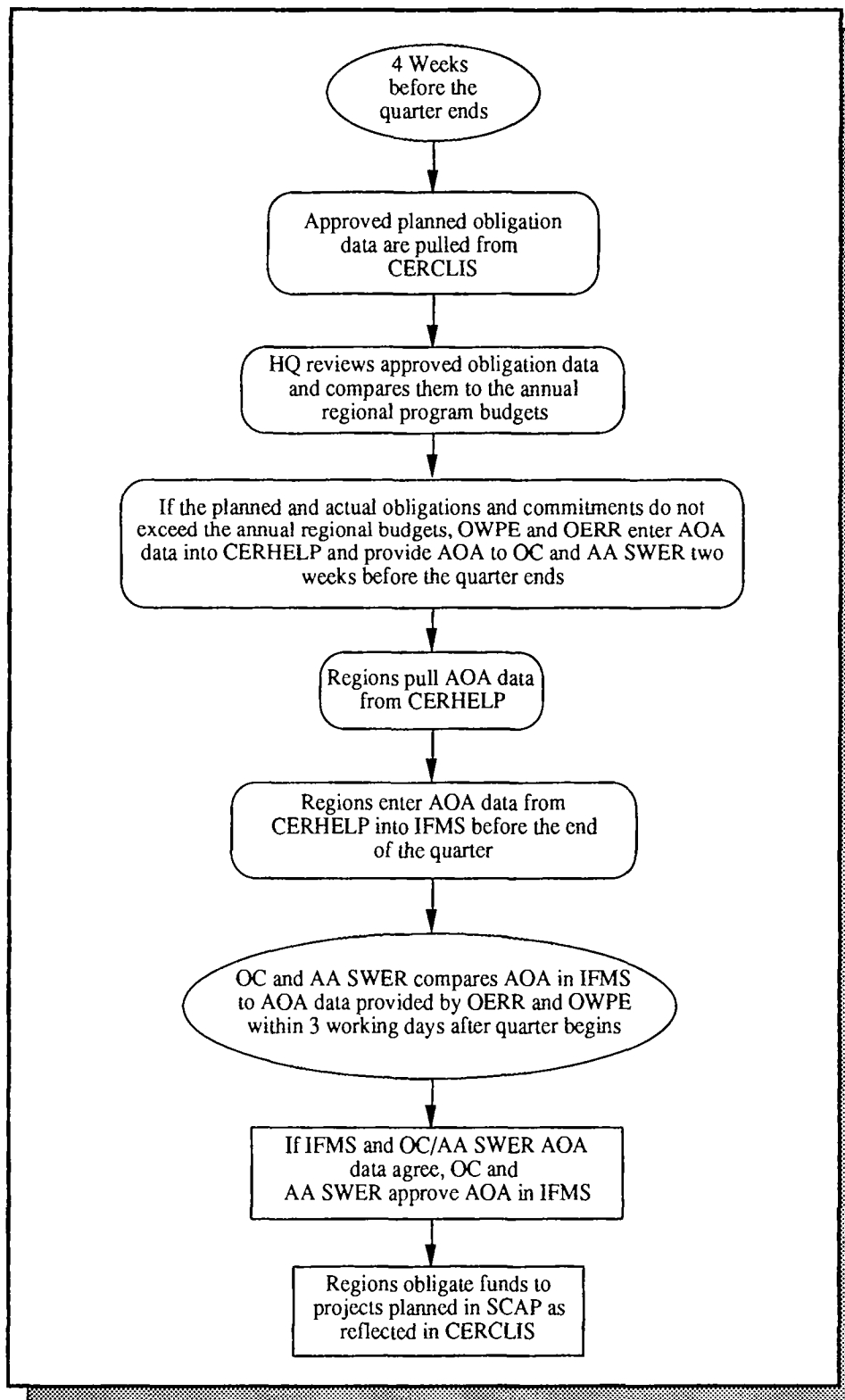
AOA Flexibility

Flexibility exists within the AOA structure to shift funds both within and between allowances. Shifting funds between projects within the other response, RI/FS, RD, removal or enforcement allowance is a SCAP adjustment. It does not require HQ approval or a change request. CERCLIS must be revised to reflect the shift. Shifts between allowances is also a SCAP adjustment, however, a change request is required. The change must be reflected in CERCLIS prior to HQ approval. Based on regional priorities, funds may also be reprogrammed between response and enforcement. These shifts require a change request and Congressional notification if the funds proposed for reprogramming exceed \$500,000.

RA Allowance

The shortage of RA funds and the implementation of the RA priority setting criteria will reduce the Regions' ability to redirect RA funds. Approval from the AA for Administration and Resources Management (ARM) and AA SWER is required for the redirection of

EXHIBIT VI-2
THE ADVICE OF ALLOWANCE PROCESS



RA funds to other program areas. Given the constraints in RA funding, HQ approval is highly unlikely. Funding for ongoing projects, mixed funding settlements, LTRA, and operation and maintenance, however, may be reprogrammed by the Regions. RA funds made available as a result of bids coming in below expected amounts will be returned to HQ for funding of other priority RA projects. In some cases, HQ may recommend that the Region retain the funds to support unanticipated RA cost escalations. In situations where the PRPs settle after the AOA is issued, Regions may retain the funds needed for oversight. The remaining funds in the AOA must be sent back to HQ through a change request. If the PRPs takeover the RA after funds are obligated, Regions should retain the funds needed for oversight and deobligate the rest. The RA funds that are deobligated will be returned to HQ.

Non-site Specific Funding Flexibility

Regions may redirect funds in the other response, removal, RI/FS, RD, and enforcement allowances, to meet site or activity priorities. It is important to note that, generally, funds cannot be shifted out of the removal allowance because Congress has specifically added resources to this area. Regions may shift funds more easily into the removal allowance from other non-site specific allowances.

Funds saved within the RI/FS and RD accounts as a result of a settlement or where actual costs are lower than estimated will generally stay within the Region. These funds may be used within the allowance for other RI/FS or RD projects, respectively. In most cases, funding for RI/FS may not exceed the Fund ceiling for each Region. The ceiling may be increased in some instances to augment PRP contribution(s) or to fulfill citizen requests for further technical work. In addition, Regions may retain and redirect non-RA response funds made available as a result of the following actions:

- PRP takeovers or settlements;
- RI/FS or RD bids that are less than planned amounts; and
- Actual obligations less than planned obligations.

HQ approval will generally be given for the redirection of unused funds to the following priorities:

- Classic emergencies;
- Removal actions to make NPL sites safe;
- Ongoing RA projects; and
- Funds necessary to oversee PRP activities.

Regions may redirect RD funds when a CD is referred to HQ or DOJ for lodging or when PRPs indicate they will comply with a UAO.

A change request must be approved before funds can be redirected to activities outside the allowance.

Special non-site contingency accounts have been created in the CERHELP data base to provide each Region with a means to “hold” and track the amount of funds made available through the actions described above. As Regions identify uses for these funds, the contingency account should be reduced. If the funds will be used for an activity supported by a different allowance, a change request must be approved prior to obligation.

Response funds may be used to address deficient PRP projects. Regions are allowed to redirect funds to accommodate this need. Funds for PRP projects that will require substantial Fund involvement should be transferred to the appropriate response AOA category. For projects requiring limited Fund involvement, funds should be transferred to the enforcement AOA. Again, a change request will be necessary for transfers between AOA categories.

AOA Change Request Procedures

Regions are required to operate within their quarterly AOA and their annual regional budget (except RA). They are also responsible for managing the funds issued in the AOA and for operating within budget ceilings, floors and other restrictions. Consistent with the flexible funding initiatives discussed earlier in this chapter, Regions may:

- Shift existing funds between allowances. HQ approval of a change request is required; and
- Move future planned obligations to the current quarter (increase total allowance after issuance within the annual budget). HQ approval of a change request/SCAP amendment is required.

In some situations, a change request is required as a result of changes in the SCAP. Chapter II identifies SCAP amendments and adjustments and when a change request is needed. Exhibit VI-3 discusses the flexible funding and other situations where an AOA change request is required. Exhibit VI-4 describes the procedures to be followed in each of these situations. HQ will not approve a change request unless CERCLIS is revised to reflect the change.

Under IFMS, change requests are electronically transferred to HQ. The following information should be provided for a change request:

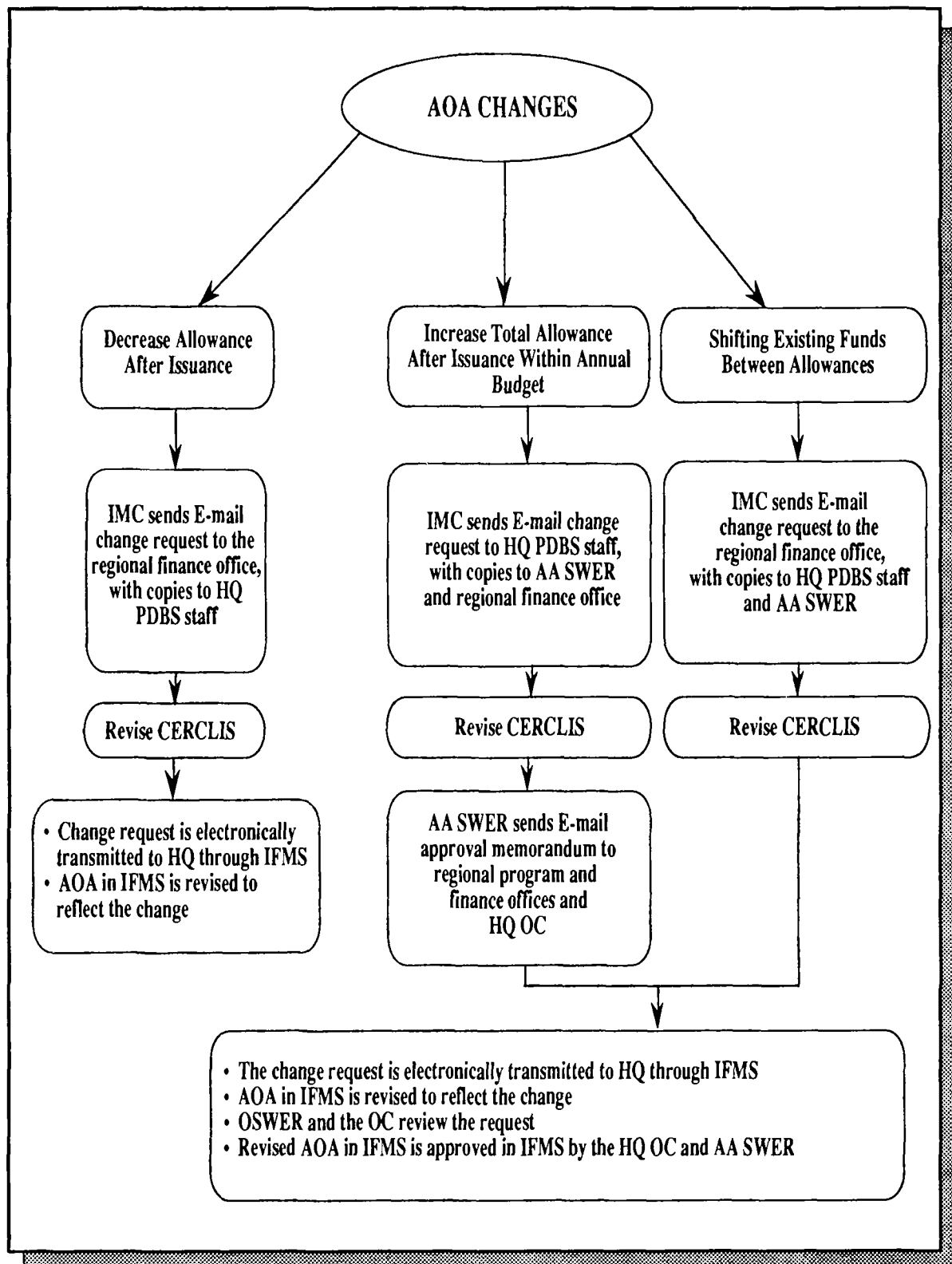
- Purpose/justification;
- Amount;
- Site name and Site/Spill ID (S/S ID) if allowance is issued site specifically;
- Program element(s) (TGB - enforcement or TFA - response); and
- Allowance that is being increased and/or allowance that is being decreased.

If the change request is a reprogramming of funds between allowances, the net change should equal zero. The change request must be transmitted by authorized personnel in the Region’s financial office. The site specific record in CERCLIS should be revised at the time the change request is transmitted. Regions should not initiate any obligations against the change until the OC and AA SWER approves the revised AOA.

EXHIBIT VI-3
CHANGE REQUEST REQUIRED

CHANGE REQUEST SITUATION	PROCEDURES IN EXHIBIT VI-4 TO BE FOLLOWED:
ALLOCATION TRANSFER IAGs	DECREASE ALLOWANCE AFTER ISSUANCE
TRANSFER FUNDS TO EMSL OR OTHER ENTITY WITHIN EPA	DECREASE ALLOWANCE AFTER ISSUANCE
SHIFTING EXISTING FUNDS BETWEEN ALLOWANCES	SHIFTING EXISTING FUNDS BETWEEN ALLOWANCES
INCREASE TOTAL QUARTERLY ALLOWANCE AFTER ISSUANCE (WITHIN ANNUAL BUDGET)	INCREASE TOTAL ALLOWANCE AFTER ISSUANCE WITHIN ANNUAL BUDGET
DECREASE TOTAL QUARTERLY ALLOWANCE	DECREASE ALLOWANCE AFTER ISSUANCE
INCREASE RA FUNDING AFTER ALLOWANCE IS ISSUED	INCREASE TOTAL ALLOWANCE AFTER ISSUANCE WITHIN ANNUAL BUDGET
DECREASE RA FUNDING AFTER ALLOWANCE IS ISSUED	DECREASE ALLOWANCE AFTER ISSUANCE
DECREASE RA FUNDING AS A RESULT OF PRP TAKEOVER	DECREASE ALLOWANCE AFTER ISSUANCE

EXHIBIT VI-4
AOA CHANGE PROCESS



Since the AOA is updated daily, change requests transmitted to HQ can be processed and a revised allowance approved immediately.

Congressional Reporting Requirements

In 1989, Congress imposed new reporting requirements on the response program element. The agreement originally stated that the Agency would budget and report financial information in the following eight categories:

- Pre-Remedial;
- RI/FS;
- RD;
- RA;
- Removal actions;
- Response support;
- Remedial support; and
- Removal support.

After further discussion, Congress determined that the response program must report on four of these categories:

- RI/FS;
- RD;
- RA; and
- Removal actions.

The Agency will report the status of the current operating plan compared to the original operating plan within 30 days following the end of the quarter. Immediate Congressional notification is required if the cumulative changes in a single category exceed any of the funding levels by \$2 million or more. The RA threshold is \$10 million. Since the reporting requirements are after the fact they will have no impact on the flexible funding policy. The OC will monitor the Congressional reporting requirement through the AOA. The Financial Summary Report (SCAP-4) will be used to manage the monitoring and reporting requirements.

SCAP'S RELATIONSHIP TO THE AOA

Within the SCAP process, obligations are planned either site, project and OU specifically or non-site specifically. That is, some planned obligations are associated with specific site activities while other planned obligations are estimates of total funding required for an activity within a Region. The CERCLIS data bases have been designed to accommodate site and non-site specific planning. Exhibit VI-5 lists the events and enforcement activities for which obligations are planned on a site, OU and project vs. non-site basis.

EXHIBIT VI-5**SITE VS. NON-SITE SPECIFIC PLANNED OBLIGATIONS****Site Specific**

Admin. Cost Recovery
 Administrative Record**
 CR**
 Design Assistance**
 Endangerment Assessment
 Federal Facility Oversight
 Forward Planning
 Litigation Support
 LTRA
 Management Assistance**
 Negotiations:
 -- Removal**
 -- IAG
 -- RD/RA**
 -- RI/FS**
 -- Cost Recovery
 Non-Binding Allocation of
 Responsibility (NBAR)**
 O&M**
 Other**
 Oversight of PRP:
 -- RI/FS**
 -- RD
 -- RA
 -- O&M; LTRA
 -- Removals**
 Prepare Cost Document
 PRP Search
 -- NPL**
 -- Non-NPL**
 RA
 RD
 RI/FS
 Referrals
 -- 104(e)
 -- 106 & 106/107**
 -- 107**
 Removals
 Technical Assistance**
 TAGs**
 Treatability Study

Non-Site Specific*

ARCS Contractor Management
 Aerial Surveys**
 Contract Program Management
 CPCA
 ERCS Management
 Geophysical Support/
 Topographical Mapping**
 Information Management
 Multi-site CA
 PA/SI
 Preliminary Natural Resource
 Surveys
 Records Management
 State Enforcement Management
 Assistance
 Training

* For these activities, Regions must enter the number of sites involved and the contract vehicle.

** These activities may be planned site specifically or non-site specifically.

CERCLIS tracks only extramural funding needs. Therefore, Regions should be certain all their extramural funding needs are reflected in CERCLIS such that there is a crosswalk between the CERCLIS planned financial data and the regional AOA.

In addition to the site and non-site specific planning, obligations are also planned and budgets developed on a program specific basis. The Budget Source field (C3229 and C2918) in CERCLIS identifies which program pays for the planned events/activities. Exhibit VI-6 presents the budget source codes associated with each program. It is important that Regions accurately identify the budget source since each program develops an annual budget and each program has a separate AOA process. It is also important that the Regions maintain this budget source code to eliminate potential impacts on the regional AOA.

EXHIBIT VI-6
BUDGET SOURCE CODES

E	=	Enforcement	M	=	HQ Removal
V	=	Removal	D	=	HQ Remedial
R	=	Remedial	L	=	Federal Facility

Exhibit VI-7 identifies the major events/activities and the appropriate budget source codes, depending on the project/event lead, for planned obligations. The budget source code for Federal Facility ("L") will be available in August 1990. Until that time, the enforcement ("E") code should be used. Funds for temporary or permanent relocations conducted by FEMA should be given a budget source of "M" or "D" after the IAG is signed and funds are transferred to HQ through the change request procedures. Funds for aerial surveys or topographical mapping at sites on the HQ/EMSL list should be given a budget source of "M". Funds for aerial surveys and topographical mapping at sites not on the HQ/EMSL list and other intra-agency assistance are allocated in the regional budget. Once the change request transferring the funds to the other entity is processed, the budget source code in CERCLIS should be changed to an HQ budget source code. Funds for some project support activities (i.e., aerial surveys, topographical mapping, geophysical support, etc.) at RP-lead RI/FS projects should be included in the RI/FS oversight request.

The obligation authorities for mixed funding rests in the Regions. Funds needed for these agreements are to be planned in advance and become part of the Region's budget.

Remedial Financial Planning for AOA

The AOA for the remedial program is issued by the OC on a site and non-site specific basis and is broken down into the following categories:

- RI/FS;
- RD;

**EXHIBIT VI-7
WHO PAYS FOR WHAT**

EVENT/ACTIVITY	EVENT/ACTIVITY CODES		CERCLIS LEAD	BUDGET SOURCE
	CERCLIS	CERHELP		
ARCS Management		AC, PM*	--	R
Administrative Cost Recovery	AV		FE	E
CPCA		SC	--	R,V
ERA*	ER		F	R
ERA Oversight*	ER	ER	RP FF	E L
ERCS Management				
Zone		EZ	--	V
Regional		RE	--	V
Litigation Referrals and Ongoing Support				
Section 106	SX	SX	FE	E
Section 107	SV	SV	FE	E
Section 106/107	CL	CL	FE	E
Section 104(e)	SF		FE	E
LSI	ES		S,F	R
LTRA	LR		F,S,EP,MR	R
LTRA Oversight	LR		RP,PS,MR	R
Negotiations (including development of site workplans)				
Removal	RN	RN	FE	E
RI/FS	FN	FN	FE, SE	E
RD/RA	AN	AN	FE, SE	E
Cost Recovery	NE		FE	E
IAG	IN		FE	L
Non-Binding Allocation of Responsibility (NBAR)	NB	NB	FE	E
PA/SI		PA	--	R
PRP Searches				
NPL	NS	PS	FE	E
Non-NPL	RP	RP	FE	E
Prepare Cost Documentation Package	PC		FE	E
Remedial/Enforcement Project Support:**				
Aerial Surveys	AS	AS	ALL***	R,D
Administrative Record	AR	AR	F, S, EP RP, FE FF	R E L
Contract Program Management	--	PM	--	R,E
CR	CR	CR	F, S, EP, RP, PS, SE, FE, MR	R E
Design Assistance	DA	DA	ALL	R
Endangerment Assessment	ED		F, S, EP, , SE RP, PS, MR	R E
Federal Facility Docket		FD	--	L

* - Designates Historical Ongoing Only

*** - ALL = F, S, EP, FE*, SE, RP, PS

** - Guidance on assigning leads for project support activities is found in Chapter V.

EXHIBIT VI-7
WHO PAYS FOR WHAT (CONT.)

EVENT/ACTIVITY	EVENT/ACTIVITY CODES		CERCLIS LEAD	BUDGET SOURCE
	CERCLIS	CERHELP		
Remedial/Enforcement Project Support (continued):				
Forward Planning/Mgmt. Asst	FP		ALL	R
Geophysical Support	GS	HG	ALL	R
Information Management		IM	--	E,L
Management Assistance	MA	MA	F, S, EP, RP, PS, SE, MR	R
			FF	E
Multi-Site Cooperative Agreement	--	MS	--	L
O&M	OM	OM	--	R,E
Other (Specify)	OH	OH	ALL	R
Preliminary Natural Resource Survey		PN	--	E,L
Records Management		RM	--	E,L
State Enforcement Management Assistance		EM	PS,SE	R,E,L
			FF	E
Technical Assistance	TA	TA	F, S, EP, SE, MR	L
			PS, RP, FE	R
			FF	E
TAGs	TG	CT	ALL	L
Treatability Studies	TS		F,S,EP	R
	TS		RS,PS,MR	R
Topographical Mapping	TO	TO	ALL	E
Training		TR	--	R,D
Removal Actions:				E
Removal	RV,UR*,IR*,PR*	RC	F	
			FF	V
Removal Contingency	--	NP	--	L
NPL	--	NA	--	V
Non-NPL	--	RC	--	V
Oversight of PRP Removal	RV,UR*,IR*,PR*		RP, MR	V
Removal Support:				E
Administrative Record	AR	AR	ALL	
Aerial Survey	--	AU	--	V
Evacuation	EV		F	V
Investigations	--	RS	F	V
Removal Community Relations	RC	--	F	V
	RC	--	RP, PS, MR	E
			FF	L
Temporary Relocation	TR		F	V
RI/FS	RI,FS,CO		F, S, EP	R
RI/FS Oversight	RI,FS,CO	RI	RP, MR, PS	E
			FF	L
RD	RD	RD	F, S, EP, MR	R
RD Oversight	RD	RD	RP, PS, MR	R
	RD	RD	FF	L
RA	RA	RA	F, S, EP, MR	R
RA Oversight	RA	RA	RP, PS, MR	R
	RA	RA	FF	L

* - Designates Historical Ongoing Only

*** - ALL = F, S, EP, FE*, SE*, RP, PS

** - Guidance on assigning leads for project support activities is found in Chapter V.

- RA (site specific); and
- Other response.

Site specific planned obligations are entered directly into CERCLIS in the appropriate event record for the site. At this time, the planned obligation date, amount, contract vehicle, budget source and priority funding status are to be entered. Those remedial events that have the greatest likelihood of requiring funding during the FY that are within the Region's budget allocation should be identified by placing "APR" (approved) in the Funding Priority Status field (C3225 and C2909) in CERCLIS. The RI/FS, RD and other response AOA's are the total of the approved site specific or non-site specific planned obligations in CERCLIS with a budget source code of "R". CERCLIS financial reports provide a total for the site specific and non-site specific planned obligations for the purpose of developing and issuing the AOA.

The AOA for RAs is pulled directly from the approved site specific planned obligations in CERCLIS and is issued by site name, S/S ID and dollar amount. Regions must be sure the planned obligation date, contractor vehicle, budget source, priority funding status and remedy technology type (Technology Information Qualifier (C3402)) are entered into CERCLIS. **Regions will not receive RA funds in their AOA unless the remedy technology type has been entered into CERCLIS. In addition, in order to be approved for funding, the RA project must be placed in the funding queue, either automatically or through the RA priority setting process, and rank above the RA "funding line."** (See Chapter I for additional information.)

A Region will not receive funds above its annual regional budget unless a SCAP amendment and change request have been approved by HQ. **Each quarter the actual and approved planned obligations and actual commitments must be less than or equal to the annual regional budget or the AOA will not be approved.**

In FY90, HQ established a non-site specific remedial contingency account in CERHELP. The remedial contingency account **cannot** be used for developing regional budgets. It can **only** be used during the operating year for "holding" remedial response funds (except RAs) made available; 1) as a result of PRP takeovers; 2) RD bids coming in under projected amounts; or 3) in situations where the actual obligations were less than planned obligations.

As Regions identify uses for these funds, the contingency account must be reduced and the site specific planned/actual obligations entered into CERCLIS. The funds in the contingency account will be reviewed by HQ at mid-year and throughout the third and fourth quarters. If a Region has a funding request during the year that was unplanned, the following approach should be followed in identifying funding sources:

- As a first step, Regions should determine if funds are available in the contingency accounts that can be redirected within or between allowances to perform the action;
- If no contingency funds are available, funds planned for obligation in future quarters (within the Region's annual budget) that will not be used as originally planned should be tapped;
- After mid-year, funds made available within the annual regional budget as a result of the mid-year or third/fourth quarter adjustment process should be used; and

- If necessary, Regions may request an increase in their annual budget through the redirection of funds made available as a result of mid-year or third/fourth quarter adjustments in other Regions.

If a Region receives funds in their AOA which were not obligated during the quarter received, the relevant planned obligation data in CERCLIS must be changed or the amount placed in the contingency account. At the end of each quarter HQ will review the AOA funds remaining, commitments and obligations made, the contingency account, and planned obligation data. If AOA funds were not committed or obligated and the planned obligation data were not changed, HQ will take the following actions:

- Reduce the next quarter's AOA for other response, RI/FS or RD funds by the amount that was not committed or obligated; or
- Request that Regions follow the OC's change request procedures to return RA funds to HQ.

The Financial Summary Report (SCAP-4) and the Budget Control Report (SCAP-21) will be used to evaluate the status of the RI/FS, other response, RD, RA and removal allowances.

To the maximum extent possible, Regions should plan for mixed funding requirements prior to the development of the annual regional budget. However, if a request for preauthorization is received and funds are required during the current FY, Regions must identify the source of the requested funds from within their annual budget.

Removal Financial Planning for AOA

Each Region's removal annual budget will be established in August. Regions will get 30% of their annual budget in the first quarter, 20% in the second quarter and 30% in the third quarter, as long as they have updated quarterly plans for those amounts in CERCLIS by the specified pull dates. These plans may be adjusted, as needed, anytime after the pull date. HQ and the Regions will negotiate the fourth quarter allocation in order to help ensure that all removal funds are being used to the best advantage. As is currently the procedure, if at any time a Region needs additional funding, CERCLIS should be updated to show the proposed spending plan with a funding priority status of "Alternate" and a request for a change should be made to the Response Operation Branch. When the change has been approved, the funding priority status code in CERCLIS should be revised.

Enforcement Financial Planning for AOA

In FY91, the Case Budget AOA allocation will be displayed by contract mechanism, and OWPE distribution model categories. For additional information see the Final Budget Distribution section of the OWPE Case Budget Process.

OWPE CASE BUDGET PROCESS

This section provides an overview of the Case Budget process, including a discussion of SCAP targeted and non-targeted activities needing Case Budget funding, financial planning and tracking requirements and responsibilities, budget allocation and AOA distribution, contract

mechanisms, activities and their pricing factors, and CERCLIS Case Budget reports. In addition, a brief summary of regional/HQ responsibilities during the Case Budget process is included.

There are five basic components to the Case Budget process. These are 1) preliminary Case Budget allocation and distribution; 2) regional planning against the preliminary budget; 3) HQ/regional negotiations; 4) final Case Budget distribution; and 5) budget execution. Each of these five steps is fully detailed in the following sections.

Preliminary Case Budget Allocation and Distribution

A Region's Case Budget allocation contains the Region's share of available extramural resources used to support enforcement activities. This includes the following:

- Removal program (enforcement);
- PRP searches and RI/FS negotiations;
- PRP RI/FS oversight;
- Litigation support;
- State enforcement; and
- Program implementation.

Beginning in FY91, funds for Federal Facility activities will be obtained from the OE budget. However, Regions should continue to identify funding needs through CERCLIS.

To allow Regions to make one request for litigation, the three budget categories of RD/RA referral and negotiations, cost recovery, and ongoing litigation support have been collapsed into the general category of litigation support. One request, therefore, may be made for both the quarter in which the litigation is referred and for the subsequent ongoing quarters.

The Case Budget will be distributed as follows:

- Three percent (3%) of the total budget will be held back for mega-sites. Requests for mega-sites are made in July with distribution occurring in the first quarter;
- \$1 million from the litigation support category will be held at HQ for litigation contingency funding. (Regional holdback will be based proportionally on each Region's share of nationally available funds.) To request litigation contingency funding, Regions should code requests into CERCLIS with an "ALT" funding status and notify HQ of the funding requirement. Funds will be distributed on an as needed basis periodically throughout the FY; and
- The remainder of the Case Budget will be allocated and distributed to the Regions as quarterly AOAs.

Enforcement Mega-Sites

For FY91 approximately \$1.9 million will be set aside for mega-sites. To distribute the resources for mega-sites, Regions should employ the following methodology:

- 1) Determine the Case Budget financial needs at typical projects and code them as "Approved" (APR) in the financial status field. This will be a combination of estimates and standard pricing factors;
- 2) Determine the Case Budget non-site specific needs;
- 3) Determine financial needs for mega-sites/projects;
- 4) Total the dollars in steps 1-3. If this amount is greater than the Region's Case Budget, adjust the dollar values between "APR" and "ALT" status to meet the Region's allocation. "ALT" dollars should be applied to the mega-site activities. The Region should then submit to HQ a formal request for mega-site funding.
- 5) If the total amount of steps 1-3 is less than or equal to the Region's Case Budget allocation, all dollars should be "Approved". There is no need for the Region to submit a formal request for mega-site funding.

Mega-site requests will be reviewed by a HQ/regional workgroup during the third and fourth quarter FY90. Allocations will be made by the workgroup.

Litigation Support

To request litigation support contingency funding, the Region should send a letter to the Division Director of CED addressing the following points:

- What the funds will be used for;
- Why it can not be handled out of the current budget;
- If it is a first de minimis settlement;
- Any extraordinary circumstances surrounding the case;
- Viability of PRPs;
- Type of settlement; and
- National precedence issues.

In FY91 CERHELP will be modified to allow the AOA to be shown on a quarterly basis and also according to OWPE distribution model categories. A field will also be added to allow entry of the prior year TES obligated and untasked funds (i.e., carryover funds).

Quarterly AOAs will be issued based on regional quarterly plans recorded in CERCLIS and identified on Report ENFR-47. This is a change from the FY90 allocation strategy. All "APR" requests will be funded in the planned quarter as long as a Region's total approved planned obligations plus past TES tasking and non-TES obligations are within the annual regional budget. The purpose of this allocation strategy is to allow more accurate planning of resources and ensure the availability of resources when they are needed. As budget utilization (TES tasking and non-TES commitments and obligations) will be measured against quarterly plans, Regions should request Case Budget funds the quarter in which they will be utilized.

Regional Planning Against Preliminary Budget

The goal of the FY91 Case Budget process is to increase effectiveness, allow greater flexibility and provide financial accountability through CERCLIS. Regions should plan their budget site specifically or use a combination of site specific and non-site specific planning where actual sites are undetermined prior to the start of the fiscal quarter. Non-site specific plans should be replaced with site-specific plans when sites are identified.

Regions should indicate their FY91 Case Budget plans in CERCLIS by the July 8 pull date. (Details on how to code Case Budget plans in CERCLIS are presented in Appendix G.) It is important that Regions plan their Case Budget needs and requests against specific sites where possible. This will enable both the Regions and HQ to identify regional priorities and budget needs that exceed the proposed allocation. Such detail is crucial to any attempt by HQ to seek supplemental funding. Without site specific justification, HQ will not consider requests in excess of the proposed allocation. In addition, throughout the FY Regions should ensure that CERCLIS plans are updated to accurately reflect funding requirements against the available budget.

Because the Case Budget is FY specific, all funding requests should be limited to only the amount needed during FY91 except in rare circumstances. In the case of annually priced activities, it is expected that the funding provided in one FY will support the activity through completion and that additional funds will not be requested in subsequent FYs. Unless there are extraordinary circumstances, which should be discussed with HQ, Regions should only plan for the amount needed to fund the activity or event through the end of the FY.

Exhibit VI-8 displays all the activities and events eligible for funding in FY91 within specific budget categories. Case Budget dollars planned against other activities will not be accommodated. It is important to note that any activity or event not listed in Exhibit VI-8 will not be included on the standard reports (ENFR 47 and ENFR 48). The Case Budget no longer pays for many supporting activities (e.g. O&M, design assistance, geophysical support, etc.). These activities are funded through the Response budget. Regions should reference Exhibit VI-7 for a complete listing of which budget supports specific activities and events.

Since the Case Budget is to be managed at the overall or bottom line level, Regions must consider both their actual allocation and funding priorities when planning their budgets. In addition, average pricing factors and budget categories should be considered when determining site and regional funding requirements. For example, if a Region's total request is within the allocated budget, requests for PRP RI/FS oversight do not have to match the proposed allocation for the PRP RI/FS oversight budget category. Therefore, Regions are not required to request dollars within budget category pricing.

It is recognized that Regions may have to shift funds among budget categories in order to fund priority activities or events. The Funding Status field should be used to indicate both requests within and above regional allocations. This status should be reviewed and monitored on a regular basis to ensure the availability of funds and identification of supplemental needs.

To determine the proper funding status code, the activity/event must be identified as a primary or alternate target/project. If it is an alternate target/project, the entire funding request should be coded as "ALT". To determine the funding status for primary targets/projects, the total of all the requests must be considered. If the total request does not exceed the available budget the funding status codes may be "APR". If, however, the budget is exceeded, two financial records must be created for the activity/event and the amount above the budget should be coded

EXHIBIT VI-8

FY91 CASE BUDGET FUNDED ACTIVITIES REQUIRED TO ACHIEVE PROGRAM OUTPUTS

OWPE DISTRIBUTION MODEL CATEGORIES	ASSOCIATED CASE BUDGET FUNDED ACTIVITIES (Target = *)	CERCLIS CODES	CERHELP CODES	VALID LEADS FOR SITE-SPECIFIC PLANS	\$K AVG. PRICING FACTOR		AVG. DURATION IN QUARTERS	TOTAL AVG. COST
					ANNUAL	QTRLY		
REMOVAL PROGRAM	- Non-NPL PRP Search	RP	RP	FE	15.0		1	15.0
	- Removal Negotiation Starts	RN	RN	FE				
	- RP Oversight (PRP removals starts)*	RV	RC,NA,NP	RP, MR	50.0		1	50.0
PRP SEARCHES AND RI/FS NEGOTIATIONS	- NPL PRP Search (Phase I)	NS	PS	FE	25.0		4	25.0
	- NPL PRP Search (Phase II)	NS	PS	FE		6.0	12	72.0
	- RI/FS Negotiation Starts	FN	FN	FE, SE	50.0			50.0
PRP RI/FS OVERSIGHT	- PRP RI/FS Oversight*	RI, FS, CO	RI	RP, MR		25.0	10	250.0
	- Treatability Study Oversight	TS		RP,MR	20.0		2	20.0
	- Endangerment Assessment Oversight	ED		RP,MR	20.0		2	20.0
LITIGATION SUPPORT	- Cost Recovery Negotiation	NE		FE				
	- Prepare Cost Documentation Pkg.	PC		FE				
	- Administrative Cost Recovery	AV		FE	7.0		1	7.0
	- RD/RA Negotiation Starts*	AN	AN	FE, SE	24.0		3	24.0
	- NBAR	NB	NB	FE				
	- Referral Development*							
	Section 106, 106/107	SX,CL	SX,CL	FE	15.0		3	15.0
	Section 107 Removal	SV	SV	FE	14.0		2	14.0
	Section 107 Remedial	SV	SV	FE	21.0		3	21.0
	Section 104 (e)	SF		FE	10.0		1	10.0
	- Ongoing Support							
	Section 106, 106/107	SX,CL	SX,CL	FE		20.0		
	Section 107	SV	SV	FE		10.0		
STATE ENFORCEMENT	- PS RI/FS Oversight*	RI, FS, CO	RI	PS		15.0	10	150.0
PROGRAM IMPLEMENTATION	- TES 5+ Program Management		PM					
	- Administrative Record	AR	AR	RP,FE				
	- Records Management		RM					
	- CRs	CR,RC	CR	RP,PS,SE,FE,MR				
	- State Enforcement							
	Management Assistance		EM					
	- Information Management		IM					
	- ERA Oversight (ongoing)	ER		RP				
	- Management Assistance	MA	MA	RP,PS,SE,FE,MR				
	- Preliminary Natural Resource Surveys		PN					
	- Technical Assistance	TA	TA	PS,RP,FE				
	- Multi-site CA		MS					
	- Training		TR					
	- Other	OH	OH					

as "ALT". Alternate records, that have a corresponding approved record for the same site, OU, and activity or event, will identify supplemental funding requirements for primary targets/projects. The approved plans must not exceed regional allocations. AOA's will not be distributed to Regions with approved planned dollars totalling more than the available budget.

A new funding status code for contingency funding, "CON", has been added. Regions should code potential funding requirements, such as potential PRP takeovers, with "CON" as the funding status. ENFR 47 will be modified to indicate these requests.

Final Budget Distribution

Approximately fifteen days prior to the beginning of the quarter, HQ will indicate the approved quarterly budget levels in CERHELP. AOA's will be displayed as approved amounts for each distribution model output category. HQ will not send out a memorandum containing the approved amounts, however, it will send notification that the approved budget has been recorded in CERHELP. A Region's "APR" planned obligations must not exceed their approved budget for the upcoming quarter. In order to receive its allowance, a Region must have updated quarterly planned obligations for those amounts in CERCLIS by the specified pull date.

Budget Execution

The goal in modifying the Case Budget planning and allocation processes is to facilitate accurate planning of Case Budget resources. Ensuring the availability of funds when they are needed is crucial to the success of the Enforcement program. While it is understood that the volatility of the program may inhibit the planning process, Regions should use Case Budget funds in the quarters in which they are planned.

To offer a credible argument for supplemental funds, it is imperative that the Regions show adequate utilization of available resources. Close monitoring and management of the Case Budget is, therefore, essential. Outlined below are the major steps of the budget execution processes that must be followed to manage Case Budget resources.

TES Contract Obligations

Once quarterly AOA's are received by the Region at the beginning of the fiscal quarter, the contract obligations may be initiated. Obligations are made to contracts when Procurement Requests (PR) are sent to the Contracting Officer (CO) and contracts are modified to include the new funds. Regional Project Officers (RPOs) make sure that the PRs are committed by their financial management offices before sending them to the CO.

RPOs will submit the following three types of obligations for the TES 5 - 12 contracts:

- Program management obligations;
- Generic obligations to cover TES tasking; and
- Buy-in obligations.

Detailed instructions for coding all types of obligations are included in Appendix G.

Program Management Obligations

A program management obligation represents the amount of the regional management Work Assignment (WA). RPOs will send PRs to the COs to obligate funds to cover the regional management WAs. The RPOs will provide copies of the PRs, and CERCLIS coding forms to the IMCs. The IMCs, or their designees, will enter the PR commitment amounts in CERHELP as "Contract Program Management" using the coding reference guide and data entry instructions included in Appendix G.

Generic Obligations to Cover TES Tasking

The generic PR or obligation is actual funding to the contract to cover the value of Enforcement program WAs. This type of obligation, however, is not activity or site specific. The obligated dollars are used to fund anticipated WAs not initiated or approved for the contract. Obligations must precede approved WAs and, therefore, any actual work in the Region. **These PRs create non-site specific obligations that will be charged to the site specific WAs when the contractors' invoices are processed by EPA. RPOs must ensure that enough money is obligated to cover the total value of the WAs outstanding at any given time in each FY.** Again, RPOs should provide copies of PRs with coding forms to the IMCs for the commitments/obligations to be recorded in CERHELP as 'OH' for other.

Buy-in Obligations

The third type of obligation is for TES WAs that are submitted with their own funding PRs. These WAs are generally referred to as buy-ins. The most common form of a buy-in is when "TFA" funds (remedial or removal funds) are used to support a TES contractor to perform non-enforcement work at the site. To properly account for these funds RPOs must record the PR Account Number (AN) in the Technical Enforcement Support Work Assignment Tracking System (TESWATS) in the "funding account" field. Additionally, Superfund site specific buy-ins will have to be properly coded in CERCLIS using the EPA site identification number, OU number, event or enforcement activity type, funding AN, and Document Control Number (DCN). RPOs should provide copies of PRs, properly coded WA forms, or CERCLIS coding forms to the IMCs for the information to be entered in the appropriate site records.

Obligations for Other Financial Vehicles

Regions may utilize other financial vehicles (ARCS, REM, IAGs or CAs) to perform enforcement related work. To access the ARCS or REM contracts, the Region must write a PR committing funds to the contract. The commitment initiates the process of obligating funds. The PR is written for a specific activity or event to be performed at the site and upon approval of the CO, the contractor may begin the proposed work. Case Budget funds ("TGB") obligated to one of the non-TES contracts represents an enforcement buy-in to a non-TES contract vehicle.

If the state or another Federal agency will be performing the work, a CA or IAG, respectively, is required. Like the PR, the IAG or CA is written for a specific activity or event to be performed at the site. A CA requires the preparation of a Commitment Notice (CN) and the CA funding document. Funds are obligated and available for use by the state when the CA is signed by the Regional Administrator or his/her designee. An IAG requires the preparation of a CN and the IAG funding document which is signed by the decision official (Regional Administrator or his/her designee) in the regional office. The funds are committed when the IAG is signed by the regional decision official and obligated when signed by the other agency.

TES WA Tasking Against Generic Obligations

Once the TES generic commitment/obligation is initiated, the process of approving WAs, also referred to as tasking, may begin. WAs are initiated in the Region and sent to the CO in the Procurement and Contracts Management Division (PCMD). When the CO approves and signs the WA, the value of the assignment represents the amount tasked against the generic obligation. Tasking amounts are not obligations but they do show how the AOA is going to be used to support site activities or events.

TES WA amounts need to go into CERCLIS to show the actual costs of tasking the contractors when planned activities have started. **RPOs need to make sure that every TES 5 - 12 WA and amendment has an accurate CERCLIS event or enforcement activity.** The event or activity codes will relate to the appropriate site targets being supported, including the relevant sequence numbers. If a TES WA is for multiple events, activities, or operable units, the funding split must be shown in the comment field.

It is critical that RPOs put accurate CERCLIS codes for EPA ID number (C101), OU number (C1101), and either Enforcement Activity Type (C1701), Event Type (C2101), or Non-Site Incident (C402) in TESWATS. RPOs can obtain this CERCLIS information from the RPMs, Enforcement Program Managers, or IMCs since they routinely use it to prepare site specific plans. IMCs should provide RPOs with CERCLIS reports showing planned funding, by site, for the current year (ENFR-47, for example) so that RPOs will know what WAs have an approved funding plan when RPMs request contract work. CERCLIS planning reports also show the CERCLIS data that RPOs need to enter into TESWATS. HQ will make available the TES-WATS transaction report that RPOs can use to review tasking data prior to entry into CERCLIS.

IMCs should ensure that data from TES WAs are entered correctly into CERCLIS. Once the COs approve a WA or an amendment to an existing WA, the amount can be entered with the financial type (C2602 or C3202) of "H", (TES WA Amount (tasking)). Reductions in WA amounts (detasking) can be entered with the code "W". RPOs should provide copies of properly coded WA forms or CERCLIS SIFs to the IMCs for the amounts to be recorded in the appropriate site records.

TES WA Tasking for Buy-Ins

TES buy-ins (generally using "TFA" funds) require a separate commitment/obligation as well as a WA. Two financial records must, therefore, be created in CERCLIS. The first financial record indicates the commitment/obligation of funds into the contract. Instructions for entering this record are listed above. The second type of financial record that is required is the tasked amount. The procedures for entering these data are identical to other tasking data with the exception that the budget source code should indicate "R" for Remedial, "V" for Removal, or "L" for Federal Facilities.

AOA Utilization

The initial measure of AOA utilization is the commitment/obligation of funds into the TES and non-TES financial vehicles. The total of the TES and non-TES commitments/obligations represents the amount of the AOA which has been put into the contracts to fund work to be performed at the site. The total of commitments and obligations, therefore, should not exceed the AOA issued to date. Regions should review planned contract usage and apportion funds to the contracts accordingly.

Budget Utilization

To examine overall budget utilization a more detailed analysis of TES contract usage is required. The value of WAs approved by the CO further indicates TES contract usage. It is important, therefore, that once commitments/obligations are made to the TES 5+ contracts, that WA tasking occurs as planned. For the non-TES financial vehicles, commitments/obligations will be used as the measure of utilization as no corresponding tasking exists for these vehicles. The sum total of tasked amounts in the TES contracts and commitments/obligations in the non-TES financial vehicles indicates the level of budget utilization.

In FY91, CERCLIS will be used to track and measure AOA and budget utilization. Regions are responsible, therefore, for entering the following data into CERCLIS:

- "APR", "ALT", and "CON" plans;
- Non-TES ("TGB") commitments/decommitments and obligations/deobligations;
- TES generic obligations/deobligations;
- Program management commitments/decommitments and obligations/deobligations; and
- TES tasked and de-tasked amounts.

Distinct codes now exist for obligations and WA amounts to separately portray progress made on obligating funds and tasking assignments to the TES 5 - 12 contracts. The separation of obligations and tasking amounts will accurately reflect budget and AOA utilization and prevent double counting WA amounts as obligations. CERCLIS reports, such as the SCAP-4 and 21, will be revised to indicate TES contract generic obligations, TES tasked amounts, non-TES commitments/obligations, and "APR" planned amounts. Actual TES WA tasking amounts (rather than commitments and obligations) will be compared to TES planned amounts to show the balance of funds available for remaining TES plans. Case Budget management through CERCLIS will enable both the Regions and HQ to readily determine the status of the following:

- Contract obligations;
- TES tasked amounts against generic obligations;
- Plans vs. tasked amounts;
- Total level of AOA and budget utilization; and
- Carryover funds from previous fiscal quarters (obligated, untasked funds)

Regions, as the allowance holders, are responsible for fully managing Case Budget data in CERCLIS. The strategy to accomplish this requires close monitoring of planning, obligation, and tasking data. "Approved" (APR) planned obligations in present or future quarters will indicate requests not yet used (tasked in TES or committed/obligated in non-TES). For past quarters, only TES tasking or non-TES commitments/obligations will be shown on a modified SCAP-4 to include Enforcement data. Regions, therefore, must closely monitor planning data and actual usage. **If planned obligations are not "used" by the end of the quarter, they should be moved to a subsequent quarter for the same or different site. If funds are "used"**

the planning record or the "APR" flag may be deleted. Either of these options will prevent current quarter tasked or committed funds from showing on standard reports. Regions should, however, be consistent in either deleting the planned record or the "APR" flag.

Disbursements

Although TES tasked amounts and non-TES commitments/obligations will be used to measure budget utilization, disbursements will also be reviewed as a further measure of budget utilization. It is important that contractor invoices are received and processed in a timely manner. The current disbursement tracking procedures for the TES and non-TES financial vehicles are different in IFMS. Non-TES disbursements are directly linked to the site and work being performed and may be compared with the planned amounts or requests. TES disbursements are linked to the contract but are not directly linked to the specific WA for which the contractor is being paid. When a TES disbursement is made, the amount is deobligated from the generic contract obligation. After this deobligation, a site specific obligation (not WA specific) and outlay occurs. At present, there are plans to request the Financial Management Division (FMD) track TES disbursements at the WA level, however, the earliest this will occur is late FY91.

HQ/Regional Adjustment

Throughout the FY, Regions must show adequate utilization of their Case Budget. Regions should, therefore, examine their entire AOA, their utilization and ascertain whether funds are available from other budget categories prior to requesting additional funds. HQ must know that the Region is fully using its AOA before it can entertain additional Case Budget requests. Consequently, it is imperative that CERCLIS consistently reflect obligations and work assignment tasked amounts. Additional requests for HQ held contingency funding will be reviewed on the basis of need, other Regions' needs, and the amount of dollars available.

In FY91 there will be a Case Budget review during the mid-year SCAP negotiations. There will also be a round of negotiations in June for the fourth quarter AOA. A Region may carry unused funds in its AOA to subsequent quarters, however, Regions that have not been using their allowance, risk the loss of their entire third and fourth quarter AOA. If a Region has an excessive unused allowance (greater than thirty percent) at the beginning of the third quarter, it will be required to produce a site specific spending plan in CERCLIS for both the third and fourth quarters by mid-May in order to retain its entire fourth quarter AOA.

Responsibilities

To manage the Case Budget it is essential that regional IMCs and TES RPOs responsibilities are well coordinated. RPOs must incorporate CERCLIS information in TES-WATS and report enforcement obligations and work assignments to the IMCs. IMCs, in turn, must provide Case Budget planning reports to RPOs and ensure accurate data entry into CERCLIS. CERCLIS will be the only place where AOA funding, obligations, and work assignment tasking amounts will be shown together. A more detailed description of the interrelated roles and responsibilities is described in Appendix G. Exhibit VI-9 summarizes RPO and IMC responsibilities, while Exhibit VI-10 describes general regional and HQ responsibilities.

Enforcement Financial Reports

Enforcement activities requiring Case Budget funds must be coded accurately. To enhance financial planning data quality, several Enforcement financial reports have been developed for both regional and HQ use.

EXHIBIT VI-9

CASE BUDGET RESPONSIBILITIES

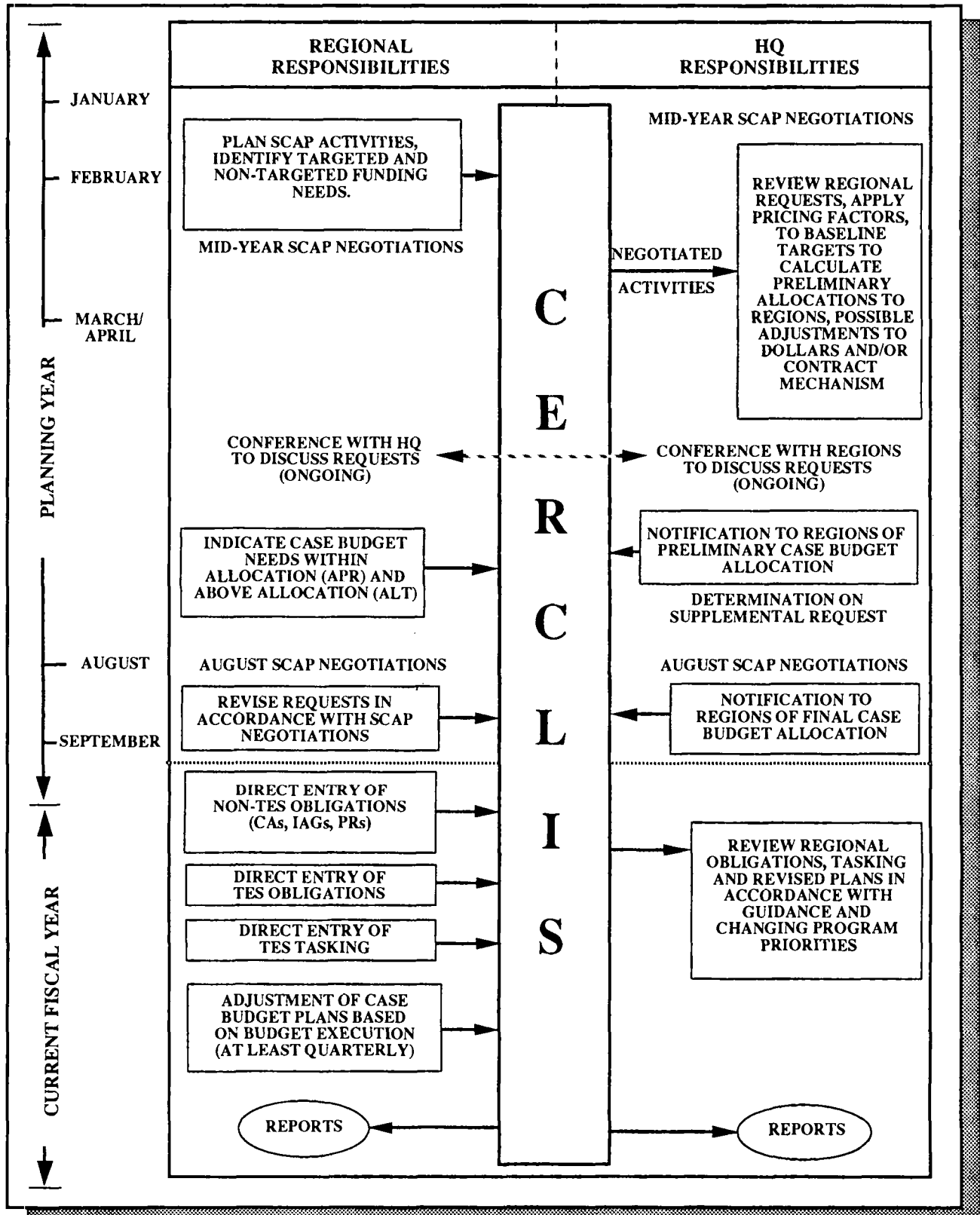


EXHIBIT VI-10
REGIONAL/HQ CASE BUDGET RESPONSIBILITIES

REGIONAL RESPONSIBILITIES		HQ RESPONSIBILITIES
PLANNING YEAR	<p><u>Negotiate</u> activity targets with HQ at the mid-year SCAP negotiations in February.</p> <p><u>Submit Case Budget requests</u> (through CERCLIS) in response to regional allocations calculated by HQ by mid-March. Identify approved, alternate, and mega-site funding needs.</p> <p><u>Negotiate</u> revisions to targeted activities, Case Budget dollars, and mega-site funding at August SCAP negotiations.</p>	<p><u>Calculate regional allocations</u> for activities planned by the Regions following the mid-year SCAP negotiations in February. Allocations are made for:</p> <ul style="list-style-type: none"> -- targeted enforcement activities (based on pricing factors); and -- non-targeted enforcement activities (based on a combination of pricing factors and priorities identified by the Regions during negotiations). <p><u>Review regional Case Budget requests</u> submitted through CERCLIS in response to allocations (March through June). Assess mega-site issues and initial need for supplemental funding request. Confer with Region as necessary. Proceed, if necessary, with supplemental funding request.</p> <p><u>Determine final allocations</u> at August SCAP negotiations.</p>
	<p><u>Receive</u> Case Budget AOAs.</p> <p><u>Manage</u> Case Budget within the approved bottom-line allocation.</p> <p><u>Enter</u> contract obligations and work assignment tasking amounts into CERCLIS as they occur.</p> <p><u>Negotiate</u> mid-year adjustments.</p>	<p><u>Distribute AOA</u> to the Regions. AOAs consist of dollars for non-TES financial vehicles and TES 5+ contractors.</p> <p><u>Negotiate</u> mid-year adjustments.</p> <p><u>Review regional budget execution</u> against allocations. Generate CERCLIS reports in response to Case Budget management needs.</p>

On the main CERCLIS menu, under "ENFR" for the Enforcement menu, are three Enforcement financial planning reports. The user is prompted for a Region, sort criteria, and FY when selecting one of these reports. Following is a description of ENFR reports:

- ENFR-47 indicates all "APR" and "ALT" requests for primary targets and projects and will be the sole source of data in determining regional quarterly AOA allocations.
- ENFR-48 shows only "ALT" requests without corresponding "APR" requests for the same site, OU, and activity.
- ENFR-49 shows all records that contain data quality errors. The report isolates the key Case Budget field which is either inaccurate or nonexistent.

Several additional reports are currently being programmed and/or modified to allow for Case Budget management in CERCLIS.

Contract Management

Contract Management Delegation

In FY91 eight TES contracts are available for Regions to support their Enforcement programs. These contracts are referred to collectively as TES 5+. Both the Regions and HQ have management responsibilities for these contracts. RPOs provide programmatic oversight and technical direction for contractor performance from a regional perspective. HQ Zone Project Officers (ZPOs) provide guidance and technical assistance to the RPO for contract management.

Interagency Agreements

Regions have responsibility for developing regional IAGs in FY91 with the following agencies: DOI, National Oceanic and Atmospheric Administration (NOAA), USACE, U.S. Geological Survey (USGS) and U.S. Fish and Wildlife Service (USFWS). HQ will maintain the national IAG with the DOJ in FY91. OSWER Directive 9295.0-01 "Regional Interagency Agreements Handbook" provides detailed procedures for initiating and obtaining the assistance needed from these Federal agencies. Technical assistance from another Federal agency must be planned site specifically in CERCLIS. The contract vehicle (C2608/C3239) must be coded "IAG".

Department of Justice

EPA HQ maintains the national IAG with the DOJ/Environment and Natural Resources Division (ENRD) to provide legal representation and associated support services on behalf of EPA for all matters arising from or related to CERCLA and SARA. Support services are defined as expert witness and automated litigation support. DOJ/ENRD maintains a base level budget for legal representation services. The DOJ IAG allows the Regions and DOJ to establish a case strategy/management plan. This management plan encourages forward planning between the DOJ attorney, ORC and a regional program person. Case management plans will be prepared by DOJ/ENRD for each case by the date of filing of the complaint and updated quarterly. This forward planning process allows DOJ and the Regions to efficiently utilize the IAG resources and to accommodate case needs or unforeseen changing priorities that may arise.

DOJ will provide expert witness support for referred cases. The Regions may also obtain expert witnesses through the TES 5+ contracts. The Regions will coordinate the planning for expert witnesses with the ORC and DOJ/ENRD. The Region should plan for the experts under the appropriate enforcement activity (i.e., Section 106, Section 107). The funding vehicle would be IAG, "EW" must be posted in the financial notes field.

8(a) Contracts

Regions are encouraged to use 8(a) minority contractors whenever alternatives to TES or non-TES financial support is needed. Under the TES 5+ contracts each prime contractor submitted plans to the PCMD for utilizing 8(a) minority contractors for a certain percentage of the TES 5+ work. Historically, 8(a) contractors have been used primarily for PRP searches. They can, however, be used for oversight support, records management, sampling and other activities and be procured through TES 5+. Use of 8(a) contractors is not limited to any particular type of activity.

Funding for 8(a) requests will be included in the regional AOA. Requests for 8(a) contract dollars should be made through the usual SCAP process; i.e., they should be entered into CERCLIS site specifically using 8(a) contract spending, though requests should fall within the appropriate activity pricing factors.

MANAGEMENT OF CASHOUTS

Cashouts are the funds received by EPA, a state or another PRP from PRPs in a mixed funding agreement or as part of a de minimis settlement, and that are intended to pay in whole or in part for future work at a specific Superfund site. Draft guidance on managing cashouts was issued April 4, 1990, by OWPE and OERR (OSWER Directive 9832.16). This section contains the cashout funding management policies and procedures that are outlined in the draft guidance. If the procedures are revised, changes may be made in this Manual.

In order to maintain accountability for cashout funds deposited for credit to the Superfund program, the Agency will establish and maintain "special accounts" for each cashout within a dedicated program element. It is critical that the case management team carefully evaluate the circumstances at the site before deciding that a "special account" is the best management procedure for handling a cashout. Other management procedures include:

- When short term fund accessibility is not necessary, the dollars should be deposited for credit to the Trust Fund for later appropriation to the Agency. These funds are interest bearing. However, neither the principal or the interest is available for site work without a Congressional appropriation.
- At state-lead sites, the dollars can be deposited to a state managed escrow account or trust fund, where safeguards exist that ensure that the money will be used for the specific site response.
- When a global settlement is expected, the dollars may be temporarily deposited to a court managed escrow account for future distribution to major settlers. Court managed accounts should not be utilized for long term funds management.
- When global settlements are reached and non-de minimis parties receive cashout dollars directly from de minimis parties, the dollars can be deposited to a PRP established and managed trust fund or escrow account that is approved by EPA.

When EPA will be responsible for implementing the response action or will be transferring funds to other settlers and short term fund accessibility is essential, the dollars should be deposited in the Treasury for credit to the Superfund program's appropriation and be managed as a "special account". These funds do not accrue interest but are available to the Agency without Congressional appropriation. OMB apportionment is required. The OC will issue an AOA to the Region for the use of the funds.

Cashout deposits to the Treasury will be credited to the Superfund program and line item managed by the OC as site specific "special accounts" in program element RUBY9H. These accounts provide EPA with immediate access to monies received from cashouts and serve to assure the settler(s) that the funds will be used for the purposes established in the settlement document. Once a reimbursable allowance is issued for these funds, the allowance holder may use the funds for site response in accordance with the terms of the agreement.

During each budget submission, EPA will request an appropriation equivalent to the interest that would have accrued had the unexpended funds been invested in the Trust Fund. Appropriated interest will be allocated to the "special account" to be used to implement the response action. In addition, OSWER will request reimbursable FTE to manage the implementation of the response action being funded by the "special account" for the site. When entering into settlement agreements that include cashouts, it is important to take into consideration the fact that Congress may choose not to appropriate the interest.

Cashout monies can be used according to any implementation plan EPA may have for the site. These funds can be used to fund EPA's intramural and extramural costs associated with the site. Unless otherwise specified in the settlement document, unused funds (including premium payments) will be transferred from the "special account" to the Trust Fund and treated as cost recovery to be used at other sites after being appropriated by Congress.

Following are the procedures the program and resources management staff must follow in processing cashout monies:

- The settlement agreement must contain directions to the PRP on the remittance of funds to EPA. It also must be made clear to the PRPs that the settlement agreement is not valid until the cashout monies have been received. The Agency is not required to seek remittance by issuing a demand (invoice) for payment. The agreement must instruct the PRP to send the funds to the appropriate "lock-box" bank for the regional office. The PRP must make the check payable to the "EPA Hazardous Substance Superfund". The PRP must also transmit a letter or other document along with the check that clearly identifies the site to which the funds apply.
- A copy of the settlement agreement must be sent to the Region's Servicing Finance Office (SFO) with a memorandum to the Financial Management Office (FMO) that clearly summarizes the terms and conditions of the settlement. The memorandum must be forwarded to the finance office within 10 working days of the date of the settlement. Mandatory information to be included in the transmittal memo are:
 - Name and address of settling PRPs;
 - Site name;

- S/S ID;
 - The exact amounts of the past cost component including interest (where appropriate);
 - Amount of the future cost component;
 - Amount of any premium payment;
 - Information concerning the OU and response activities;
 - If the settlement is de minimis and whether payment to major settlers is anticipated; and
 - The RPM and attorney assigned to the site, including telephone numbers and addresses.
- The SFO will establish a suspense file on the cashout. When the check arrives, the finance staff will match the check with the agreement and promptly notify the program staff or attorneys that payment has been received.
 - Upon receipt of the PRP's check, the regional FMO will record the funds in IFMS. Any portion intended to reimburse the Agency for past costs (cost recovery) will be deposited to the Trust Fund. The balance will be credited to a regional suspense account to be transferred promptly to the EPA Financial Management Center in Cincinnati (FMC-Ci). The regional office will also send FMC-Ci a copy of the settlement agreement. FMC-Ci is EPA's SFO for "reimbursable" agreements, of which cashouts are one type. FMC-Ci will account for the cashout portion of the funds as an "advance" to the Agency's Superfund appropriation and will manage the funds on a site specific basis. **These funds cannot be used for work at the site until an AOA for use of the funds is issued.**
 - The regional OC is responsible for sending a copy of the settlement agreement, deposit ticket and check to the HQ OC Budget Division with a request for a "reimbursable allowance". The reimbursable allowance would typically be enough for the estimated current year use of these funds. The remainder would remain controlled in IFMS in a site specific advance account for later work at the site. FMC-Ci has primary responsibility to account for these funds within IFMS, including liquidation of the funds as they are used.
 - The regional OC is responsible for notifying the regional program office that the AOA has been issued for use at the site. The regional OC will request the FMC-Ci set up a site specific reimbursable account in IFMS against which the program can charge contractual services, salaries or whatever other costs are appropriate under the agreement.
 - If work at the site is being supplemented with Fund monies, the program office will be responsible for determining the funding source(s) for any particular segment of the work. The program office must also be sure that invoices or other payment documents clearly indicate what account is to be charged. The financial activity codes for response work being charged to "special accounts" are the same as those used by all Superfund programs. As EPA makes payments against the cashout balances, the IFMS reimbursable accounts will be reduced accordingly.

- The OC and OSWER Resource Management staff will monitor the “special account” balances and balances of cashouts deposited for investment in the Trust Fund. The items that will be monitored include:
 - Amount of initial deposit;
 - Principal balance;
 - Interest deposited to the account based on amounts appropriated by Congress; and
 - Amount disbursed.
- After notification from the program office that a project has been closed out, and after all payments have been made, the FMC-Ci office will credit any remaining cashout balances to the Trust Fund as a cost recovery.

SUPERFUND FINANCIAL MANAGEMENT

The purpose of the following section is to assist regional program offices in carrying out their financial management responsibilities.

Regional Financial Management Responsibilities

Due to the complexity of the Superfund program, numerous organizational units within the regional EPA offices have responsibility for Superfund financial management. These organizations and their responsibilities are detailed below.

Regional Administrator

Regional Administrators have the authority to:

- Approve removal actions up to \$2 million per site;
- Award CAs;
- Award IAGs;
- Enter into SSCs;
- Initiate remedial planning activities;
- Grant states credit against their cost share; and
- Award TAGs.

All of these authorities may be re-delegated with the exception of 1) removal actions deemed to be “nationally significant” and 2) TAGs.

Regional Program Office

Regional program office financial responsibilities include:

- Providing technical support to the CO in contracts management;
- Reviewing vouchers and/or financial reports;
- Managing CA and IAGs;
- Preparing CN and PRs;
- Developing SSCs;
- Negotiating CAs with states, political subdivisions and Indian Tribal governments;
- Either issuing S/S ID or requesting that they be issued by the regional Management Division;
- Managing the Region's allowances;
- Approving Requests for Proposals or Bids and contracts developed by the states; and
- Participating in pre-award financial management system reviews.

Within the regional program offices, the following staff have specific Superfund financial management responsibilities:

- OSC -- The regional OSC is an employee of EPA or of the U.S. Coast Guard (USCG). This employee reacts to hazardous substances spills and releases, or threats of release, by initiating and managing the removal process. The OSC's financial management responsibilities include preparing site budgets and contract action requests; completing Action Memoranda; preparing delivery orders and PRs for contracts; establishing and maintaining official removal site files; reviewing and approving the removal cleanup contractors' charges on a daily basis; tracking site costs against the established site ceiling; and approving removal contractors' invoices. The OSC must be aware of, in control of, and responsible for all removal site charges and for ensuring that costs are reasonable and necessary.
- Ordering Officer -- All Ordering Officers must have a written "Delegation of Procurement Authority" signed by a Senior Procurement Manager prior to performing their duties. The Ordering Officer, who typically is an OSC, may initially obligate up to a maximum of \$250,000 for removals at a specific site by issuing a Delivery Order under an existing contract. This person also develops the statement of work and cost ceiling for removals.
- RPM -- The RPM, in coordination with state program personnel, is responsible for managing remedial and enforcement costs and activities on a site specific basis, for reviewing remedial contractor invoices and financial reports, and for

establishing and maintaining the official site files. Like the OSC, the RPM must be aware of, in control of, and responsible for remedial site charges and for ensuring that costs are reasonable and necessary.

- RPO/Deputy Project Officer (DPO) -- The RPO is responsible for overall remedial and enforcement contract management functions, including identification of regional and site specific contract requirements, reviewing invoices, and financial monitoring of the contract. The DPO is responsible for overall removal and general site support contract management functions. The RPO/DPO evaluate and designate contractor award fees; monitor contractors' activities; and review monthly contractor reports and site specific attachments.

The RPM or the RPO may initiate WAs, CAs, IAGs and contracts, and approve site specific IAG invoices.

- Administrative Support Unit (ASU) -- ASUs may be established in each regional program office. The purpose of these ASUs is to assist the OSC/RPM in performing their administrative duties, thus allowing the OSC/RPM to concentrate their efforts on their technical site management activities. These units are designed to perform at least four important functions:
 - Provide administrative support to the OSC/RPM on site;
 - Provide the OSC/RPM with administrative support in the regional program offices;
 - Provide liaison between the OSC/RPM and other groups involved in administrative matters; and
 - Provide support to the regional remedial and removal program management.

Specific examples of the kind of administrative and financial management support the ASUs may provide to the OSC/RPM are as follows:

- Assist in developing removal site budgets and preparing Action Memoranda;
- Assist in daily cost monitoring via daily contractor reports;
- Maintain the Removal Cost Management System;
- Set up and maintain active remedial and removal site files;
- Complete PRs and CNs; and
- Request and review reports generated by REPORTER for purposes of monitoring site costs. REPORTER is the report writer package that will replace the Software Package for Unique Reports (SPUR) of the IFMS.

The ASUs may be staffed with EPA staff or the non-government functions may be contracted out. Additional information on the model of an ASU is found in the Report of the Workgroup on Management Support for Superfund's On-Scene Coordinators, dated March 1987.

Regional Management Division

For the purposes of this document, the regional Management Division is the organization in which financial management, budgetary, accounting, planning, and assistance agreements administration functions are carried out. The regional SFO and CO for ARCS and regional ERCS are considered to be a part of this division. In most Regions, the regional Management Division:

- Assigns AN and DCN to all regional commitment and obligating documents;
- Controls the regional allowance, maintains the Document Control Register (DCR), and reconciles transactions;
- Generally issues S/S IDs for non-Coast Guard-lead sites;
- Sets up regional account numbers in IFMS (new obligational authority only);
- Processes all PRs for national contracts and enters commitments into the IFMS;
- Processes CNs for IAGs and enters commitments into IFMS;
- Processes CAs, assigns CA identification numbers, enters CA commitments, obligations and drawdowns into IFMS;
- Assists the regional program office in the negotiation or pre-application phases of the CA development;
- Processes all Letter of Credit (LOC) increases and monitors drawdowns;
- Receives and reviews financial reports required by the CAs;
- Maintains Superfund original and site specific document files on all regional costs and supports the regional program offices in preparing cost summaries and documentation for cost recovery purposes;
- Maintains accounts receivable for cost recovery cashouts, and SSC cost share, and maintains billing and collection system;
- Provides regional program office with financial data;
- Obligates contracts and modifications for the ARCS and regional ERCS contracts; and
- Reviews invoices and monthly financial reports for the ARCS and regional ERCS contracts.

HQ Financial Management Responsibilities

Selected Superfund financial management responsibilities which the regional program office may come in contact are highlighted below.

FMD/OC

This Office, which monitors the financial aspects of the Superfund program through four of its branches, performs many Superfund-related functions, including the following:

- Collects HQ's Superfund cost documentation for cost recovery;
- Oversees annual site specific reporting processes;
- Issues financial policies and procedures;
- Provides general accounting support;
- Records transfer allocations;
- Notifies Trust Fund to invest cost recoveries, fines and penalties; and
- Establishes Superfund account numbers in IFMS.

Resources Management Section (RMS)/OERR

RMS provides financial management and accounting support and guidance to OERR and the regional program offices. As one of HQ's Superfund allowance holders, RMS' responsibilities include:

- Maintains the OERR DCR and controls the HQ allowances;
- Commits funds for HQ OERR contracts and IAGs;
- Assigns accounting data to monthly site specific invoices; and
- Processes and monitors HQ OERR IAGs.

RMS' responsibilities in relation to the regional program office are as follows:

- Maintains the central S/S ID system and assigns S/S IDs to Coast Guard-lead removal sites;
- Approves regional allowances and processes change requests;
- Provides liaison with regional program offices regarding OERR financial issues; and
- Provides financial policies to regional program offices.

Contracts Management Section (CMS)/OWPE

Like RMS, the CMS provides financial management and accounting support and guidance to OWPE and the regional program offices. Responsibilities include:

- Initiates the procurement of the TES contracts;
- Processes and monitors WAs in TESWATS;
- Processes and monitors OWPE IAGs;
- Processes invoices for TES contracts;
- Coordinates issuance of regional allowances and initiates change requests;
- Provides liaison with regional program offices on OWPE financial issues; and
- Provides OWPE financial policies to regional program offices.

PCMD/Office of Administration

PCMD conducts the Superfund contracting program. This involves negotiating, awarding, monitoring, modifying, and terminating contracts and providing technical guidance on contract administration. PCMD also provides cost and price analysis for Superfund contracts.

Grants Administration Division (GAD)/Office of Administration

This division issues policy, regulations and guidance for the processing, award and administrative management of financial assistance agreements and IAGs; issues identification numbers for all IAGs; and processes and awards HQ IAGs.

Budget Division/OC

This division allocates the Superfund allowances among the HQ and regional offices; approves regional allowances; monitors obligations against regular and site allowances on a weekly basis; processes transfer allocations; processes change requests, and reprograms allowances, as necessary.

FMC-Ci

The SFO in Cincinnati is responsible for providing accounting support for all Superfund IAGs. The SFO processes disbursement requests from other agencies, processes the billing for reimbursable activities and enters IAG obligations and disbursements into IFMS.

Research Triangle Park (RTP)/Office of Administration

This SFO is responsible for providing accounting support for all Superfund contracts. The SFO enters contract award data and obligations into IFMS, processes contractor invoices, and enters payments into IFMS via the Contract Payment System.

Financial Management Tools and SystemsIFMS

The IFMS is the Agency's official automated accounting, funds control and monitoring system. It encompasses all of the Agency's financial systems for planning, budget formulation and execution; program and administrative accounting; and audit. IFMS is maintained by the Administrative Systems Division of the Office of Information Resources Management. The Financial Systems Branch of the Financial Management Division, OC, provides IFMS user support. IFMS is new to EPA and not all the changes which will result from the implementation of IFMS are currently known. Addenda to this Manual may be issued during the year as more information is received.

- REPORTER -- Through IFMS's REPORTER, formerly SPUR, an IFMS user will be able to run specialized reports from IFMS, showing only the information selected. REPORTER will be able to select any data elements maintained in IFMS, arrange those elements in any desired format, and print a report. The regional program office staff will be able to request REPORTER reports from the regional SFO. These reports are especially useful for determining the status of commitments, obligations and payments for a given site.
- Regional IFMS Responsibility -- Though each Region is organized somewhat differently, in most Regions the SFO enters commitments into IFMS for contracts and IAGs. For CAs, the SFO enters not only commitments, but obligations and drawdowns as well. At the request of the regional program office, the SFO sets up regional account numbers in IFMS. Since the Agency does not officially recognize commitments or obligations until they appear in IFMS, it is imperative that the regional program office forward all commitment and obligating documents to the SFO as expeditiously as possible for entry into IFMS. The regional finance office is also responsible for entering the quarterly AOA into IFMS.

AN

To manage the Superfund Program effectively, and to recover cleanup costs, EPA must carefully document and record its direct and indirect costs for each cleanup action and track the costs through IFMS. The new IFMS account structure is still under development. An addendum to this Manual may be issued when it is finalized.

DCN

The DCN is a six digit number assigned by the regional SFO to PRs and CNs as a control number. This same number is carried over from the PR or CN to the obligating document.

DCR

The DCR is the allowance holder's mechanism for maintaining a running balance of all funds available to the allowance holder. The DCR can be manual or automated (Automated DCR, or ADCR) and is generally maintained in the SFO.

Checking the DCR's balance is part of the Funds Certifying Officer's (FCO) certification of funds availability. Once the FCO certifies that funds are available and that the appropriate funds are being used, the FCO assigns a DCN to the action and records it in the DCR. This number uniquely identifies the spending action in the Agency's IFMS, just as a check number identifies a check.

S/S IDs

S/S IDs are used to identify costs associated with a specific site. In IFMS, the S/S ID has been expanded to three digits. The position of S/S IDs has not been defined in the IFMS implementation.

S/S IDs are established by the regional offices, with the exception of USCG responses which are provided through the OERR RMS. Each regional office has one or more persons responsible for assigning S/S IDs and communicating updated S/S ID information to HQ. This is usually done by calling or sending an updated copy of the regional S/S ID list to the S/S ID contact in HQ.

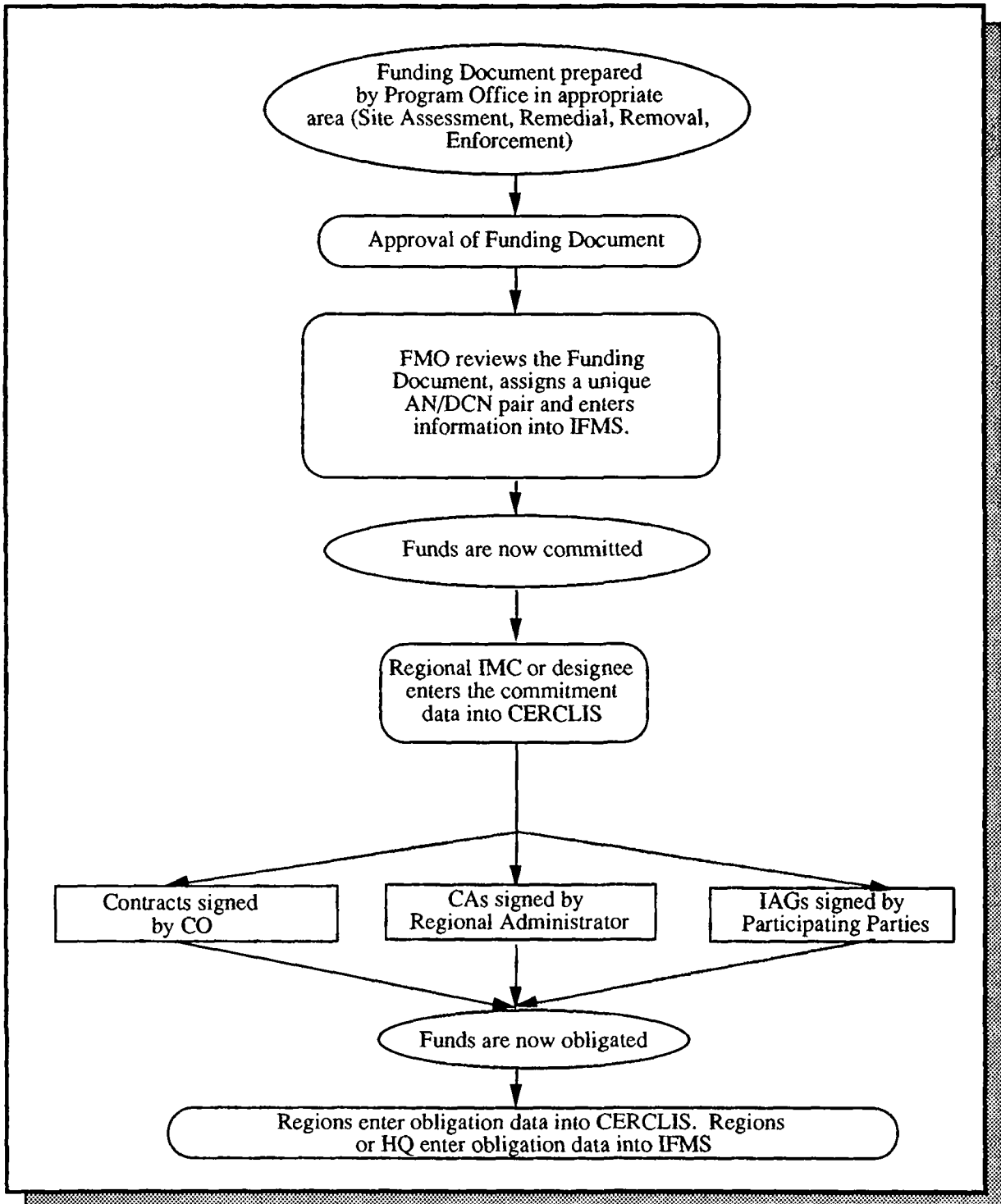
Before assigning an S/S ID, an EPA ID must exist in the CERCLIS data base. The EPA ID is a 12-character unique identifier which is used to identify a hazardous waste site or removal in the CERCLIS inventory. This ID is based on FINDS. An EPA ID must be established prior to assignment of an S/S ID. Each site should have a single EPA ID. In addition, there can only be one S/S ID for each EPA ID.

Before establishing a new S/S ID, a thorough check should be made to ensure that the site is not already listed under another name. Removal sites should receive identifiers as soon as it appears that more than approximately \$5,000 will be spent on removal work at the site. Remedial sites should receive identifiers when the HRS score for the site indicates it will be proposed for the NPL and an account number is needed for the obligation of funds. Dioxin sites do not have to be on the NPL in order to establish an ID. Enforcement sites receive identifiers when costs for an enforcement activity are expected to exceed 24 workhours per pay period, and when a cost recovery action is likely.

Instructions for the assignment of three-digit S/S IDs will be forthcoming.

Financial Management and Funding Processes

Regional financial authority consists of three distinct, but interrelated, parts: approval, commitment and obligation. Exhibit VI-11 indicates the process by which the Regions commit and obligate funds. These funding processes are outlined below.

EXHIBIT VI-11**HANDLING FINANCIAL DATA IN THE CERCLIS ENVIRONMENT**

Approvals

Authority to approve site assessment, removal, remedial and enforcement activities is contained in the Superfund delegations package. An approval by the AA SWER or Regional Administrator or official designee, as appropriate, is an authorization to undertake a CERCLA-funded response action. Examples of these approvals include Removal Action Memoranda and SCAP submissions. A site/activity must be approved before any commitments can be made.

The following paragraphs highlight the Region's financial management authority and responsibility in the Removal program:

- Approval Authority -- In accordance with Delegation 14-1-A, the Regional Administrator has the authority to approve removal actions costing up to \$2,000,000 at NPL sites or non-NPL sites and may grant exemptions to the twelve-month statutory limit. In addition, Regional Administrators may re-delegate to the OSCs the authority to approve actions costing up to \$50,000 in emergency situations where an expeditious response is required.
- Action Memorandum -- Except in emergency situations, before a removal action can begin, an Action Memorandum must be approved. The Action Memorandum must document that the release meets the criteria of CERCLA, as amended, and the NCP. In addition to the technical data, the Action Memorandum must include, to the extent practicable, an estimated total project ceiling. The OSC uses the estimate of the duration and cost of the removal actions in order to determine the proper approval authority. The OSCs or other Ordering Officers are responsible for obtaining all necessary regional office approvals and signatures.

Generally, the Action Memorandum is prepared prior to initiating response activities. In extreme emergencies, however, the OSC may initiate activities under his/her \$50,000 authority without preparing the necessary documentation in advance. In these circumstances OSCs must document their decision within 24 hours of initiating response.

The following paragraphs highlight the Region's financial management authority and responsibility in the Remedial and Enforcement programs:

- Financial Approval Mechanism -- Planning of remedial and enforcement program activities is accomplished by means of the SCAP. Funds cannot be committed or obligated for a remedial or enforcement activity unless it is included in the SCAP.
- Obligations made at events which are planned on an OU basis must be planned and executed on an OU basis. Outlays resulting from the obligations should also be attributed to the appropriate OU.
- ROD -- A ROD is required for all RD and RA activities. The ROD, signed by either the Regional Administrator/Deputy Regional Administrator or the AA SWER, documents the Agency's remedial alternative decision-making process and demonstrates that the requirements of CERCLA, as amended, and the NCP have been met. The ROD also provides the basis for future cost recovery actions that may be taken.

Commitments

Once the regional FCO certifies the availability of funds, a spending action becomes a commitment, which is a reservation of funds but not a legal promise to pay a supplier. Commitments which have not yet been processed are called open commitments until they become obligations.

There are two types of commitment documents: the PR and the CN. The PR is used to commit funds for contracts; the CN is used to commit funds for CAs and reimbursable IAGs.

Obligations

Unlike a commitment, an obligation legally binds the government to pay a supplier for delivery of goods or services. Thus, once funds are obligated, the Region may no longer release the funds for another purpose.

A contractor, another Federal agency or state cannot start work until funds have been obligated. In addition funds may only be used for the purpose for which they were obligated under the contract, IAG or CA, and may not be transferred to another activity and/or site within the contract, IAG or CA without first being de-obligated.

Obligating documents must be processed in accordance with guidance issued by the PCMD, the GAD, and the FMD. The majority of the contracts are currently awarded by PCMD and entered into IFMS by the SFO/RTP. Certain contracting functions, particularly those related to regional contracts, have been decentralized to the Regions. Obligations for CAs are entered into IFMS by the Regions; for IAGs, by the CFMC.

Recently some Regions have grouped several smaller sites into a new, larger pseudo site. The purpose of these pseudo sites is to establish a mechanism for funding area-wide studies of environmental issues. This practice has caused problems for cost recovery because costs cannot be assigned directly to a given site. Additionally, by creating a new site, it is difficult to reference the older sites. These problems may be alleviated by following a simple procedure. Funds for area-wide studies can be awarded in one PR, IAG or CA. However, they must be obligated to each of the sites involved by using separate account and document control numbers. Obligations must be identified for each OU; particularly when PRPs exist.

Payments

Each contractor/supplier submits an invoice to the proper SFO for payment. Before the SFO may pay the contractor/supplier, it must have an obligating document and a receiving report (sent by the originating office) to verify that the work was completed or the goods were received satisfactorily. Unpaid obligations are not removed from IFMS at the end of the FY. Rather, they remain in the system until paid or until the allowance holder or obligating official notifies the SFO that no further payments will be made against the obligation.

Deobligations

The deobligation of funds is handled similarly to the obligation of funds. The same commitment and obligation documents and procedures are used, except that the dollar amount indicated is a reduction rather than an addition. Copies of deobligations should be sent to RMS. The availability of funds after deobligation depends on when the funds initially had been obligated. Current FY funds are available for reuse within the AOA as soon as the deobligation is effective. (See the Flexible Funding discussion earlier in this Chapter on the use of deobligated funds.) Prior FY funds that are deobligated revert back to HQ for redistribution. In order to reuse the prior year funds, allowance holders must request a recertification of the funds to their allowance from the OC in coordination with OSWER.

Regions should review the financial status of all contracts, IAGs and CAs regularly. If all activities requested have been completed, and there are funds outstanding, the Region should follow the procedures outlined above to deobligate these funds immediately to make them available for other activities.

RMS has established a HQ/regional task force to assist the Regions in the deobligation of funds from contracts, IAG and CAs where work has been completed, bids have come in lower than expected or PRPs have taken over the lead for site activities. In addition, the Superfund Unliquidated Obligations Task Force encourages and tracks any intramural deobligations that can be processed. The Task Force has established a reward system for Regions that are active in processing deobligations. A Region may receive an increase in their annual budget of 10% of the funds they deobligate, up to \$250,000. In order to receive credit, deobligation documentation must be sent to RMS.

Financial Management Funding Mechanisms

EPA uses a variety of funding mechanisms to carry out CERCLA-funded response actions. Included in these are the following:

Contracts

Superfund contracts are awarded through standard procurement procedures (see the OC's Resources Management Directives Systems 2550C Chapter 2 and the EPA Contracts Management Manual, or refer directly to the directives prepared for each contract). Exhibit VI-12 contains information on the procurement forms used for most Superfund contracts. The unique aspect of Superfund contract processing and financial tracking stems primarily from the need to associate contractor costs incurred with specific Superfund sites and OUs in order to assist in the cost recovery process. Cost recovery negotiations with PRPs or court actions require careful documentation of Federal costs incurred at each site/spill. The following paragraphs describe key financial management processes for each of the primary categories of Superfund contracts.

- Site Specific Removal Contracts. Site specific removal contracts are obligated and tracked on a site specific basis in the Agency's IFMS. Removal cleanup contracts may be awarded on a zone, Region or site specific basis.

EXHIBIT VI-12**EPA FORMS COMMONLY USED FOR SUPERFUND PROCUREMENTS**

<u>EPA FORM NUMBER</u>	<u>FORM NAME</u>	<u>PURPOSE</u>	<u>COMMENTS</u>
1900-8	Procurement Request/ Purchase Order	The Agency's basic form for requesting a procurement of any goods or services to commit funds before obligating funds on any of these documents. Must be certified by FCO.	This form is the basis for entering a commitment in IFMS. The FMO enters an obligation only upon receiving a contract document or purchase order.
1900-48	Order for Services - Emergency Response to Hazardous Substance Release	Used by OSCs to obligate funds and contract for services (up to \$2,500) from commercial firms or a state or local government (if site not owned by state or subdivision at time wastes were disposed of) to respond to a release.	Results in a firm, fixed-price contract. No price adjustment may be made for work stated in contract. Contractor may submit only one invoice. FMO will process contract as an obligation.
1900-49	Notice to Proceed with Emergency Response to Hazardous Substance Release	Used by OSC to authorize a contractor to begin work on an emergency response (up to \$10,000 per incident). Negotiation of definitive contract and any modifications performed by CO.	A preliminary contractual instrument that must be made final by a designated CO. FMO will process notice as an obligation.
1900-56	Letter contract for State, Indian Tribal Governments, or Local Government Response to Emergency Hazardous Substances Release	Used by OSC to procure services from a state, local or Indian Tribal government to begin work on an emergency response (up to \$10,000 per incident) if site was not owned by state or subdivision at time of hazardous waste disposal. Negotiation of definitive contract and any modifications performed by CO.	Results in a cost reimbursement type agreement with a state, local or Indian Tribal government. It is a preliminary contractual instrument that must be made final by a CO. The appropriate FMO will process a letter contract as an obligation.
1900-59	Delivery Order for Emergency Response Cleanup Services	Used by OSCs to order services (up to \$250,000) from the ERCS contractor to respond to a release. All modifications and obligations over \$250,000 will be processed by the CO.	Has time and material provisions, but uses fixed rates negotiated in ERCS contract. Order must be made final by a designated CO. FMO will process orders as an obligation.

- Commitment of Funds -- The PR is used to commit funds for contracts. OSCs or other Ordering Officers prepare the PR for the site portion of the contract and obtain all necessary regional office approvals and signatures. They send the document to the SFO for certification of funds and addition of accounting information (AN, appropriation number and DCN). The SFO must also check that the action has been approved. The regional SFO enters the commitment into the ADCR and IFMS.
- Obligation of Funds -- Site specific removal cleanup contracts are obligated by the regional Ordering Officer (generally the OSC), the regional ERCS CO or at HQ. Obligation authority is determined by the type and amount of the contract. Although a PR is generally prepared in advance of the obligating document for removals, these documents may be processed simultaneously or out of sequence, due to the urgent nature of removals. OSCs have the contractual authority to obligate up to \$250,000 via a Delivery Order under an existing contract; however, Regions have limited this authority to \$50,000. For contract amounts over this authority, the OSC forwards the obligating document to the Regional Administrator for approval and to PCMD or the regional ERCS CO for obligation and processing. The SFO/RTP enters the obligation into IFMS for all contracts.
- Invoice Processing -- The OSC or DPO reviews the site portion of contractor invoices and signs a statement indicating that the services for which the contractor is invoicing have been provided. The OSC forwards the certified copy of the invoice within five days to the SFO/RTP for processing and payment.

If the OSC disallows any charges, copies of the invoice should be sent to the CO, along with an explanation for disallowing the costs. When a disputed charge cannot be settled with the contractor, the OSC prepares a memo/letter with a copy of the voucher and sends them to the CO. The OSC sends the original voucher with a copy of the letter to RTP. Additional guidance for processing site specific contractor invoices are included in the "Removal Cost Management Manual", "Superfund Removal Procedures" manual and the "ERCS Users Manual."

- Site Specific Remedial Contracts -- Site specific remedial contracts refer to those which are obligated site specifically. Remedial contractors provide site specific support for RI/FS, RD and RA projects at individual NPL sites, as well as general management support to EPA HQ and Regions. Both large, national contracts as well as smaller, region specific contracts, e.g. ARCS contracts are in place. Site specific remedial contracts are obligated and tracked on a site specific basis in the Agency's IFMS.
- Commitment of Funds -- To commit funds, the regional program office prepares the PR for site specific activities, obtains all necessary regional program office approvals and signatures, and forwards the approved document to the regional SFO for certification of funds availability and the addition of accounting information (AN and DCN). The regional SFO enters the commitment into IFMS. For Region specific contracts, e.g., ARCS contracts, the basic contract is prepared in HQ and contract modifications are processed in the Regions.

- Obligation of Funds -- Site specific remedial contracts are obligated by PCMD in HQ or the ARCS CO in the Regions. These obligations represent contract modifications which must be processed in accordance with guidance issued by PCMD. PCMD or the ARCS CO distributes the processed obligating document, and the SFO/RTP enters the obligation into IFMS.
- Invoice Processing -- Site specific remedial contractors will provide copies of their monthly invoice or voucher for payment to the CO and the Regions for review. RPMs have five days to review the invoice. If the invoice accurately reflects contractor activities, the RPM will inform the Project Officer (PO) that the voucher is consistent with the service provided. If the RPM identifies a problem, it should be reported to the appropriate PO for resolution. The PO will resolve any problems, certify that the voucher is consistent with the services provided, and forward the invoice to the SFO/RTP for processing and payment.
- General Site Support Contracts -- This category includes contracts which are not obligated on a site specific basis. These contracts create a pool of contract labor capable of providing broad technical and planning support to any removal, site assessment, remedial or enforcement site on an "as needed" basis. Examples of this type of contract include, but are not limited to: the FIT, Technical Assistance Team (TAT), CLP, and the Environmental Services Assistance Team (ESAT). Because these types of contracts are administered by HQ, they will not be discussed in detail in this document.

General site support contractors must submit with each invoice a site specific attachment, which details the costs incurred at each site with an EPA S/S ID. The site specific attachment must include the invoiced costs for each of the following categories:

- Each site with an EPA S/S ID;
- All other sites, i.e., those without an EPA S/S ID, on one line item per Region;
- Program management;
- Base and award fees;
- Non-site activities, identified separately, such as training of state personnel or coordination of regional activities; and
- Non-Superfund costs, as applicable, on one line item per appropriation.

The contractors submit original invoices to RTP and advance copies to the HQ PO simultaneously. The PO reviews the invoice and the site specific attachment for reasonableness of the site specific charges. In some cases, the RPOs and DPOs will conduct a concurrent review of the invoice.

- Enforcement Contracts -- The TES contracts are a combination of the general site support contracts and the site specific removal/remedial contracts. The TES contracts are not obligated on a site specific basis, however, the Regions issue work assignments against the contract labor pool on a site specific basis. Site specific work assignments are not entered into IFMS.

Additional information on Enforcement contracts can be found in the Case Budget section earlier in this Chapter or Appendix G.

- General Program Support Contracts -- This group of contracts provides general program management support to HQ and regional program offices. These contracts are not for site specific work and are not obligated site specifically. They are administered totally by HQ and will not be discussed in this document.

IAGs

An IAG is a written agreement between Federal agencies under which goods and services are provided. The Superfund program uses Disbursement IAGs and Allocation Transfer IAGs to request Federal agencies assistance with site cleanups and associated activities and provide ongoing support or services. The IAG specifies the services required and identifies the method of payment.

- Disbursement IAGs -- Disbursement IAGs are agreements in which another Federal agency provides goods or services to EPA. This category of IAG is similar in concept to obtaining goods or services from a contractor. Superfund program staff prepare IAGs to pay other agencies for work performed at a specific Superfund removal, remedial or enforcement site and for non-site specific activities. EPA pays the other agency either by advance payment or by payment following work performance (repayment). The regional program office initiates and manages site specific IAGs. The Administrative Assistance Unit (AAU) in the regional Management Division typically approves and awards site specific IAGs. The exceptions are USCG-lead removal IAGs and the DOJ IAG, which are negotiated, approved, awarded, and managed at HQ.
- Commitment of Funds -- The regional program office determines whether assistance from another Federal agency is needed. The regional SFO determines the availability of funds, upon request from the regional program office. The regional program office then prepares the IAG funding package, consisting of a CN, a transmittal memorandum, EPA Form 1610-1, which is the IAG itself, and a Decision Memorandum, which verifies legal authority for the IAG. The Decision Official in the regional program office reviews and approves the IAG. The staff of the AAU then conducts an administrative review of the funding package. The SFO adds accounting data and enters the commitment in the DCR as well as into IFMS. The regional program office establishes and maintains the official site file(s). The AAU establishes and maintains the official financial file.
- Obligation of Funds -- Following pre-validation of the commitment, the AAU obtains an IAG number from HQ GAD by E-mail. The Action Official (the Regional Administrator or his/her designee) signs the IAG. The AAU then sends the signed IAG to the other agency for signature. An ob-

ligation is created when the IAG has been signed by both agencies. The AAU distributes the executed IAG to the regional program office, the GAD, and the FMC-Ci, where the obligation is recorded in IFMS.

- Payments -- If the performing agency does not have OMB-approved reimbursable authority, the FMC-Ci pays that agency for EPA prior to execution of the agreement activities. For those agencies that do not require advances, the regional program office certifies that charges are accurate following execution of the activities. There are three ways in which EPA accomplishes exchange of funds for IAGs: the Simplified Interagency Billings and Collection system (SIBAC), the On-line Payment and Collections system (OPAC), and check payments. When the OPAC or SIBAC system is used, funds exchange occurs prior to regional program office certification; however, the regional program office may request adjustments when necessary. For payment by check, the performing agency submits vouchers to the FMC-Ci, who forwards them to the regional program office. The regional program office reviews and certifies the voucher and then returns both the voucher and the certification form to FMC-Ci for processing and payment.
- Closeout -- The regional program office is responsible for managing pre-closeout activity. If all work has been completed, the regional program office accepts the final report from the other agency and initiates closeout procedures. The AAU queries the regional program office when the project period has expired or when there has been no project activity for two quarters. If the AAU requests a project status determination, the regional program office determines whether the IAG should remain open/extended or be closed, and notifies the AAU.

When no further activity will occur under the IAG (e.g. project completed, funds availability period expired, funds expended, unsatisfactory/incomplete work product) and final invoices have been certified, the regional program office prepares a written closeout request and sends it to the AAU. The AAU then determines from FMC-Ci that the IAG is financially closed out and closes out the IAG by sending a closeout letter to the other agency and notifying the regional program office and GAD. Both the regional program office and the AAU then remove the appropriate files from active status and retain them a minimum of six years. Disposal of the files is subject to regional program office approval.

When applicable, within thirty days of completion of work under the agreement, the regional program office prepares, or obtains from the other agency, a final inventory and disposition recommendations for non-expendable property. The regional program office forwards a copy of this report to the appropriate property management office in the regional Management Division.

- Allocation Transfer IAGs -- Allocation Transfer IAGs transfer obligational authority from EPA to the designated agency at the appropriation level. The funds are transferred to the other agency from an EPA allowance via EPA's Transfer Allocation account. This IAG mechanism is similar to the OC providing allow-

ances to EPA program offices to carry out specific functions; however, transfers occur at the appropriation level. Obligations and payments are made by the other agency and are reported monthly to EPA.

IAGs with FEMA for permanent or temporary relocations are Allocation Transfer IAGs. The regional program office, in conjunction with the AAU in the regional Management Division, typically initiates, approves, awards, and manages site specific Allocation Transfer IAGs. Implementation of an Allocation Transfer IAG must be in accordance with Department of Treasury procedures and can only be used with prior approval from the OC.

- Initiating the IAG -- The regional program office initiates the IAG. After developing a preliminary cost estimate with the other agency, the regional program office prepares the funding package which includes EPA Form 1610-1, a transmittal memorandum, and the Decision Memorandum. The Decision Official in the regional program office reviews and approves the funding package and submits it to the AAU. The AAU obtains an IAG number from GAD by E-mail and conducts an administrative review. The GAD enters IAG data from the E-mail request into the Grants Information Control Systems (GICS). The Action Official (the Regional Administrator or his/her designee) conducts a final review and signs the IAG package. The AAU submits the IAG to the other agency for signature. The AAU distributes the executed IAG to the regional program office, to the GAD, and to the OC. Upon initiation of the IAG, the regional program office submits a change request to the Budget Formulation and Control Branch in the OC, so that the funds can be set aside in a HQ transfer account. The appropriate program's allowance is then reduced to reflect the transfer to the receiving agency.
- Transfer of Funds -- The executed IAG serves to transfer obligational authority to the other agency. Once the IAG is signed, and upon receipt of a change request from the regional program office, the OC Budget Division withdraws funds from the Region's allowance and transfers the funds to the EPA Transfer Allocation account for future transfer to the designated agency. The Financial Reports and Analysis Branch executes the transfer from EPA to the performing agency.
- Financial Monitoring -- The performing agency is required to submit: 1) monthly reports via SF133, "Budget Execution," on obligations and expenditures during the period to EPA's FMD and 2) periodic status reports to the regional program office and the HQ Superfund Budget Branch. The IAG also requires the other agency to maintain records and documentation by site and submit them to EPA upon request. The regional program office reviews progress reports and acts on them as necessary.
- Closeout -- The regional program office closeout procedures for an Allocation Transfer IAG are the same as those for Disbursement IAGs. Since there are no billing transactions, outstanding invoices or payments are not a concern; however, to determine that the IAG may be financially closed out by the OC, the AAU asks the EPA OIG to request the other agency's OIG to determine the financial status of the IAG. Both the regional

program office and the AAU then remove the appropriate files for that IAG from active status and retain them a minimum of six years. Disposal of the files is subject to regional program office approval.

For further information on regional IAGs, see OSWER Directive 9295.0-01 "Regional Interagency Agreements Handbook".

CAs

A CA is the instrument EPA uses to provide assistance to states, political subdivisions or Indian Tribal governments in conducting site assessment, remedial, removal, enforcement and program and project support activities. CAs provide funding assistance to the state, political subdivision, or Indian Tribal government, documents responsibilities and obtains state assurances. CAs must be approved by the Regional Administrator or designee. The steps for developing and managing the financial aspects of a CA in the Region are outlined below.

- Commitments -- The regional program office prepares the CN and obtains all necessary program approvals and signatures to commit funds for the CA. The regional Management Division certifies the availability of funds, assigns the accounting data, sets aside the required funds on the DCR and enters the commitment into the IFMS. The regional AAU assigns the CA identification number.
- Obligations -- The signature of the Regional Administrator, or his/her designee, obligates CAs. The regional Management Division is responsible for processing obligations in accordance with the guidance issued by PCMD, GAD and FMD, and for entering the obligations into the DCR and IFMS.
- LOC -- If a state environmental agency, political subdivision or Indian Tribal government does not have an established consolidated LOC with EPA, one should be established. The LOC is the preferred method for providing Superfund payment assistance to states, political subdivisions or Indian Tribal governments. The CA recipient "draws down" funds from the appropriate credit account at the Federal Reserve Bank to cover EPA's share of immediate cash needs for each activity approved in the CA.

The state, political subdivision or Indian Tribal government may only draw down funds from the LOC for work authorized for specific sites and/or activities. The total drawdown may not exceed the amount obligated for each activity and/or site in the CA. Drawdowns must be made proportionally to the amount of work completed, and may only be made for the EPA share of project costs. If funds obligated for a specific site or activity have been exhausted, the recipient may not draw down from another account number within the consolidated LOC.

The regional Management Division reviews drawdowns on a monthly basis and determines whether the account structure established in the CA is being followed and that the drawdowns are only large enough to cover

immediate (usually one month) cash needs. The account from which drawdowns were made, identified in the IFMS Outlay Report or state quarterly report, must match the activities being undertaken.

- Financial Monitoring -- On a regular basis, the RPM should review the IFMS Outlay Report and the quarterly progress report prepared by the state, political subdivision or Indian Tribal government. The review should determine that drawdowns at the site correspond to technical progress.
- Deobligations -- Deobligations of funds are handled similarly to obligations of funds. The same commitment and obligation documents and procedures are used, except that the dollar amount indicated is a reduction rather than an addition. The availability of funds following deobligation depends on when the funds were obligated initially. Current FY funds are available for reuse within the allowance as soon as the deobligation is effective. (See the Flexible Funding section earlier in this Chapter on the use of deobligated funds.) Prior FY funds that are deobligated revert to HQ for redistribution.

In order to reuse prior FY funds:

- The allowance holders must submit a request to recertify the funds to their allowances;
- OERR will evaluate the request based on the approved SCAP and will recommend distribution of funds;
- The OC must approve the request; and
- The request must be approved and a reapportionment obtained from the OMB.

Regions should regularly review the financial status of all CAs. If all activities to be conducted under the agreement have been completed and there are funds outstanding, the Region should follow the procedures above to deobligate these funds or transfer them to another site or response phase. The transfer of funds under a CA is discussed below.

- Transfer of Funds -- Under a multi-site CA funds can be transferred from one site to another site. This transaction is called a 'transwitch' and requires a formal CA amendment. The CA amendment must show the transfer of funds from one site to another by changing the accounting information on the funds being transferred to reflect the new site. CA funds can also be transferred from one remedial response phase to another remedial response phase at the same site. Again, a formal CA amendment is required in order to change the accounting information to reflect the actual response activity being performed.

For additional information on the financial management of CAs, refer to the Resources Management Directives Systems 2550D, Chapter 9, and the State Participation in the Superfund Program guidance, Chapters 7 and 10.

SSCs

When EPA or a political subdivision has the lead for an RA, the instrument used to describe the state's role is a SSC. An SSC is a legally binding agreement that provides the mechanism for obtaining required state cost share and other assurances, outlines the statement of work for the response action and also documents responsibilities for remedial implementation at a site. When a political subdivision has the lead for an RA, the SSC is signed by EPA, the state and the political subdivision. The SSC does not obligate funds; funds for Federal-lead projects must be obligated through an EPA PR with a contractor or an IAG with another agency. Funds for political subdivision response actions are provided through the CA.

- SSC Requirements -- An SSC is required to be in place before EPA or the political subdivision can begin an RA funded by the Superfund. An SSC must contain several state assurances. One is that the state will pay its cost share for response actions. The state cost share is ten percent for privately operated sites. For publicly operated sites, the state cost share is 50 percent and is required for prior removal, RI/FS and RD activities as well as the RA. In addition to cost share assurances, SSCs must contain state program assurances and must also include a tentative payment schedule.
- SSC Development -- The SSC is developed by the regional program office. The RPM/RPO must insure that, in addition to program assurances, the financial cost share requirements and payment schedule are included in the SSC.
- Accounts Receivable -- Like a CA, an SSC requires state cost share. To cover its share of remedial costs under an SSC, the state may be required to provide cash payments to EPA. Following execution of the SSC, the RPM/RPO must immediately forward a copy of the executed SSC to the regional Management Division for necessary accounts receivable processing. The RPM/RPO is also responsible for forwarding immediately to the regional Management Division any SSC modifications that may affect the payment schedule.
- Payment Schedule -- The state cost share must be received and recorded in IFMS before EPA will pay for the work to which the state is contributing funds. Therefore, state payments should be scheduled approximately two weeks ahead of the anticipated outlay date to allow for administrative processing. If a RA occurs in several phases the payments may be spread out accordingly. In this situation, the SSC will schedule the respective state payments to ensure deposit in the Treasury and recording in IFMS no later than EPA's obligation of funds for each phase.
- Billing -- Thirty days prior to the date on the SSC payment schedule, the regional Management Division will send to the state a notice of the amount required and the due date. The SSC, and any invoice to the state requesting payment, must include the requirement that payments be sent to the regional Superfund lockbox address. The regional Management Division will reference the SSC, including the EPA site name and identifier, on the invoice. The Division will also require the state to include a copy of the invoice with any remittance sent to the regional Superfund lockbox address.
- Receipt of Payment -- If EPA does not receive the requested funds by the date on the payment schedule, the regional Management Division will notify the RPM/

RPO immediately. The RPM/RPO is responsible for follow-up with the state and will keep the regional Management Division advised. No interest will accrue on the invoiced amount, because the state cost share is not a debt to the Agency, but rather an advance payment. The Region deposits its cost share in the Trust Fund and receives in return a reimbursable allowance.

- Closeout -- The RPM/RPO is responsible for notifying the regional Management Division when it is time to close out the specific SSC. The regional Management Division will reconcile the financial data on the Federal-lead action.

For additional information on financial management responsibilities related to SSCs, refer to the Resources Management Directives Systems 2550D, Chapter 9 and State Participation in the Superfund Program guidance, Chapter 7.

Cost Recovery/Cost Documentation

CERCLA, as amended, imposes liability on responsible parties for the cost of responding to releases or threatened releases of hazardous substances from hazardous waste sites or spills. When these PRPs fail to clean up sites on their own, EPA may perform the cleanup and later attempt to recover the cleanup costs from the parties. Obtaining reimbursement for these costs through judicial action is one of the chief goals of the Superfund program.

Cost recovery documentation is performed by a case development team comprised of representatives from the ORC, the regional program office and the regional SFO. The involvement and distribution of responsibilities of each of these offices during the cost recovery process does vary within each Region. The sequence of activities is provided as a guide. The cost recovery process, which is typically completed within an eight week timeframe, is briefly described below:

- Initiation of Cost Recovery Process -- The regional program office prepares and submits the Cost Recovery Checklist to OWPE through the Regional Cost Recovery Coordinator (RCRC) to initiate the HQ documentation process. The checklist is also submitted to the regional SFO to begin the documentation process for regional Superfund site specific costs. Among other things, the checklist prescribes the date through which costs are to be documented and the date documentation is required by the case development team.

The RCRC obtains the cost documentation package from OWPE and the SFO and prepares a "merged" cost summary (if this is not done by the regional SFO). The RCRC also requests site specific reports generated by REPORTER (or SPUR), from the SFO which provide the cost basis for negotiations with PRPs. In FY90, the HQ responsibilities were delegated to the Regions.

- Cost Documentation and Reconciliation -- Cost documentation and reconciliation involve collecting and reviewing required documentation to ensure that accounting and cost information are recorded correctly, that costs are properly chargeable, that ANs refer to the appropriate site, and that costs on the documents are reflected accurately in IFMS. The regional SFO documents regional Superfund site specific costs and prepares the regional office cost summary; computes

indirect costs; provides expert and factual financial witness testimony; provides assistance to legal and program staff interpreting financial documents and REPORTER (or SPUR) reports, and provides CA cost documentation.

The ORC reviews the final cost summary and documentation package in preparation for litigation and takes appropriate actions pursuant to the Privacy Act and regulations concerning Confidential Business Information to ensure that protected information is not released.

- Site File Maintenance -- Diligent maintenance of the site files is crucial to cost recovery and is the responsibility of the Regions. Site specific financial files should be maintained by the FMO until such time as cost recovery action is initiated or a minimum of six years. Disposal of files is subject to regional program office approval. The cost recovery financial documentation case file should be maintained by the RCRC until this cost documentation is required by the litigation team.

HANDLING FINANCIAL DATA IN THE CERCLIS ENVIRONMENT

The implementation of IFMS will affect the handling of financial data in CERCLIS. This process has not been developed yet. The Manual will be updated when procedures have been completed.

Entering Remedial/Removal Data into CERCLIS

Once the funding document has been processed by the Region, the planned financial data must be replaced by the commitment or obligation data. The "P" (planned) in the Financial Type field in CERCLIS (C3202) must be changed to a "C" (commitment) or an "A" (actual obligation) and the funding amount in CERCLIS and on the funding document must agree. If a Region wants to retain planned financial data, it must enter the planned obligation into CERCLIS with a regional Financial Type of "X", "Y", or "Z". In any event, the Financial Type code of "P" (planned) cannot remain in the system once the funds are committed or obligated. Failure to replace the "P" (planned) could cause the region to exceed its annual budget which will result in 1) withholding AOA approval or 2) a reduction in next quarter's AOA.

At this time, certain data are optional for entry into CERCLIS by the Region. These include commitment/decommitment or obligation/deobligation date and amount, financial type and contractor name. These data are transferred from IFMS. Regions are not required to enter outlay or credit information into CERCLIS.

Entering Enforcement Case Budget Data into CERCLIS

The Region will be responsible for entering obligations/tasking (WAs issued) into CERCLIS. Responsibility for verifying the information in IFMS and CERCLIS for obligations or deobligations and outlays incurred resides with the Regions.

To ensure that all appropriate financial data are reflected in CERCLIS, the following information should appear on obligation documents: EPA ID number, S/S ID, CERCLIS Event or Enforcement activity codes and OU number, WA number, amendment number and amount.

A crosswalk is provided in Appendix C displaying the relationship between CERCLIS Enforcement activities, Remedies and Events and their corresponding codes.

ANs must be established for each transaction before commitment and obligation. A CA is considered obligated when it is signed by the Regional Administrator. An IAG is considered obligated when it is signed by the other agency. Contracts are considered obligated when the CO signs the obligating document or, in the case of a TES WA, when the CO signs the WA. Regions are also responsible for reviewing and recommending payment of the invoice/voucher (outlays) for these mechanisms. Once invoices are paid, these dollars are entered into IFMS. If the obligation was generic and the invoice is site specific, IFMS shows the funds deobligated from the generic account and obligated and disbursed from the site specific account.

IFMS to CERCLIS Financial Data Transfer

Each week an automated transfer of selected financial data from IFMS to CERCLIS will take place. Exhibit VI-13 indicates the removal and remedial financial data to be transferred.

EXHIBIT VI-13

REMOVAL AND REMEDIAL FINANCIAL DATA TO BE TRANSFERRED FROM IFMS

- Commitments and decommitments
- Obligations and deobligations
- Funding vehicle
- Outlays and credits (funding type and amount)
- Obligating document number
- DCN

It is important for the Regions to note that they are ultimately responsible for the accuracy of the CERCLIS data bases. Regions will have to ensure that both the planned, commitment and obligation data entered as part of the SCAP process and the actual data transferred from IFMS are accurate and current. Since IFMS is the Agency's official source of financial data, data transferred from IFMS will override CERCLIS data entered by the Regions. A weekly exception report is used to aid in identifying errors or differences between IFMS and CERCLIS. Errors that have been carried over from IFMS must be corrected in both IFMS and CERCLIS.

Correcting Financial Data

The Region's IFMS administrator is the only person authorized to make changes in the IFMS data base. The IMC or designee should work with the regional FMO on a regular basis to make sure that all IFMS errors are corrected. The IMC can request, on a regular basis, a report from the regional financial office which contains all Superfund financial transactions in IFMS. The information in this report can be compared with the funding documents and CERCLIS. Upon determining that the data on the source document were correct and were correctly entered into CERCLIS, the IMC should give the regional FMO a copy of the funding document, and any other relevant documentation, showing that the IFMS data are in error.

The OC has issued standard procedures for correcting IFMS data. There are three kinds of corrections which may be needed on financial information in IFMS as shown in Exhibit VI-14.

Correcting IFMS data entry errors or changing financial information in IFMS are performed by the FMO. Errors in AN/DCN, or other information on the original funding document can only be corrected by the same process used to initially create the financial record (by a contract/PR or by amendment of the IAG or CA).

EXHIBIT VI-14

CORRECTIONS TO FINANCIAL INFORMATION IN IFMS

- Data entry errors in IFMS
- Changing account numbers or DCNs that were initially entered into IFMS
- Correcting errors in the source funding document or making other amendments to existing commitments or obligations

CHAPTER VII
PROGRAM MANAGEMENT AND ASSESSMENT

CHAPTER VII - PROGRAM MANAGEMENT AND ASSESSMENT

ONE MINUTE PROGRAM MANAGER RULES

Following are the actions regional managers must take to comply with the requirements described in this Chapter. In order to acquire a more in-depth understanding of these requirements, the Chapter itself should be read.

- Report Superfund accomplishments as soon as they occur or, at a minimum, on a monthly basis through CERCLIS. HQ management bases its evaluation of regional performance on these data.
- Regions are responsible for CERCLIS data entry and data quality control.
- Regions and HQ will work together at mid-year to develop strategies for improving performance.
- Regions participate in workgroups to perform Total Quality Management (TQM) evaluations of program issues.
- Regions participate in the OSWER TQM review.

CHAPTER VII - PROGRAM MANAGEMENT AND ASSESSMENT

This chapter describes the established procedures for assessing the overall performance of the Superfund program. Specifically, this chapter:

- Outlines the objectives of Superfund's internal evaluation efforts, the process by which these objectives are met, and the tools that EPA uses in the evaluation process; and
- Provides Superfund management and staff with a quick-reference guide to their roles and responsibilities in the evaluation process.

ROLES AND RESPONSIBILITIES

HQ and the Regions have different roles and responsibilities in Superfund program evaluation and management, as shown in Exhibit VII-1.

EXHIBIT VII-1

EVALUATION RESPONSIBILITIES

<u>REGIONAL RESPONSIBILITIES</u>	<u>HQ RESPONSIBILITIES</u>
Meet quarterly SCAP and STARS targets and solve performance problems when they arise	Provide guidance to the Regions for the quarterly review, the mid-year assessment, the year-end assessment, and the OSWER Total Quality Management (TQM) review
Provide quarterly SCAP and STARS data to HQ through CERCLIS	Identify priority issues and participate in OSWER TQM reviews
Maintain CERCLIS data quality at high levels for Superfund program and project management	Implement and report on follow-up action items from the OSWER TQM review and Superfund mid-year assessment
Participate in OSWER TQM reviews	Review monthly performance data reported by the Regions and negotiate plans with Regions for meeting targets
Participate in workgroups to evaluate specific program area issues	Continually assess program performance and analyze timeliness and quality of work
Negotiate performance standards that provide individual accountability for quarterly targets	Recommend resource reallocation based on regional needs and performance
Develop plans for meeting targets	Assure that all staff are informed of the results of performance reporting and OSWER TQM reviews
	Identify and undertake special studies that result from the Federal Manager's Financial Integrity Act (FMFIA)
	Track audits, audit response activities, and internal reviews

The Superfund evaluation process provides managers with an opportunity to meet program objectives by:

- Examining program accomplishments;
- Analyzing and discussing issues that affect the successful operation of the Superfund program; and
- Initiating changes in program operations or reallocating resources.

The strategy for assessing the performance of the Superfund program is comprised of the following parts:

- Monthly and quarterly SCAP/STARS performance evaluation with CERCLIS data;
- OSWER Total Quality Management (TQM) regional reviews; and
- Internal evaluation and audit follow-up.

This strategy enables management to recognize high performance, concentrate Superfund resources in those Regions that demonstrate success, and provide training and technical assistance to those Regions that are experiencing difficulties.

PERFORMANCE EVALUATION

The Regions report their Superfund activities on a monthly basis through CERCLIS. CERCLIS monthly progress reports indicate program accomplishments for SCAP and STARS measures on a Region-by-Region basis. Management bases its evaluations of regional program performance on these data. Each quarter, accomplishment data are used to support formal SCAP/STARS performance reporting. Detailed management evaluations occur at two points of the FY: during the second and third quarters (mid-year assessment) and after the fourth quarter (end-of-year assessment) (see Exhibit VII-2).

The Regions are responsible for data entry and data quality control. Accomplishment data for SCAP and STARS reports are pulled from CERCLIS at the close of business on the fifth working day of the month. If a Region has not entered its accomplishments into CERCLIS by that time, its performance will not be captured in the data pull, nor will its accomplishments be reported in STARS reports.

Quarterly Reviews

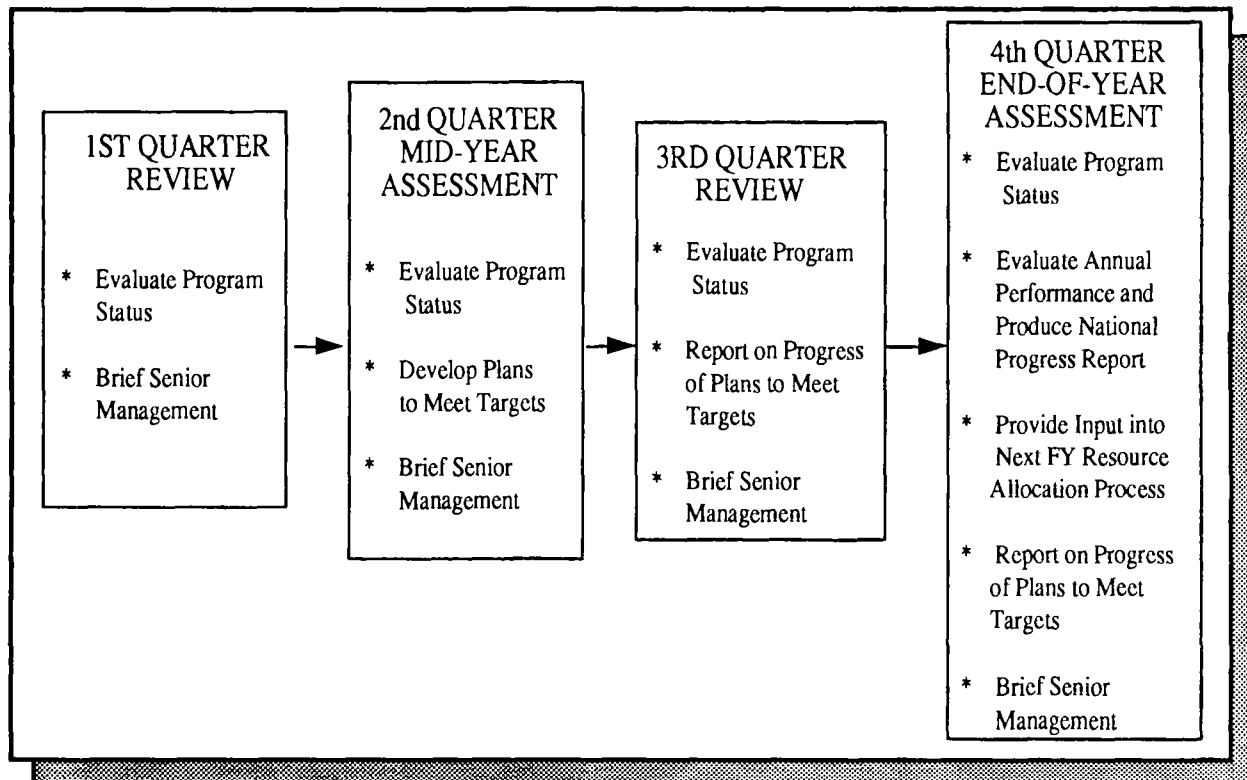
The purpose of the quarterly review is to:

- Track regional progress toward accomplishing quarterly and end-of-year SCAP and STARS targets;
- Identify and assess problems impacting performance soon after they arise; and
- Work with Regions to develop plans for meeting their targets.

The quarterly review process provides HQ with a way to monitor regional progress toward accomplishing program targets. On a national scale, the review process allows HQ managers to identify trends in program performance and adjust program management strategies accordingly.

EXHIBIT VII-2

THE QUARTERLY REVIEW PROCESS



Between 15 and 30 business days following the end of the quarter, after the Regions have finalized their CERCLIS entries, evaluation staff brief individually the HQ and Regional Division Directors, the OERR and OWPE Office Directors, the AA SWER, and the Deputy Administrator. Quarterly memoranda are sent to Regional Administrators and Deputy Regional Administrators by the AA SWER. The memoranda contain the most significant issues/activities and performance highlights from the previous quarter.

Mid-Year Assessment

The focus of second quarter evaluation activities is the mid-year assessment. The purpose of the mid-year assessment is to provide both HQ and the Regions with an opportunity to assess performance and take appropriate action to enhance progress toward meeting annual commitments. During the mid-year assessment, management also considers the impact of regional program performance on the Superfund pipeline. The mid-year assessment begins near the end of the second quarter, when HQ and the Regions examine progress made during the first five months of the year. By early March, the Regions should be able to assess the progress that they have made toward meeting second-quarter SCAP and STARS targets. By that time, they should also be able to know whether they are likely to achieve their end-of-year targets.

Preliminary performance data for the mid-year assessment are pulled from CERCLIS on the fifth working day of March and compared to data on missed targets. Based on these comparisons, HQ develops a list of Regions that seem to be having trouble meeting their targets. During the following week, HQ meets with staff of each of these Regions to discuss strategies for improving program performance. If these Regions do not improve their performance, a HQ team may visit each of them to assist staff in developing strategies for improving performance. HQ will advise the Regions of the extent to which they should consider additional resources (e.g., contractual, personnel, technical assistance) in making their plans.

On the fifth working day of April, second quarter SCAP data are pulled from CERCLIS. The Regions that CERCLIS data show have resolved performance problems and are projected to meet annual targets are then dropped from the final list of Regions to visit. The OERR and OWPE Directors are then briefed on the mid-year assessment strategy. The Regions are notified of their status by mid-April.

By the mid-year STARS briefing (the second week in May), HQ divisions brief the OERR and OWPE Directors on the steps taken to ensure the accomplishment of annual targets. The mid-year assessments result in a series of agreements between HQ and the Regions on actions that the Regions will take either to achieve or to exceed end-of-year accomplishment targets. To ensure that these actions are implemented, HQ will: distribute action agreements to appropriate managers; track follow-up items; reallocate resources; and provide the Regions with technical assistance. The results of the mid-year assessment can also affect resource allocations for the next FY. This measure of a Region's ability to meet their targets will be considered in August, when final FY92 SCAP/STARS commitments and regional budgets are established.

End-of-Year Assessment

After the end of the fourth quarter, in October, HQ conducts an end-of-year assessment. This assessment is an integrated analysis of program performance activities for the year. The purpose of the end-of-year assessment is to emphasize pipeline issues. The end-of-year review also notes progress toward implementing strategies identified in the mid-year assessment and identifies Regions that might require additional assistance as the new FY begins.

HQ considers the end-of-year assessment in developing the preliminary targets in mid-December and the mid-year SCAP negotiations that are held in February/March for the FY91 third and fourth quarters. In this way, the results of the end-of-year assessment have a double impact.

OSWER REGIONAL REVIEWS: FY91 - TOTAL QUALITY MANAGEMENT APPROACH

Objectives

In developing the OSWER regional review process for FY91, the following was assessed, the timing of the review cycle, the types of evaluation, oversight and technical assistance incorporated, the focus of the issues, and the results of the reviews. A key objective of this cycle of OSWER reviews is to narrow the focus to key programmatic areas identified in annual guidance. An ancillary goal is to shorten the review cycle. While each OSWER program office will be responsible for their own review preparation, a similar process, utilizing the principles of TQM, will be used to evaluate the issue areas. There will be a concerted effort to tie into evaluations already underway in each program area. The product of the review will be negotiated plans for continued improvements.

Process

This approach to the OSWER regional review process has four primary phases and the following key features:

- Phase 1 - Selection of Program Issues -- Program offices will select several specific program areas or issues for review at the beginning of the FY. Each program office will focus on a few systemic or significant issues from among those identified in the year's Operating Guidance and program guidance.
- Phase 2 - TQM Evaluations -- In-depth evaluations of the specific program issue areas by HQ and regional workgroups during the first two quarters. These issues will be analyzed using a TQM process that will emphasize solutions developed by the actual HQ and regional participants.
- Phase 3 - On-Site Senior Management Visit -- Conduct on-site visit of all ten Regions by senior program managers during the third and fourth quarters to provide a more uniform timeframe for comparisons and program-wide assessments of the programs.
- Phase 4 - Products and Follow-up -- The product of the review would be the negotiated plans for continued improvement developed in the on-site meetings.

Each of these phases are explained in the following sections.

Selection of Program Issues

Before the beginning of the FY, all program offices (i.e., OERR, Office of Solid Waste (OSW), OWPE, Office of Underground Storage Tanks (OUST) and AA SWER Immediate Office) identify key program areas and issues in the Agency's Operating Guidance or in individual program management guidance. From this universe, the program areas and issues selected by the program offices for regional reviews will be those key issues that HQ program managers believe to be important to the general success of the program's mission and to be most amenable to the inter-program nature of the OSWER review. The AA SWER will then notify the Regions of the specific program areas and issues that HQ will be examining. Regions will comment on these topics and propose others for consideration.

TQM Evaluations

During the first and second quarters of the FY, program offices will organize TQM workgroups around the specific program areas and issues selected by the program offices. Each program office will develop a workplan outlining the approach to be used in conducting the in-depth evaluation for each Region. The approach to the in-depth evaluation will depend on the program area and issues involved. Information collection may include a review of information already available; a series of phone calls to the Regions to obtain more information; targeted visits to some or all the Regions, if needed; or any combination of these approaches. The benefit of this flexible approach is to allow the most appropriate evaluation techniques and program personnel in an environment of diverse issues and program areas.

On-Site Visit

After the in-depth evaluation of a particular Region, program office staff will brief program office managers on their findings. Senior program managers will then conduct an on-site visit to all ten Regions during the third and fourth quarters of the FY. Each on-site visit will be tailored to the particular Region, with emphasis on the program areas and issues identified and examined in the previous phases. However, the on-site visit could also include discussions of other program areas or issues that the senior management would like to explore. Because only senior program managers attend the on-site visit and most of the information gathering has already occurred, senior management participants can focus on negotiating plans for continued improvement.

Products and Follow-up

The results of the on-site visit will be reviewed and useful regional experiences will be shared among the Regions. Negotiated workplans will be confirmed in writing. Any outstanding issues will be documented and addressed after the review.

EVALUATION AND AUDIT FOLLOW-UP

The Superfund program has been the subject of intensive review and oversight by both Congress and private interest groups. More than 33 reports have been published on the program in the last two years. In addition, HQ and regional offices conduct a number of internal reviews to satisfy external requirements and for program management and policy purposes. To date, there has generally been a lack of coordination between HQ and the Regions on the conduct or the results of these reviews.

In 1988, Congress amended the Inspector General Act, creating new semi-annual audit reporting and follow-up requirements. In addition, if the OIG identifies a weakness, the funds that could be saved by resolving that weakness must also be identified. OMB has indicated that it may use the potential savings associated with an unresolved weakness to reduce program budgets. Furthermore, OMB guidance for preparation and submission of budget estimates requires that agencies ensure their budgets reflect a commitment to resolve weaknesses identified by OIG. Weaknesses and corrective actions must also be reported in the Federal Manager's Financial Integrity Act (FMFIA) annual assurance letter.

These requirements, along with an increased attention to internal controls and audit follow-up, have resulted in the development of a system to track audits, audit response activities and internal reviews. The tracking system, called the Superfund Report Information System

(SRIS), will be operated by the Planning and Evaluation Section (PES) of the Program Development and Budget Staff in OERR. As such, Regions and HQ divisions should inform PES of any audit with which they are involved or any internal study they conduct that might have implications for internal controls.

CHAPTER VIII
WORKLOAD MODELS

CHAPTER VIII - WORKLOAD MODELS

ONE MINUTE PROGRAM MANAGER RULES

Following are the actions regional managers must take to comply with the requirements described in this Chapter. In order to acquire a more in-depth understanding of these requirements, the Chapter itself should be read.

- No Full-Time Equivalents (FTE) are given to projects that are incorrectly coded and scheduled in CERCLIS.
- As a result of the freeze in regional FTE, Regions may propose changes to targets during negotiations to match the total regional Superfund resource level.
- Data quality checks used to identify response projects that will not receive FTE include:
 - Missing first and subsequent start and completion codes;
 - Missing planned start and completion dates;
 - Missing project leads;
 - Targets missed in previous years; and
 - Projects identified as "Alternate" targets.

CHAPTER VIII - WORKLOAD MODELS

OVERVIEW

Regional FTE allocations are made through the Hazardous Spill and Site Response Model and the Technical Enforcement Model. Resources for the site assessment, remedial and removal programs are contained in the Spill and Site Response Model. Enforcement resources are in the Technical Enforcement Model.

The workload models are designed to reflect priorities and policies contained in both the budget and planning processes. For the most part, the workload models are a straight forward application of FTE pricing factors from the national budget to Region-specific SCAP/STARS targets and projections of ongoing activities in the remedial pipeline. **No FTE are given to projects that are incorrectly coded and scheduled in CERCLIS.**

Regional FTE allocations usually occur in two stages. An initial allocation is made in April based on preliminary negotiated SCAP/STARS targets and schedules in CERCLIS. A final distribution is made in September. This distribution reflects the final SCAP and STARS targets negotiated in August as reflected in CERCLIS and any adjustments to the budget as a result of Congressional action.

Beginning in FY91, each Region's FTE will be frozen at the FY90 levels. Resources will remain frozen for a period of two years provided that the national budget does not increase or decrease by ten percent or in special circumstances where the Regions and the program managers agree a change is necessary. While the freeze ensures that total regional Superfund resources will not be affected, shifting of resources within the Region among the different program areas may occur. This includes shifts between the response and enforcement programs. All shifts will be based on the national budget and the integrated Priority Setting Matrix.

During negotiations of preliminary and final SCAP/STARS targets, Regions may propose changes to the targets to match the total regional Superfund resource level. These proposals must be made in accordance with the integrated Priority Setting Matrix. HQ will ensure that the cumulative regional targets meet national budget commitments.

HAZARDOUS SPILL AND SITE RESPONSE MODEL

General Model Description

The Hazardous Spill and Site Response Resource Distribution Model (referred to as the OERR Resource Distribution Model or Workload Model) system provides information necessary to determine the total regional response FTE allocation contained in the Congressional Budget amongst the ten EPA Regions. The workload model reflects priorities and policies contained in both the budget request and SCAP and STARS planning processes.

Specifically, the workload model is both a mainframe and PC system application utilizing FTE pricing factors from the national budget (FTE per unit of output) and regional SCAP/STARS targets and projections as entered into the pricing factors. If regional targets are not available, FTE allocations are based on algorithms which include related activities and/or a percentage share of a given universe.

The workload model consists of six components: site assessment, remedial pipeline, remedial support, analytical services, management support, and contract management. For remedial pipeline events, FTE are allocated site and project specifically on a per quarter basis, using current site planning data as reflected in CERCLIS and any SCAP/STARS targets negotiated for the site. The direct use of CERCLIS SCAP/STARS targets and planning data provides solid accountability for management support, and analytical services. FTE allocations are based on non-site specific aggregated counts of activities per Region. The model then calibrates the FTE levels calculated for most of the program areas (site assessment, remedial pipeline, remedial support, and removal) to the FTE levels identified in the budget request. These calibrations ensure that budget priorities are reflected in FTE distribution.

In past years, regional FTE workload model allocations occurred in two stages. An initial allocation was made in March utilizing the preliminary SCAP/STARS targets; this allocation distributed 95% of the total regional Response FTE contained in the Congressional budget request. The 95% level represents a baseline for each Region to allow for staff planning prior to the start of the fiscal year. A final distribution was made in September which reflected final SCAP/STARS negotiated targets plus Congressional action to date on the budget request. For FY91 and FY92, 100% of the FTE will be distributed in September. The FTE contained in the Congressional budget request will be distributed according to the FY90 distribution level for each Region. Targets will be reconciled to this level.

This chapter describes in more detail the operations involved in each of the workload model phases. There are a number of operating steps in each application of the model. Some operating steps are required and must be executed in order for the model to function properly; others are optional and the user must determine if these operating steps should be executed. Additionally, users may experiment with a variety of operating combinations in order to identify the impact of various "what if" scenarios. Exhibits VIII-1 and VIII-2, on the following pages, are flowcharts for the remedial pipeline information.

Mainframe Application Concepts

Workload File Creation Process

Data are extracted from the CERCLIS data base on a date negotiated by HQ and the Regions to ensure that site data accurately reflects current mainframe computer. A project specific workload file is created which includes RI/FS, RD and RA events. The project-specific workload file contains every NPL site remedial pipeline project identified in CERCLIS.

Data Quality Checks Process

Several data quality checks are performed against the project-specific workload file to identify projects which have data errors. This step ensures that Regions will only receive resources for projects which are properly planned and coded in CERCLIS. If a problem exists, each of the fields for which a data quality check is performed have a flag field equal to "Y" assigned. After all tests are performed, the field "BADFLAG" is updated to "YES" if any of the individual problem flags is equal to "Y". Any project which has a

EXHIBIT VIII-1
WORKLOAD MODEL OPERATIONS
REMEDIAL PIPELINE INFORMATION

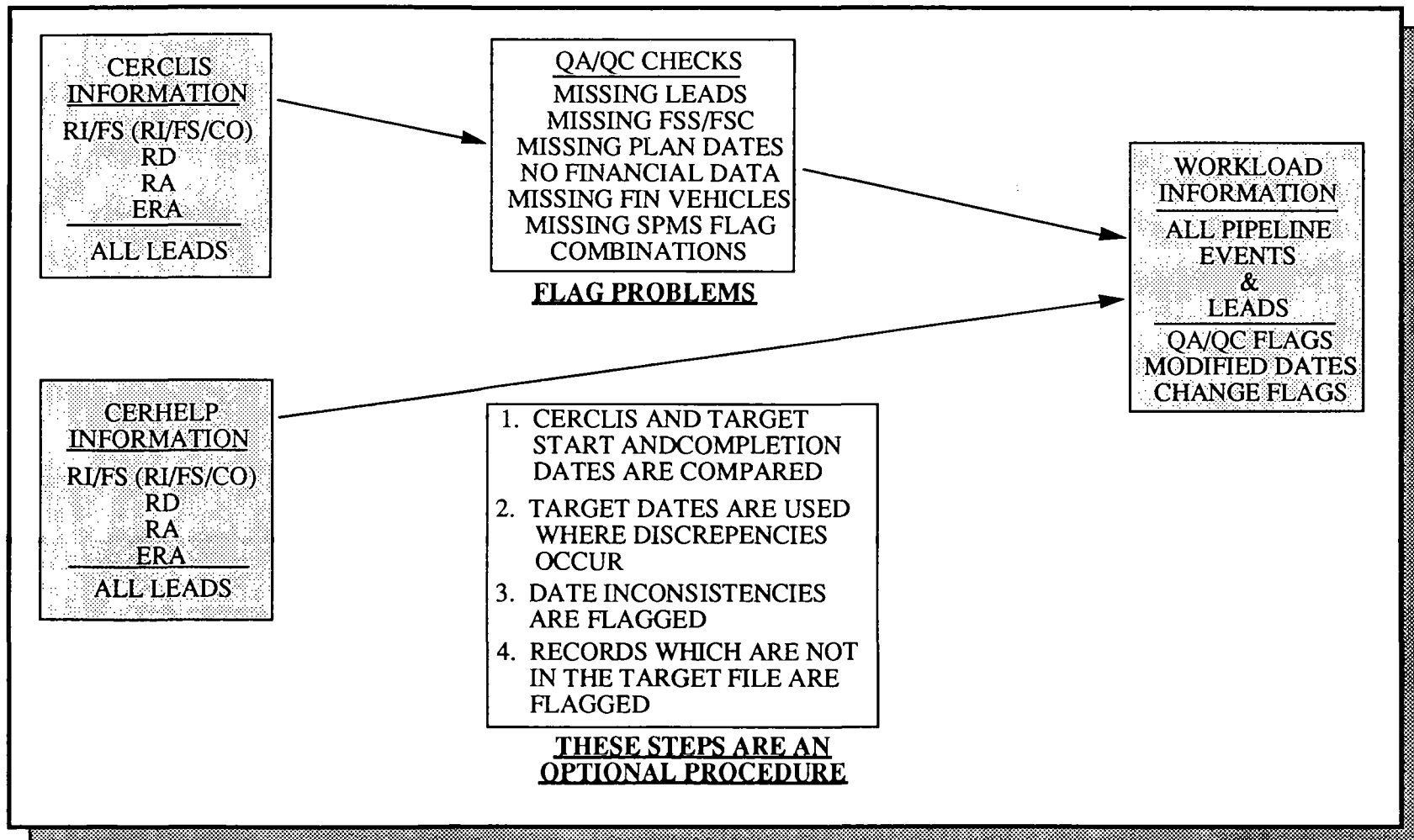
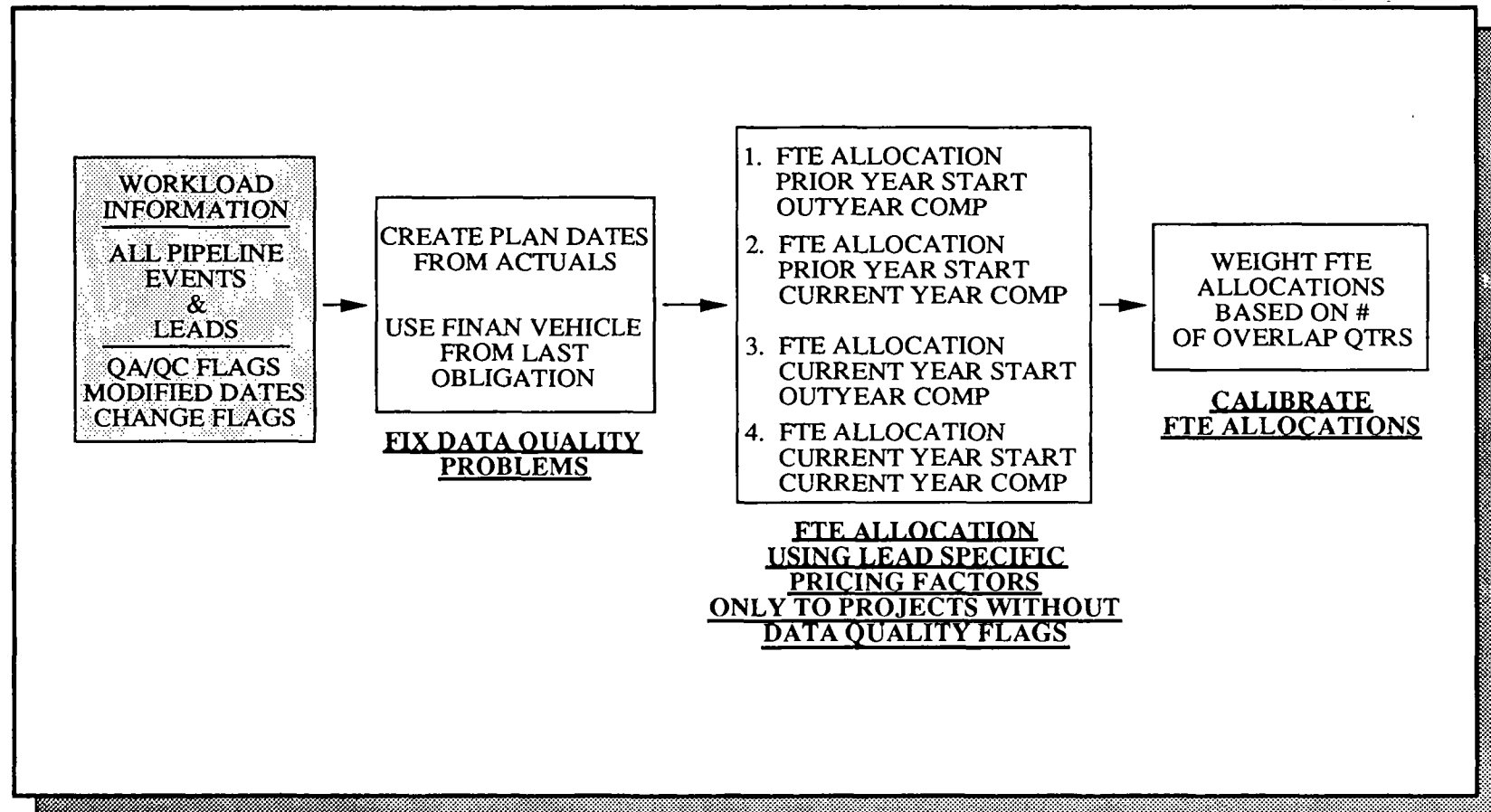


EXHIBIT VIII-2

WORKLOAD MODEL OPERATIONS REMEDIAL PIPELINE PROCESSING



“BADFLAG” equal to “YES” will not receive FTE. The user has the option to include or exclude running the edit checks process. The individual data fields for which data quality checks are performed include:

- FSS/FSC Codes -- This check identifies projects which are missing both FSS (C2115) and FSC (C2116) codes in CERCLIS. It is permissible for a project to have one or the other (as in the case of a takeover), but a Region will not receive FTE for a project which has neither.
- Planned FY/O Starts and Completions -- This check identifies projects missing planned start or completion dates. Before this check is executed, a routine is run to create planned dates from actual dates. Any project not having both a planned start and completion date will not receive FTE.
- Project Planned Obligations -- This check identifies projects planned to start and not having planned obligations with approved funding. Only projects with certain leads (C2117 equal to “F”, “S”, “EP”, “FE”, “SE”) are subject to this test.
- Activity/Event Planning Status Codes -- This check identifies projects planned to start but are marked as alternates by the Activity/Event planning flag (C2110 equal to “A”). Projects containing a blank or “P” are eligible to receive FTE.
- Project Leads -- This check identifies projects missing a lead (C2117 equal to “ ”). Regions will not receive FTE for any project which does not have a lead because FTE are calculated using lead-specific pricing factors.

Target Overwrite Process

This process compares the planning data in CERCLIS and SCAP/STARS targeting data reflected in CERHELP. The user has the option to include or exclude running the target overwrite process of the workload model. If the user chooses to include the target overwrite process, the following steps are executed:

- Identifying Targeted Projects -- The first step identifies specific projects which are eligible to receive FTE:
 - Does the project have an actual start date?
 - Is the project a type which is not a SCAP/STARS target?
 - Is the project a target in the CERHELP file?

Projects answering no to all of the above questions, are not targeted and are marked by a “Y” in the “NOTARG” flag field.

- Identifying Model Calculation dates -- The second step determines the FY/Q dates used in the calculation of FTE. The specific “Model Dates” used in calculations are U2132 and U2133 as opposed to the CERCLIS planned dates (C2132 and C2133).

The start date (U2132) used in calculations is the later of the planned (CERCLIS) or targeted (CERHELP) start dates.

The completion date (U2133) used is always the targeted (CERHELP) completion date. This ensures that resources are not provided for any project which has missed its targeted completion date.

- Identifying Missed Projects -- The third step identifies projects not receiving FTE for the following reasons:
 - Targeted date in CERHELP is historic;
 - Project does not have an actual start date; or
 - Planned project has not slipped in CERCLIS.

Note: For projects identified as not receiving FTE in this process, the system updates the field BADFLAG to equal "YES".

Data Review Process

After edit checks are performed, an edit report may be produced identifying those projects that are not currently receiving FTE because of data quality problems mentioned above. This report should be used to correct data problems before the final execution of the workload model.

Pricing Factors Loading Process

After the data in the workload and pricing factors data files are reviewed, pricing factors are assigned to each project record. Each project record is matched on lead (C2117) and event type (C2111) to the appropriate record in the pricing factors file; and the start, ongoing, and completion pricing factors are loaded.

Pure FTE Calculation Process

The model calculates FTE for each project not having data quality problems. There are four parts to the pure FTE calculation:

- Prior Year Start - Out Year Completion -- The FTE for each project is calculated by multiplying the number of ongoing quarters (four in this case) times the ongoing pricing factor.
- Prior Year Start - Model Year Completion -- The FTE for each project is calculated by multiplying the number of ongoing quarters times the ongoing pricing factor plus the completion pricing factor if FSC code (C2116) is not equal to blank; if FSC code is equal to blank, one additional ongoing quarter is added.
- Model Year Start - Out Year Completion -- The FTE for each project is calculated by multiplying the number of ongoing quarters times the ongoing pricing factor plus the start pricing factor if FSS code (C2115) is not equal to blank; if FSS code is equal to blank, one additional ongoing quarter is added.

- Model Year Start - Model Year Completion -- The FTE for each project is calculated by multiplying the number of ongoing quarters times the ongoing pricing factor; plus the start and completion pricing factors if FSS/FSC codes (C2115/C2116) are not equal to blank. If FSS code is equal to blank one additional ongoing is added. If FSC code is equal to blank one additional ongoing quarter is added.

Calibrated FTE Calculation Process

If concurrent projects exist at a site, the model then calibrates the pure FTE assigned for each project. There are four parts to the calibrated FTE calculations:

- Identify Ongoing Quarters for a Project -- Set flags for each of the four quarters identifying if the project is ongoing during that quarter based on the model dates.
- Identify Concurrent Quarters -- Modify flags are a set for each of the four quarters to identify the existence of overlap quarters by comparing each project to the other projects at the site.
- Summarize Quarter Information -- Accumulates the number of ongoing and overlapping quarters for each project.
- Calculate the Calibrated FTE -- The FTE for overlapping quarters are reduced by 40% for the second project at a site and by 60% for the third or greater project at a site. The first project at a site receives full FTE.

PC Application Concepts

Data Loading Process

After the Mainframe processes are completed (including the creation of the nine Lotus files and the download of those files to the PC), the data loading process is performed. This automated process loads the nine Lotus files that were downloaded from the mainframe into the spreadsheet, performs the necessary formatting, and places the data into the appropriate cell locations. Specifically, the spreadsheet model retrieves the files from the Remedial Pipeline Workload Model directory using the "Load Macro" function. (The "Load Macro" function may vary from Region to Region.)

Note: This process will not function if the macro that retrieves the files references the wrong directory.

Data Maintenance Process

Users may change the spreadsheet constant values to experiment with "what-if" scenarios. However, before changing data, it is recommended that each spreadsheet be saved under a different file name to enable comparing the results of the different scenarios. Whenever spreadsheet data is changed, it is necessary to re-execute the model to calculate the latest results.

TECHNICAL ENFORCEMENT MODEL

The FY91 Enforcement resource distribution methodology is intended to accomplish the following significant goals:

- Focus the distribution of resources on a limited number of major activities, primarily those that are STARS or SCAP targets;
- Fold the distribution of resources for functions closely associated with achieving the major target activities into the distribution of resources associated with the targets themselves. (For example, the removal start target will determine the share of resources for all activities attempting to achieve the PRP response, such as non-NPL search activities, negotiations and all enforcement actions);
- Use preliminary targets as a means of recognizing past regional performance and the achievement of regional program plans;
- Make preliminary ("FTE and extramural") resource estimates (based on preliminary targets) available for regional planning prior to negotiation of target commitments;
- Provide support for ongoing (non-targeted) enforcement activities based on standard pricing factors; and
- Continue to provide resources for support activities not tied to output commitments at a baseline level for all Regions.

Program Resource Assumptions

The Technical Enforcement model distributes resources using three methods that are described as follows:

Critical Outputs

- **Removals** -- The budget provides resources for PRP searches at non-NPL sites; issuance of AOs (unilateral or on consent) for removals; and oversight of PRP removals. The resources for orders and removal oversight cover both NPL and non-NPL sites. Resources for PRP searches at NPL sites are included under the PRP RI/FS starts. The resources are distributed based on targeted PRP removal starts.
- **PRP RI/FS Starts** -- This category combines resources for NPL PRP searches, and RI/FS negotiations. Although in some cases the PRP search resources will support RI/FS targets for the current year, most will probably support future RI/FS starts. It is therefore important that the Regions carefully plan not only support for current year targets, but that it assess the impact of its searches on future years. The resources are distributed based on the targeted RI/FS starts.

- RD/RA Referrals -- This category combines resources for RD/RA negotiations, UAOs, de minimus settlements and RD/RA referrals. The assumptions in the FY91 budget are that RD/RA negotiations will be attempted at all sites with viable PRPs, beginning the quarter of ROD signature, and that those negotiations will produce PRP responses, settlement or referral at 60% of the sites. Issuance of UAOs is a presumed outcome of at least 40% of the Fund RD starts.

These resources support ongoing and new RD/RA negotiations. In many cases the new negotiations will not result in a referral prior to the following FY.

- Cost Recovery Referrals -- This category provides resources for Section 107 case development and referral. The pricing for remedial cost recovery is 0.75 FTE, pre-RA/removal cost recovery actions are 0.5 FTE, and administrative and other small cost recovery actions are priced at 0.25/action. Priority is to be placed on SOL, remedial cases, and large dollar removals.

Ongoing Support

- PRP RI/FS Oversight -- This category distributes resources only for PRP RI/FS oversight. Resources are based on projected ongoing RI/FS in CERCLIS in the fall of 1990 plus projected oversight support for new starts. To the extent this projection has changed, each Region should carefully review its program profile to determine if those commitments can be met without causing significant disruption to the progress of the program.
- Ongoing Case Support — Section 106, 106/107 and 107 -- This category combines resources designated for Section 106 and Section 107 case support. Resources are distributed based on the number of quarters projected for ongoing Section 106/107 actions plus the number of ongoing quarters projected for new cases following referral, as reflected in CERCLIS. Small cases such as access, liens and bankruptcy are not provided separate technical support resources. It is assumed that most of these cases will generally require only ORC support post-referral.
- PRP/State (PS) Lead Sites -- The resources provided assume an average cost of .75% of federal-lead/PRP site response. The emphasis in this category is on ongoing activities. Resources are provided for each quarter a RI/FS is ongoing as projected in CERCLIS.
- Enforcement Compliance Monitoring -- The resources provided assume approximately one half the sites with PRP response for design or remediation (at a cost of approximately one quarter of an FTE and \$20,000) will require significant compliance enforcement for such activities as stipulated penalties, oversight cost recovery activities, dispute resolution and review of compliance schedules. Additionally, these resources are provided to allow for referrals at those sites where PRPs have not responded to Section 104(e) information requests.

- Ongoing PRP Search -- These resources are for search activity which continues following the RI/FS starts. They support all PRP search activity ongoing at Fund and Enforcement sites. These are not expected to continue beyond 12 quarters.

Support Activities

- Program Implementation -- The resources provided are primarily core management and non-site specific program implementation activities. The distribution methodology indicates the specific method used for each item. It should be noted that non-site specific resources are provided here for state coordination and enforcement agreements, reportable quantities, and civil investigators.

ACRONYMS

ACRONYMS

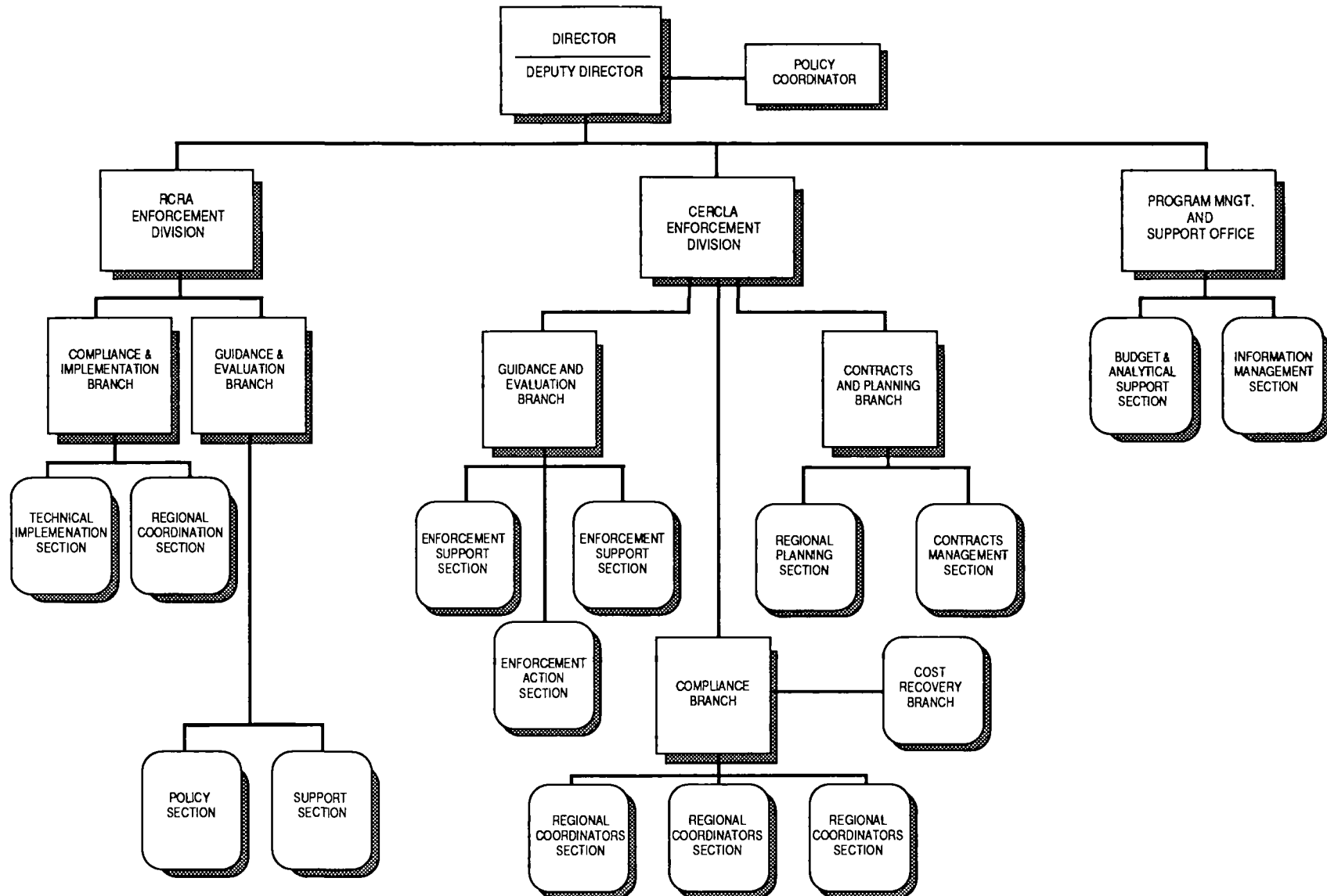
AA —	Assistant Administrator
AA SWER —	Assistant Administrator Solid Waste and Emergency Response
AAU —	Administrative Assistance Unit
ADCR —	Automated Document Control Register
ADP —	Automated Data Processing
A/E —	Architect/Engineer
ALS —	Automated Litigation Support
ALT —	Alternate
AN —	Account Number
AO —	Administrative Order
AOA —	Advice of Allowance
AOC —	Administrative Order on Consent
APR —	Approved
AR —	Administrative Record
ARCS —	Alternative Remedial Contracts Strategy
ARIP —	Accidental Release Information Program
ARM —	Administration and Resource Management
ASU —	Administrative Support Unit
ATSDR —	Agency for Toxic Substances and Diseases Registry
BC/AOA —	Budget Control/Advice of Allowance
BLM —	Bureau of Land Management
BUREC —	Bureau of Reclamation
CA —	Cooperative Agreement
CBD —	Commerce Business Daily
CD —	Consent Decree
CEPP —	Chemical Emergency Preparedness Program
CERCLA —	Comprehensive Environmental Response, Compensation, and Liability Act of 1980
CERCLIS —	Comprehensive Environmental Response, Compensation, and Liability Information System
CERHELP —	CERCLIS non-site specific data base
CLP —	Contract Laboratory Program
CMS —	Contract Management Section
CN —	Commitment Notice
CPCA —	Core Program Cooperative Agreement
CO —	Contracting Officer
CORA —	Cost of Remedial Action
CR —	Community Relations
CRCR —	Cost Recovery Category Report
CWA —	Clean Water Act
DCN —	Document Control Number
DCR —	Document Control Register
DOD —	Department of Defense
DOE —	Department of Energy
DOI —	Department of the Interior
DOJ —	Department of Justice
DPO —	Deputy Project Officer

EPA —	Environmental Protection Agency
EPI —	Environmental Priorities Initiative
EMSL —	Environmental Monitoring Systems Laboratory
ERA —	Expedited Response Action
ERCS —	Emergency Response Cleanup Services
ERD —	Emergency Response Division
ESAT —	Environmental Services Assistance Team
ESF —	Emergency Support Function
EW —	Expert Witness
FCO —	Funds Certifying Officer
FE —	Federal Enforcement
FEMA —	Federal Emergency Management Agency
FINDS —	Facility Index System
FIT —	Field Investigation Team
FMC-Ci—	Financial Management Center - Cincinnati
FMD —	Financial Management Division
FMFIA —	Federal Managers Financial Integrity Act
FMO —	Financial Management Office
FOIA —	Freedom of Information Act
FS —	Feasibility Study
FSS/FSC —	First and Subsequent Start and First and Subsequent Completion
FTE —	Full-time Equivalent
FY —	Fiscal Year
GAD —	Grants Administration Division
GAO —	Government Accounting Office
GICS —	Grants Information Control System
GNL —	General Notice Letter
HQ —	Headquarters
HRS —	Hazard Ranking System
HSCD —	Hazardous Site Control Division
IAG —	Interagency Agreement
IFMS —	Integrated Financial Management System
IMC —	Information Management Coordinator
IRM —	Initial Remedial Measure
ISIF —	Integrated Site Information Form
LEPC —	Local Emergency Planning Committee
LNRD —	Land and Natural Resources Division
LOC —	Letter of Credit
LSI —	Listing Site Inspection
LTRA —	Long Term Remedial Action
MBO —	Management by Objectives
MCP —	Management Control Plan
MEP —	Maximum Extent Practicable
MSCA —	Multi-Site Cooperative Agreement
NFRAP —	No Further Remedial Action Planned
NBAR —	Non-Binding Allocation of Responsibility
NCP —	National Oil and Hazardous Substances Pollution Contingency Plan or National Contingency Plan
NOAA —	National Oceanic and Atmospheric Administration
NSEPP —	National Security Emergency Preparedness Program
NPL —	National Priorities List

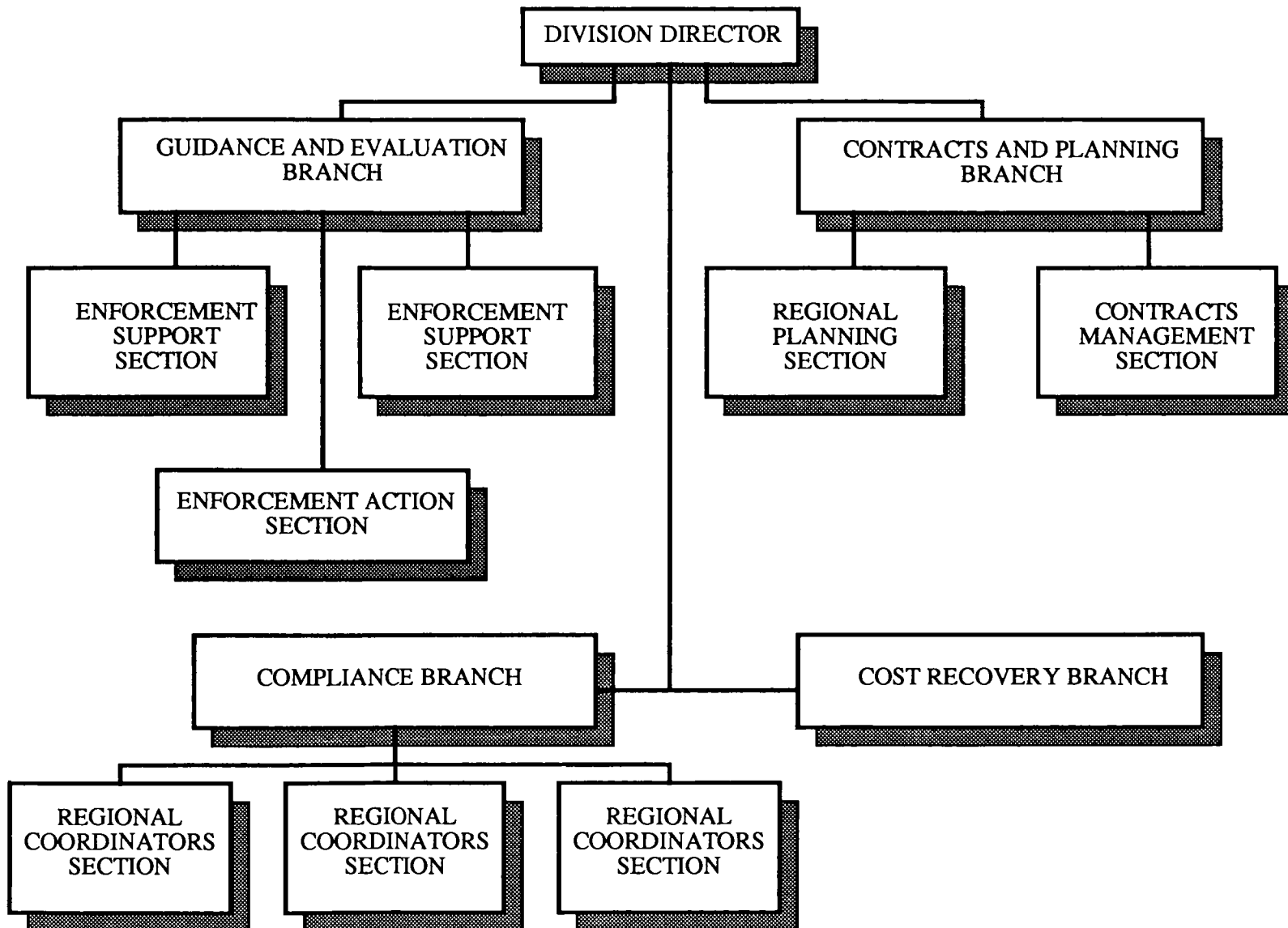
OC —	Office of the Comptroller
O&M —	Operations and Maintenance
OE —	Office of Enforcement
OERR —	Office of Emergency and Remedial Response
OIG —	Office of the Inspector General
OMB —	Office of Management and Budget
OPAC —	On-line Payment and Collections
OPM —	Office of Program Management
OPP —	Office of Pollution Prevention
ORD —	Office of Research and Development
ORC —	Office of Regional Counsel
OSC —	On-Scene Coordinator
OSW —	Office of Solid Waste
OSWER —	Office of Solid Waste and Emergency Response
OU —	Operable Unit
OUST —	Office of Underground Storage Tanks
OWPE —	Office of Waste Programs Enforcement
PA —	Preliminary Assessment
PCMD —	Procurement and Contracts Management Division
PDBS —	Program Development and Budget Staff
PES —	Planning and Evaluation Staff (OERR)
PMSO —	Program Management Support Office
PNRS —	Preliminary Natural Resource Surveys
PO —	Project Officer
PR —	Procurement Request
PRP —	Potentially Responsible Party
QA/QC —	Quality Assurance and Quality Control
RA —	Remedial Action
RCRA —	Resource Conservation and Recovery Act
RCRC —	Regional Cost Recovery Coordinator
RD —	Remedial Design
REM —	Remedial Contractor
RI —	Remedial Investigation
RI/FS —	Remedial Investigation and Feasibility Study
ROD —	Record of Decision
RP —	Responsible Party
RPIO —	Regional Planning and Implementing Officer
RPM —	Remedial Project Manager
RPO —	Regional Project Officer
RRT —	Regional Response Team
RTP —	Research Triangle Park
RTS —	Removal Tracking System
SARA —	Superfund Amendments and Reauthorization Act of 1986
SCAP —	Superfund Comprehensive Accomplishments Plan
SFO —	Servicing Finance Office
SI —	Site Inspection
SIBAC —	Simplified Interagency Billing and Collection
SIF —	Site Information Form
SMOA —	State Memorandum of Agreement
SNL —	Special Notice Letter
SOL —	Statute of Limitations

SPMS —	Strategic Planning and Management System
SPR —	Superfund Progress Report
SPUR —	Software Package for Unique Reports
SRIS —	Superfund Report Information System
SSC —	Superfund State Contracts
SSI —	Screening Site Inspection
S/S ID —	Site/Spill Identification Number
STARS —	Strategic Targeted Activities for Results System
TAG —	Technical Assistance Grants
TAT —	Technical Assistance Team
TBD —	To Be Determined
TESWATS —	Technical Enforcement Support Work Assignment Tracking System
TES —	Technical Enforcement Support
TQM —	Total Quality Management
UAO —	Unilateral Administrative Order
USACE —	United States Army Corps of Engineers
USCG —	United States Coast Guard
USFWS —	United States Fish and Wildlife Service
USGS —	United States Geological Survey
WA —	Work Assignment
WAM —	Work Assignment Manager
ZPO —	Zone Project Officer

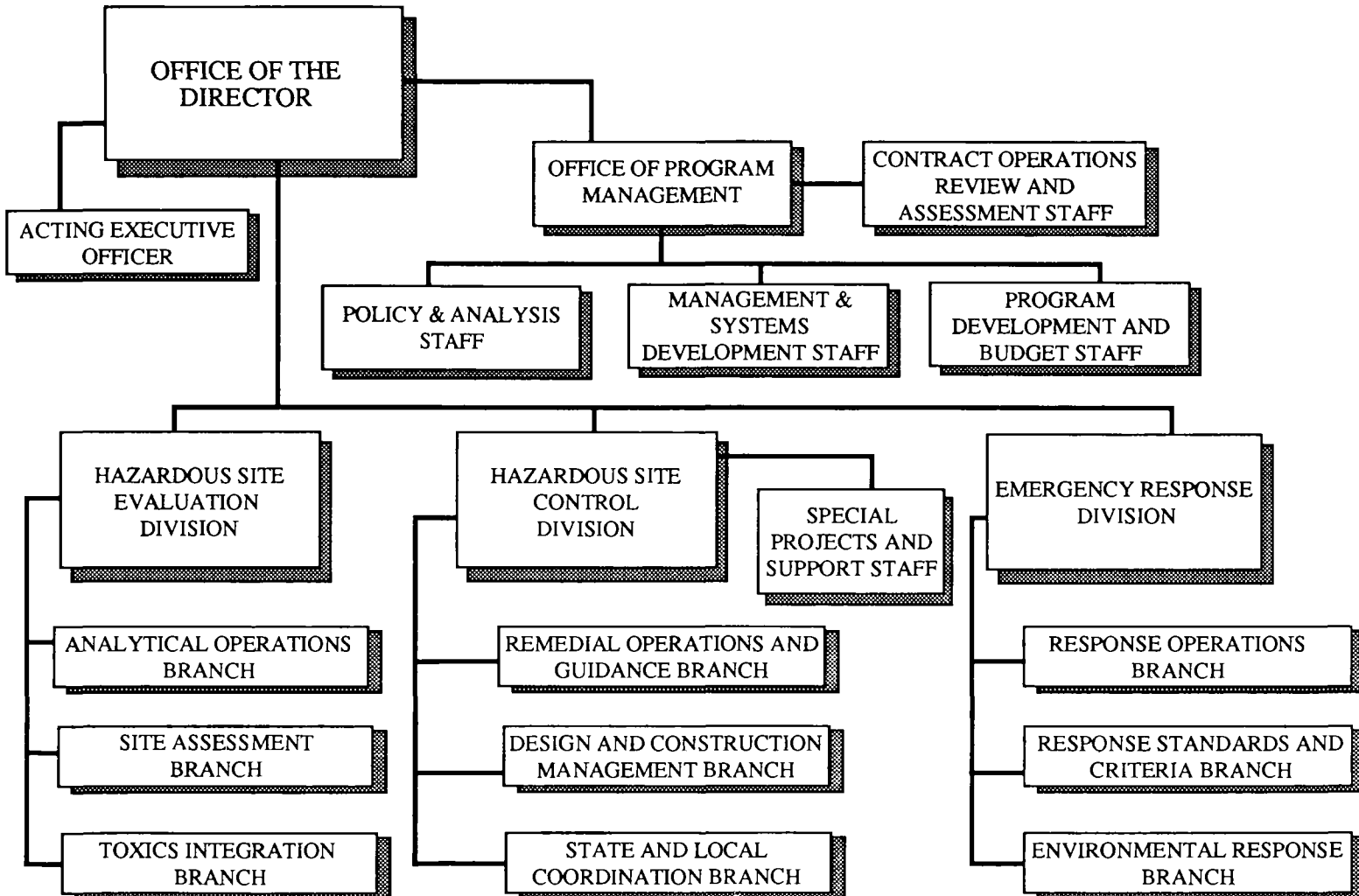
OFFICE OF WASTE PROGRAMS ENFORCEMENT



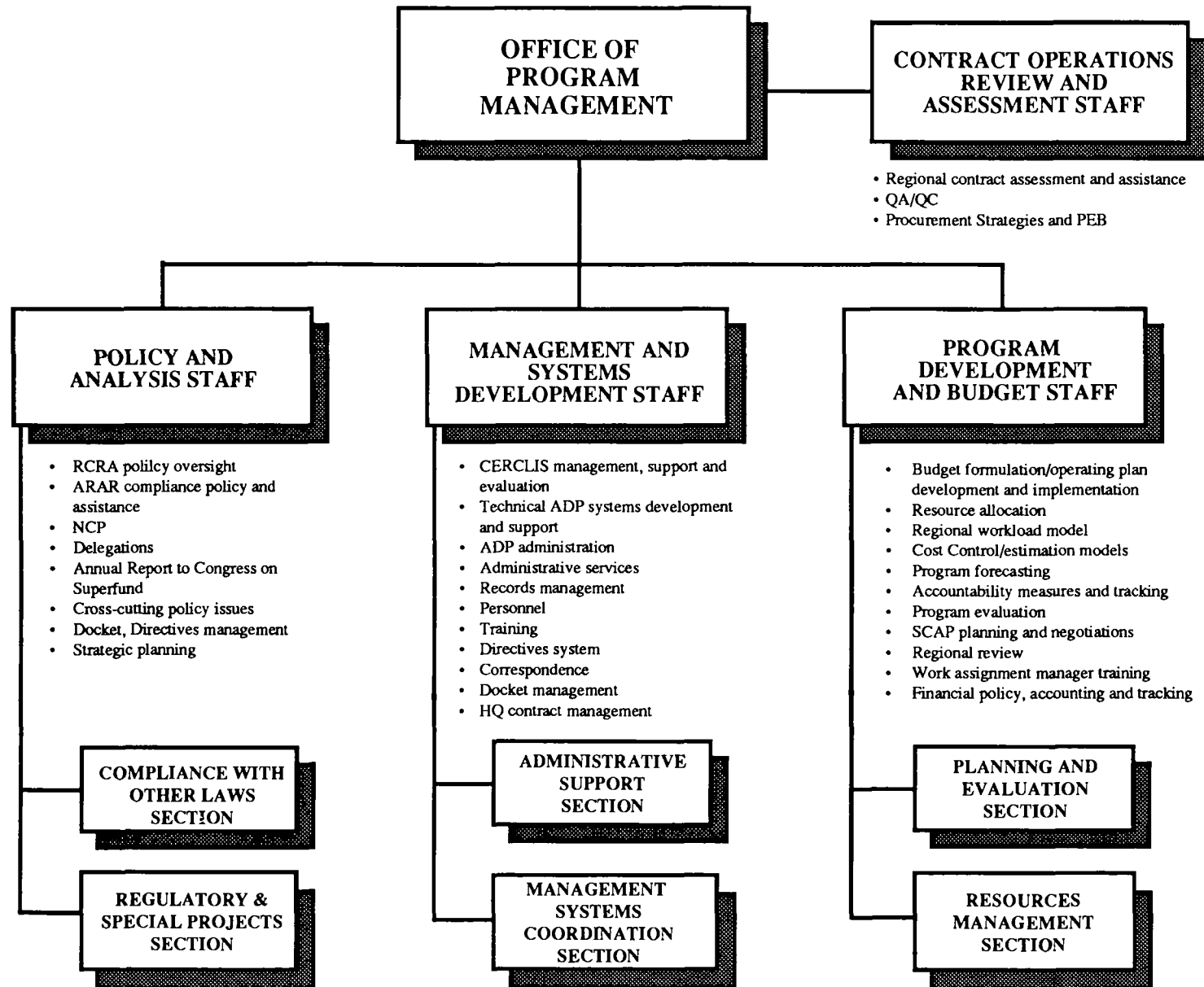
CERCLA ENFORCEMENT DIVISION



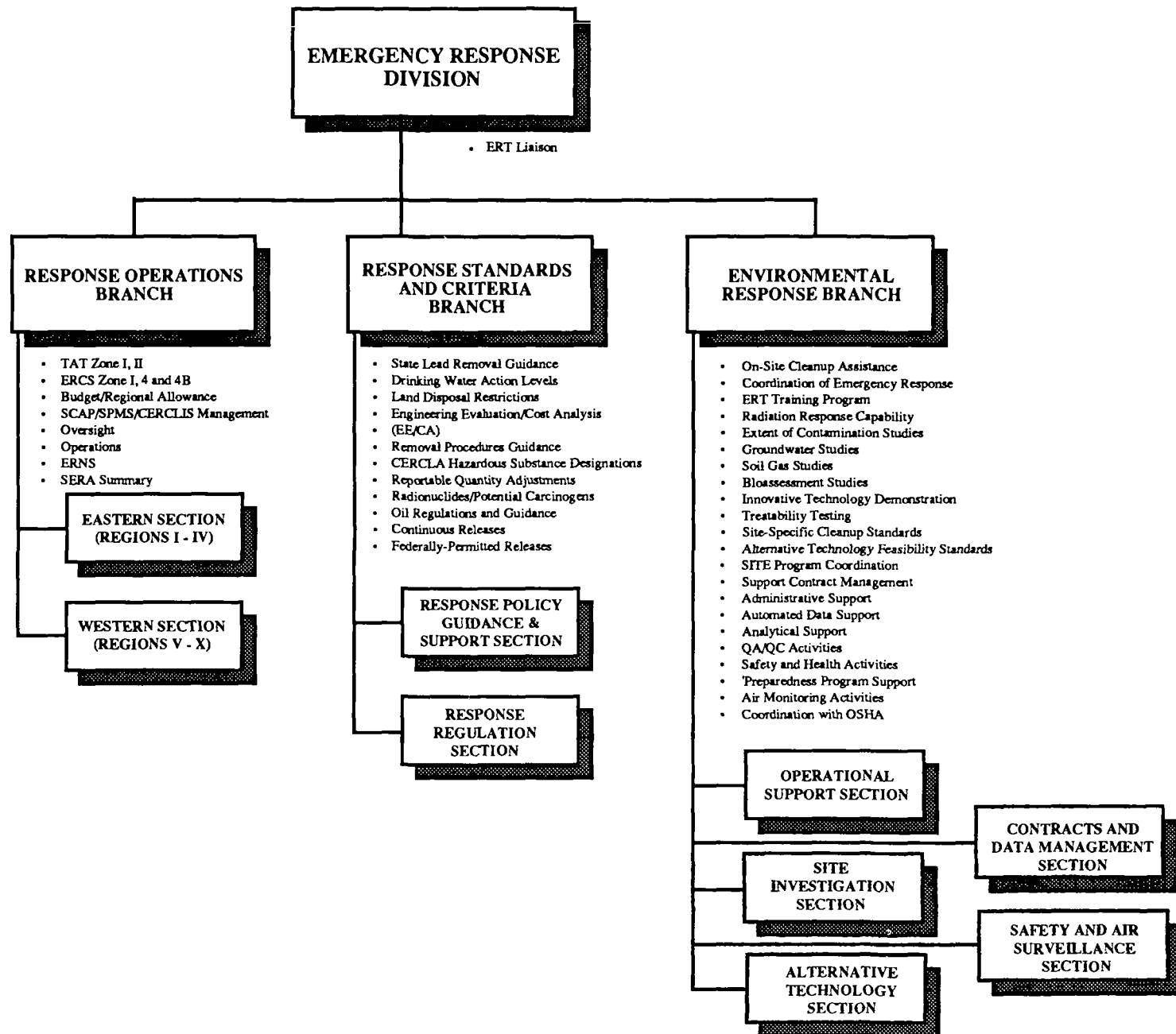
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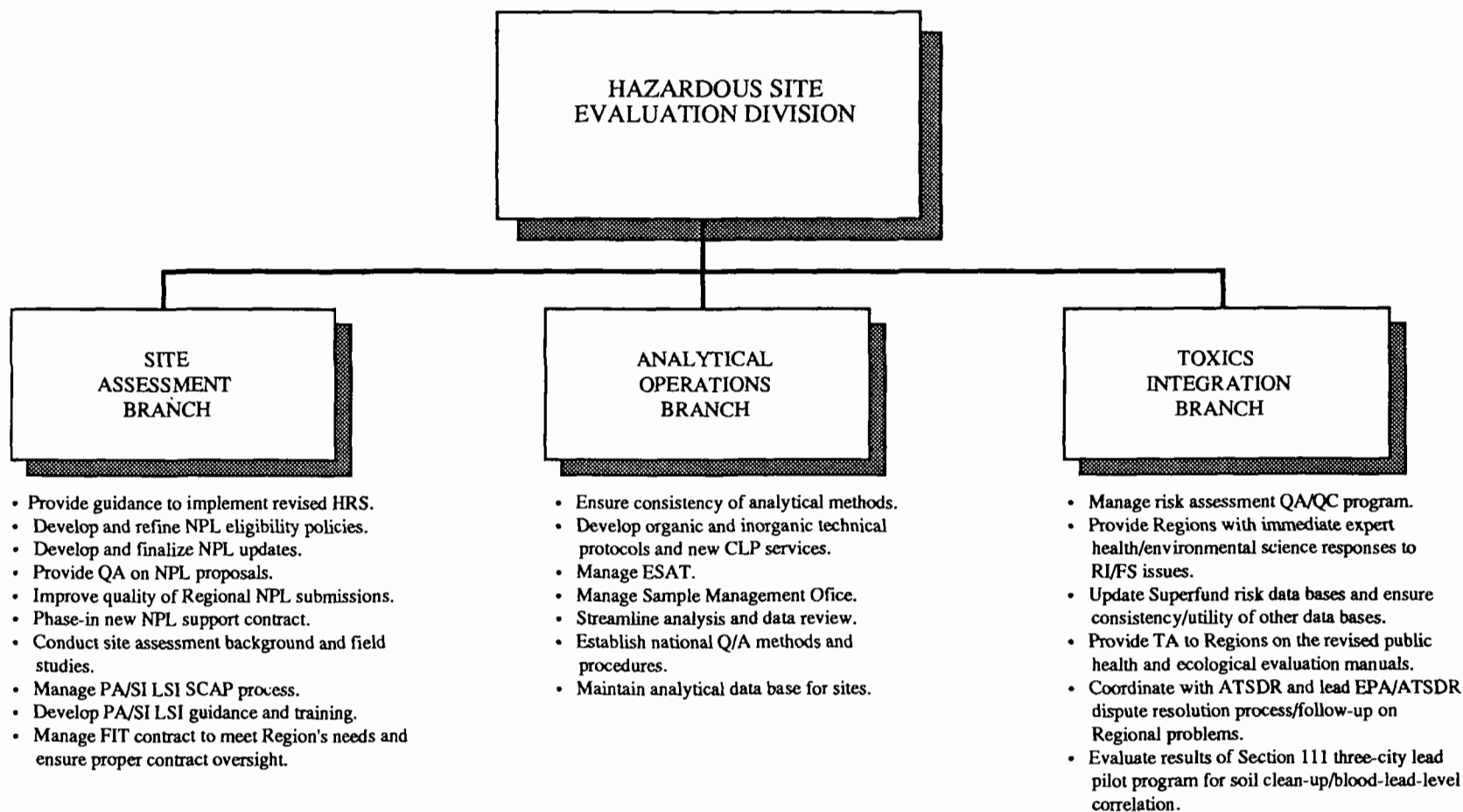
OFFICE OF PROGRAM MANAGEMENT



EMERGENCY RESPONSE DIVISION

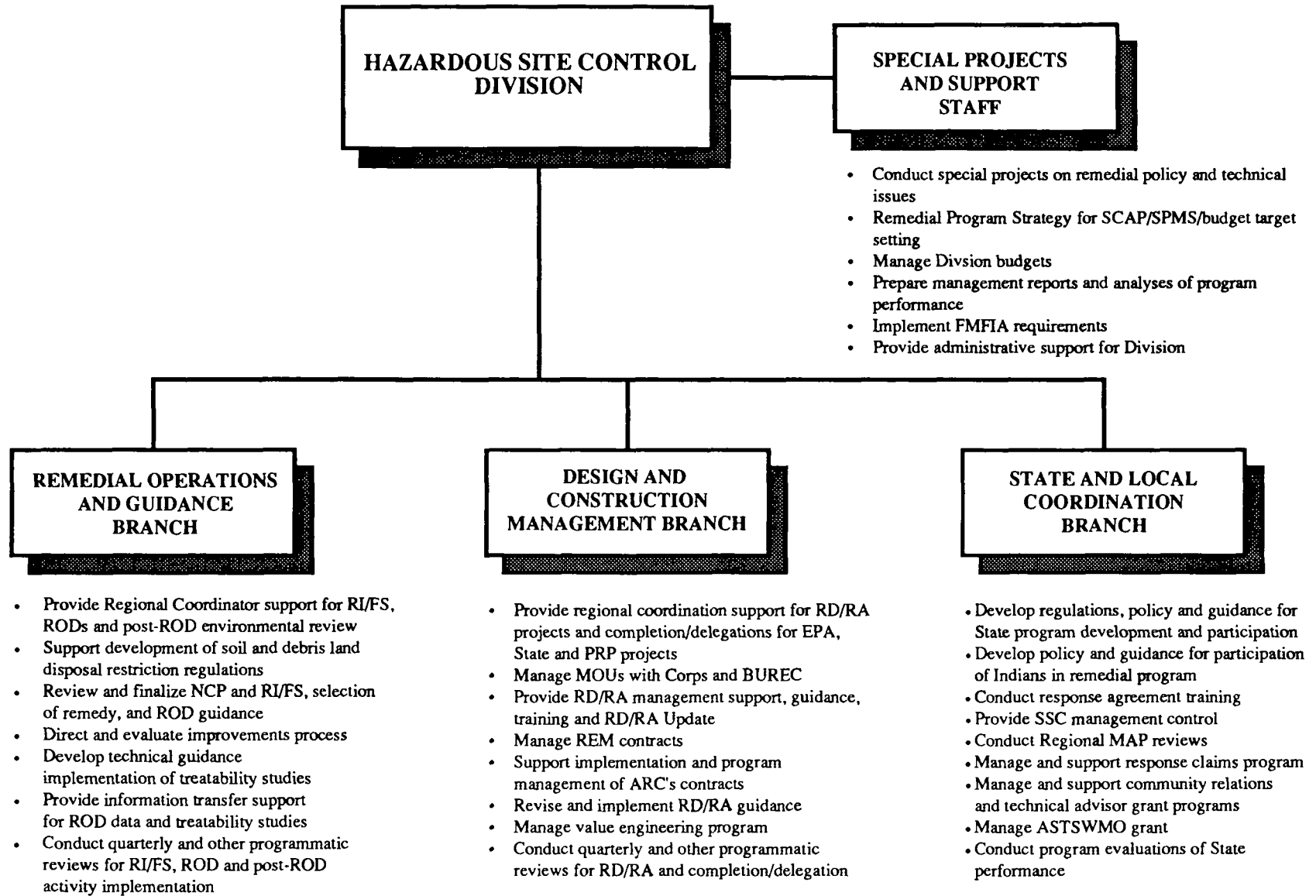


HAZARDOUS SITE EVALUATION DIVISION



X

HAZARDOUS SITE CONTROL DIVISION



U.S. EPA REGIONS

