

## Appropriation: Central Hazardous Materials Fund

### APPROPRIATION LANGUAGE SHEET

*For necessary expenses of the Department of the Interior and any of its component offices and bureaus for the remedial action, including associated activities, of hazardous waste substances, pollutants, or contaminants pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601 et seq.), \$9,978,000, to remain available until expended: Provided, That notwithstanding 31 U.S.C. 3302, sums recovered from or paid by a party in advance of or as reimbursement for remedial action or response activities conducted by the Department pursuant to section 107 or 113(f) of such Act, shall be credited to this account, to be available until expended without further appropriation: Provided further, That such sums recovered from or paid by any party are not limited to monetary payments and may include stocks, bonds or other personal or real property, which may be retained, liquidated, or otherwise disposed of by the Secretary and which shall be credited to this account.*

## **AUTHORIZATIONS**

***The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. 9601-9673)***

Provides for liability, risk assessment, compensation, emergency response, and cleanup (including the cleanup of inactive sites) for hazardous substances. It requires Federal agencies to report sites where hazardous wastes are or have been stored, treated, or disposed, and requires responsible parties, including Federal agencies, to clean up releases of hazardous substances.

**SUMMARY OF REQUIREMENTS (\$000)**

Comparison by Activity/ Subactivity	2002 Actual		2003 Estimate		Uncontrollable & Related Changes (+/-)		Program Changes (+/-)		2004 Budget Request		Inc(+) Dec(-) from 2003	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Central Hazardous Materials Fund <sup>1</sup>	6	9,678	6	9,978	0	0	0	0	6	9,978	+0	+0
Central Hazardous Materials	6	9,678	6	9,978	0	0	0	0	6	9,978	+0	+0
Remedial Action - BLM	6	9,678	6	9,978	0	0	0	0	6	9,978	+0	+0

<sup>1</sup>This amount is net of \$9,978,000 appropriation and \$300,000 transferred to the Bureau of Reclamation.

## Activity: Central Hazardous Materials Fund

### ACTIVITY SUMMARY

	2002 Actual Amount	2003 Estimate Amount	Uncontrollable & Related Changes (+/-) Amount	Program Changes (+/-) Amount	2004 Budget Request Amount	Inc(+) Dec(-) from 2003 Amount
\$(000)	9,678	9,978	0	0	9,978	0
FTE	6	6	0	0	6	0

### ACTIVITY DESCRIPTION

The Department continues to face major demands regarding the cleanup of hazardous substance releases on its lands, principally from mining, onshore oil and gas wells, landfills, agricultural activities, and from continued illegal dumping of industrial, agricultural, drug lab, or other wastes that pose a threat of potentially hazardous substance releases.

This appropriation provides funding to conduct response actions, remedial investigations and feasibility studies, and cleanups at sites where hazardous substances have been released, as defined in the *Comprehensive Environmental Response, Compensation, and Liability Act*, for which the Department is the lead agency or may be liable. Funding from this account may not be used to clean up releases of petroleum, solid waste, or wastes designated as State special wastes (e.g., fluorescent tubes, electronics), because these are not defined under *CERCLA* as hazardous substances. Funds are appropriated to the BLM and are made available by allocation to the other participating bureaus. The BLM performs the budgeting and financial management operations for the account.

Funds will be used only for response and remedial activities, including site maintenance and monitoring to ensure the effectiveness of the remedial action. Funding is not intended to be used for the payment of judgments or the settlements of claims. In his decision of November 29, 1993, the Comptroller General of the U.S. held that litigative awards against the U.S. to reimburse claimants for the Government's share of response costs and natural resource damages paid or payable under *CERCLA*, are payable from the permanent, indefinite Judgment Fund appropriation created by 31 U.S.C. §1304 (1988), to the same extent as other litigative awards against the U.S.

From inception of the Central Hazardous Materials Fund in 1995 through 2003, the Department has obtained an estimated \$132 million from cost-shared, cost-recovered, and in-kind work contributed by other responsible parties. During this same period, the Department received \$87 million in Central Hazardous Materials Fund appropriations. Thus, for those projects with Potentially Responsible Parties, the opportunity exists to leverage appropriated dollars by involving PRPs in site cleanup or by having PRPs reimburse the Department. These leveraged funds can, in turn, make more appropriated funds available for initiating cleanup at other sites.

where PRPs do not exist and for monitoring of remediation-completed sites. The number of Bureau-nominated sites will continue to increase as bureaus address their inventory of contaminated sites.

The Central Hazmat Fund is managed to accomplish the following:

- Protect public health and safety relative to uses and activities on Department lands and facilities.
- Initiate and complete response, remediation, and subsequent maintenance and monitoring phases efficiently.
- Provide a central Departmental account to accomplish or contribute to response actions such as remedial investigation and feasibility studies and the cleanup of hazardous substance release sites.
- Bring greater consistency, direction, and coordination to the Department's hazardous materials management program.
- Improve Departmental oversight of contaminated site cleanups, and the subsequent monitoring and maintenance of remedial actions, to achieve cost-effective and timely response actions.
- Facilitate the optimal, cost-effective distribution of the Department's remediation resources for the Department's contaminated sites.
- Conduct hazardous material cleanup activities and the subsequent maintenance and monitoring of the remedial actions in a manner consistent with the National Contingency Plan (40 CFR 300) and with bureau land use and management plan objectives.
- Pursue aggressive cost recovery and cost-sharing actions with the parties responsible for contaminating Federal land.

**Criteria** - The Department's highest priorities for remediation are assessed using five criteria:

- Identified risk to human health and the environment.
- Utilization of innovative and/or accelerated approaches or technology.
- Involvement of other PRPs in cost sharing.
- National Priorities List status (NPL – The U.S. EPA's list of highly contaminated sites).
- Legal risk to the Department for fines and penalties if action is not taken. Legal risk may result from: the existence of Federal or State judicial orders to clean up a site; statutory time frames that require mandatory compliance; or the existence of orders from States or EPA or a formal agreement among the Department, regulators, and/or potentially responsible parties.

To control legal risk at sites where NPL status is pending, or where response actions can or need to be taken, the Department may undertake voluntary response action.

## **2004 PROGRAM OVERVIEW**

The 2004 budget request for the Central Hazardous Materials Fund is \$9,978,000.

The Department will continue cleanup or oversight at sites where work has progressed over several years, including those at the Crab Orchard National Wildlife Refuge in Illinois (FWS); Cuyahoga Valley National Park in Ohio (NPS); Valley Forge National Historic Park in Pennsylvania (NPS); Lee Acres Landfill in New Mexico (BLM); and Sheep Dip Vats in Arizona (BIA). Work also will continue at sites initiated in 2002, including those at Prime Hook NWR in Delaware (FWS); Poplar Point - Architect of the Capitol in the District of Columbia (NPS); Fort Egbert Dump in Alaska (BLM); and Wapato Irrigation in Washington (BIA).

**Program Management** - In 2004, the Department will continue its emphasis on improving project management and cost oversight of projects receiving Central Hazmat Fund support. Utilizing the services of the Bureau of Reclamation's Construction Management Group, each project will be evaluated and a detailed project cost estimate prepared. The initial phase of this cost estimation re-engineering process was completed in 2001. The Department also will re-evaluate its priority projects such as the Crab Orchard NWR on an annual basis to ensure project progress and efficient use of project funds. In addition to preparing cost estimates, the CMG is developing a CHF project schedule to track project progress and funds expended. The schedule will be updated annually to include new projects and to reflect existing project progress.

The Department's continued work with the Department of Justice on the pursuit of PRPs will help to standardize record keeping among bureaus. Improved record keeping and project management will enhance the Department's efforts to recover costs and to engage in cost-sharing partnerships with PRPs. Furthermore, the Department also will continue to keep tight controls on the administrative overhead of the CHF. In 2004, it is anticipated that payment from the CHF for overhead will be only five percent. In other words, 95 cents of every CHF dollar will go directly to the field to address Departmental cleanup obligations and to address PRP partnerships or other forms of engagement.

Individual bureaus will continue to operate the remainder of their hazardous materials programs from other funding sources. Activities such as conducting preliminary assessments and site inspections, compliance assessments, emergency responses, cleaning-up hazardous materials other than CERCLA hazardous substances, and general non-CERCLA response training are not considered CERCLA response actions, and are outside the scope of the CHF and are not funded by the CHF.

**Cost Recovery** - The Department will continue to conduct cleanups and to pursue legal action against responsible parties; in part, because the CHF is authorized to receive recovered costs. Currently, the CHF is supporting three attorneys who work to recover past costs for sites where remediation is underway or completed, and to establish cost-sharing partnerships with PRPs whenever possible, an approach that is more cost-effective than relying solely on litigation. The goal is to obtain agreements with PRPs, where feasible, before remediation is implemented in order to reduce the up-front costs to taxpayers and the Department.

While the engagement of parties associated with the contamination of Departmental lands is increasingly successful, growing numbers of sites needing cleanup are being identified. The rise in supported projects from nine in 1995 to 39 in 2002 is illustrative of this growth.

## **2002 PROGRAM PERFORMANCE ACCOMPLISHMENTS**

In 2002, the major accomplishments resulting from Central Hazmat Fund funding included the following:

- Seven new projects were added in 2002: Ft. Egbert Dump in Alaska (BLM); Veta Grande Mill in Nevada (BLM); Prime Hook NWR in Delaware; Wapato Irrigation in Washington (BIA); Poplar Point/AOC in DC (NPS); Topock in California (USBR, BLM, FWS); Palmerton Zinc in Pennsylvania (NPS); and Matheson Mill in California (USBR, BLM).
- The Department's enforcement activities associated with the contamination of the Krejci site in the Cuyahoga National Park, Ohio resulted in the recovery of \$20 million in past response costs in 2002. Bureau representatives of the CHF have identified criteria by which recovered dollars can be effectively utilized: 1) recovered dollars will be spent to accelerate the completion of projects already receiving funding from the CHF that have had a final remedial or removal action selected, and 2) recovered dollars will be spent on projects that have diligently pursued cost-avoidance or cost-recovery activities.
- Cleanups were completed at five projects: Mosby Refinery in Montana (BLM); Klamath Marsh NWR in Oregon (FWS); Government Hill in Alaska (USGS); Fort Sumter NHS in South Carolina (NPS); and Nabesna Mine in Alaska (NPS).

The following are examples of collaborative and cooperative management activities and projects that will continue to be funded by the CHF:

- Cuyahoga NP - Krejci Dump (OH): After consultation and negotiation, major PRPs at the site have agreed to conduct the cleanup of the contamination at the old dump site for an estimated cost savings to the Department of over \$28 million. The Department will monitor the progress of the cleanup to ensure its efficacy.
- Crab Orchard NWR (IL): The existing cost sharing agreements with PRPs have resulted in a cost savings of over \$30 million. Additional cost sharing agreements are anticipated in 2003.
- Phosphate Mines (ID): Under State leadership, BLM and BIA are partners with the phosphate mining companies and other Federal agencies in the ongoing studies of possible selenium contamination. The cost savings are estimated to reach \$10 million.
- Valley Forge NHS (PA): After consultation among NPS, the Department, and the State of Pennsylvania, the State has begun remedial investigation studies at the site. This effort by the State will result in a cost savings of \$1 million.

### 2003 PROGRAM PERFORMANCE ESTIMATES

In 2003, significant planned accomplishments utilizing CHF funding will include:

- Negotiating settlements at five projects: Manning Canyon in Utah (BLM), Lee Acres Landfill in New Mexico (BLM), Crab Orchard NWR in Illinois (FWS), Harding Landfill in the Great Swamp NWR in New Jersey (FWS), and Sachuest NWR in Rhode Island (FWS).
- Completing cleanups at four sites: Prime Hook NWR in Delaware (FWS), Manning Canyon in Utah (BLM), Red Devil Mine in Alaska (BLM), and Tyro Mill in Arizona (BLM)
- Recovering past costs, anticipated to exceed \$4.5 million. Cost-sharing is anticipated to save the Department another \$4 million.

The following table summarizes the planned work on projects that have been recommended for funding in 2003. Many of these projects will continue to be active in 2004.

Bureau	Project	Planned 2003 Activities
BIA	Tar Creek, OK (NPL)	NPL site. Lead, cadmium and other heavy metals in tailings.
	Idaho Phosphate Mines	Large regional selenium cleanup under State lead. Mostly USFS lands with some public and tribal lands.
	Sheep Dip Vats, AZ	Pesticide contaminated soils. EPA and tribal priority. Remediation ongoing.
	Wapato Irrigation, WA	PCB cleanup on BIA facility. Additional work may be needed to address hazardous substance releases.
BLM	Atlas Asbestos, CA (NPL)	Delisted NPL site. DOI involvement is long-term monitoring of remedy.
	Ute-Ulay Mill, CO	High levels of heavy metals in tailings and soil. Work last year delayed due to cleanup on adjacent lands.
	Tyro Mill, AZ	High levels of cyanide, arsenic and lead in tailings and mine wastes. Remedy completion anticipated in 2003.
	Idaho Phosphate Mines	Large regional selenium cleanup under State lead. Mostly USFS lands with some public and tribal lands.
	Lee Acres Landfill, NM (NPL)	Closed landfill. ROD pending. Site is undergoing natural attenuation.
	Pine Creek Mines, ID (NPL)	Included in Lower Coeur d'Alene NPL site. Continued remediation of heavy metals in mine tailings.
	Tybo Mill Site, NV*	Mill site impoundment with severe acid mine drainage mobilizing arsenic, cadmium, lead and zinc. Drainage improvements and capping.
	Rip Van Winkle Mine, NV*	High levels of heavy metals and arsenic in acid forming mine wastes. PRP search to be conducted.
	Norse Windfall Mill Site, NV*	Shallow groundwater with abandoned process chemicals and breached heap leach. Chemicals of concern are mercury, cyanide, arsenic and heavy metals.

Bureau	Project	Planned 2003 Activities
	Murtaugh Landfill, ID	Closed landfill. Long-term maintenance and monitoring of the in-place remedy.
	Manning Canyon, UT	High levels of arsenic and heavy metals in tailings and soil. Clean-up initiated in August 2002. Remedy will include stabilization of mine tailings.
	Yerington Mine, NV	Remediation of open pit copper mine. Active engagement of PRP, U.S. EPA, tribal interests and State. Project at beginning stages.
	Black Rock Mine, CA	High levels of cyanide and lead in tailings and mine wastes.
	Red Devil Mine, AK	Mercury mine cleanup. Adjacent village and use of site by children is of concern.
	Caselton Tailings, NV	Heavy metals in tailings. Work delayed last year to explore feasibility of mining company-proposed tailings reprocessing.
	Hillside Mine, AZ	Tailings and mine wastes high in arsenic and other heavy metals.
	Veta Grande Mill, NV	Release of cyanide and heavy metals into groundwater.
	Ft. Egbert Dump, AK	Closed landfill. Industrial and chemical wastes. Studies to be conducted to identify required remediation. PRP investigation to be completed.
FWS	Crab Orchard NWR, IL (NPL)	NPL site. Former Illinois Ordnance plant. 7 OUs. PCBs, explosives, solvents, heavy metals. Largest CHF project. Active PRP negotiations.
	Heinz-Tinicum NWR, PA (NPL)*	Closed landfill. Private PRPs are conducting RI/FS.
	Sachuest NWR, RI	Closed landfill on the ocean. Lead release. Active negotiations with local government to share remediation costs. State priority.
	Prime Hook NWR, DE	Lead contamination from adjacent private gun club. Hot spot remediation. PRP analysis.
NPS	Cuyahoga Valley NP (Krejci Dump), OH	Major industrial waste dump. Heavy metals, PCBs, solvents. Oversight by the Department of cleanup to be conducted by private parties.
	Grant-Kohrs Ranch NHS, MT (NPL)	Park and other public lands are contaminated with arsenic, lead, copper, zinc and cadmium. Park is coordinating cleanup needs with U.S. EPA. NPS and BLM working together.
	Grand Canyon NP (Orphan Mine), AZ	Abandoned uranium mine. Radionuclide and heavy metals release. Negotiating with PRP to remediate site.
	Valley Forge NP, PA	Large quantities of asbestos and other hazardous substances. Agreement for State to do site studies.
	El Dorado Mine, CA	Mercury contaminated mill site cleanup. No viable PRPs.
	Morningstar Mine, CA	Abandoned heap leach. Cyanide and heavy metals release. Remediation of heap pile.
USBR	Matheson Mill, CA	Adjacent to Iron Mountain NPL site. Arsenic and lead mobilized by acid mine drainage.
	Topock, CA	Gas pipeline compressor station. Chrome VI released on adjacent DOI lands. PRP conducting cleanup.
*Site is new in 2003.		

## JUSTIFICATION OF 2004 PROGRAM CHANGES

### 2004 PROGRAM CHANGES

	2004 Budget Request	Program Changes (+/-)
\$(000)	9,978	0
FTE	6	0

The 2004 budget request for the Central Hazardous Materials is \$9,978,000 and 6 FTE, no program change from the 2003 requested level.

## CENTRAL HAZARDOUS MATERIALS FUND PERFORMANCE SUMMARY

Within the Department's draft Strategic Plan for 2003 – 2008, cleanup activities conducted under the auspices of the Central Hazardous Materials Fund fall within the Resource Protection mission. The Central Hazardous Materials Fund program supports the Resource Protection mission goal from the Department's Draft Strategic Plan by restoring and maintaining proper functioning condition of watersheds and landscapes. The current draft of the Strategic Plan identifies "percent of known contaminated sites remediated on DOI managed land" as the intermediate goal. The intermediate goal needs further development and more specific measures of performance beyond that goal, are being identified, consistent with the National Contingency Plan.

### PRIMARY OUTPUTS FUNDED BY THIS ACTIVITY

Measure	2002 Actual	2003 Planned	2004 Proposed
Response Actions Completed	5	5	2
Investigations and Oversight of Potentially Responsible Parties (#)	6	4	4
Projects Completed, but in Long-Term Monitoring (#)	11	13	15
Settlements and Agreements with PRPs (#)	2	2	3

## Budget Schedules

### SUMMARY OF REQUIREMENTS OF BUDGET AUTHORITY BY OBJECT CLASS (MILLION \$)

Object Class	2003 Request		Uncontrollable & Related Changes		Program Changes		2004 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Direct:								
11.1 Full-Time Permanent		1						1
25.2 Other Services		9						9
99.9 Total, Direct	6	10	0	0	0	0	6	10
Allocation Account:								
11.1 Full-Time Permanent								0
25.2 Other Services								0
<b>39.9 Total, Allocation Account</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### PROGRAM AND FINANCING (MILLION \$)

Identification code: 14-1121-0-2-302		2002 actual	2003 request	2004 estimate
Obligations by program activity:				
00.01	Remedial Actions	11	17	18
10.00	Total obligations	11	17	18
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year.	10	30	23
22.00	New budget authority (gross)	30	10	10
22.10	Resources available from recoveries of prior year obligations	0	0	0
23.90	Total budgetary resources available for obligations	40	40	33
23.95	New obligations	-11	-17	-18
24.99	Unobligated balance available, end of year	30	23	15
New budget authority (gross), detail:				
Current authority:				
40.00	Appropriation	10	10	10
Discretionary				
68.00	Spending authority from offsetting collections:			
	Offsetting collections (cash)	20	0	0
70.00	Total new budget authority (gross)	30	10*	10*
Change in obligated balances:				
72.40	Obligated balance, start of year	10	13	18
73.10	Total new obligations	11	17	18
73.20	Total outlays (gross)	-8	-12	-17
74.40	Obligated balance, end of year	13	18	19
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	6	5	5
86.93	Outlays from discretionary balances	2	7	12

Identification code: 14-1121-0-2-302		2002 actual	2003 request	2004 estimate
87.00	Total outlays, gross	8	12	17
	Offsets			
89.45	Against gross budget authority and outlays			
	Offsetting collection (cash) from:			
	Offsetting governmental collections (from non-Federal sources)	20	0	0
	Net budget authority and outlays:			
89.00	Budget authority	10	10	10
90.00	Outlays	-12	12	17
*Does not include small, anticipated recoveries from responsible parties that are not yet known.				

**OBJECT CLASSIFICATION (MILLION \$)**

Identification code: 14-1121-0-2-302		2002 actual	2003 request	2004 estimate
Direct Obligations:				
12.5	Other services	1	1	1
Reimbursable Obligations:				
22.5	Other services	0	6	7
29.9	Subtotal, Obligations, Reimbursable Obligations	0	6	7
Allocation Account:				
31.1	Personnel compensation: Full-time permanent	2	2	2
32.5	Other services	8	8	8
39.90	Subtotal, Obligations, Allocation Account	10	10	10
99.9	Total, new obligations	11	17	18

**PERSONNEL SUMMARY**

Identification code: 14-1121-0-1-302		2002 actual	2003 request	2004 estimate
Direct:				
10.01	Civilian Full-time equivalent employment	6	6	6
10.09	FTE inherently governmental (civilian)	4	4	4
10.19	FTE commercial (civilian)	2	2	2