

THE WHITE HOUSE

WASHINGTON

April 13, 1994

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MEMORANDUM FOR CAROL RASCO
BRUCE REED
BILL GALSTON

FROM:

BRIAN BURKE *BB*

SUBJECT:

file
Federal Facilities Policy Group

The above referenced Federal Facilities Policy Group (FFPG) has been meeting over the past several months. Our most recent draft of the "Mission Statement" is attached for your review. In short, as reflected in the mission statement, the FFPG's goal is to set priorities for cleaning-up thousands of contaminated federal sites at a time of diminishing federal clean-up dollars. DOD, DOE, USDA and DOI are the principle federal agencies confronting enormous clean-up costs. For example, DOE has approximately 20,000 sites contaminated with a variety of radioactive and hazardous waste and fissile material; DOD has approximately 20,000 sites (including underground storage tanks, landfills, spill areas and storage areas) contaminated with fuels, solvents, munitions and industrial waste; DOI has approximately 500,000 sites (including abandoned mines, oil & gas production facilities, and landfills) contaminated with mining, municipal and industrial wastes; and USDA has approximately 28,000 sites (including abandoned sites and landfills) contaminated with soil sediment, hazardous, mining and chemical waste.

I will provide you with periodic updates as we proceed with this important undertaking.

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FEDERAL FACILITIES POLICY GROUP

MISSION STATEMENT

The Clinton Administration is committed to an effective and efficient program for waste management and cleanup of Federal facilities contaminated with hazardous and radioactive wastes. Over the next two years, the Office of Management and Budget and the White House Office on Environmental Policy will work together with the responsible program agencies and the Environmental Protection Agency to develop a comprehensive strategic approach to the Federal government's large, complex waste management and cleanup problems. The interagency effort will build upon and, as appropriate, coordinate with existing public and private sector efforts aimed at addressing Federal facilities waste management and cleanup issues. The following outline of objectives and issues to be addressed should be considered a starting point for this effort and is subject to change as the participants' understanding of the nature of the problems addressed and of the options and opportunities for resolving them evolves.

This interagency effort will have as its principal objectives:

- o To reduce risks to human health and the environment associated with wastes generated or located at Federal facilities;
- o To conduct waste management and cleanup activities at Federal facilities in an efficient, cost-effective manner;
- o To establish priorities for cleanups;
- o To improve stakeholder involvement and incorporate environmental justice concerns in conducting waste management and cleanup activities associated with Federal facilities;
- o To ensure that Federal agencies understand and meet their responsibilities under environmental laws;
- o To correct the significant impediments faced by Federal agencies in effectively and efficiently accomplishing pollution prevention, waste management and cleanup; and
- o To develop a clearer understanding of the total size and cost of the waste management and cleanup task facing the Federal government, including responsibilities for natural resource damages and private liabilities for sites on Federal lands.

ISSUES FOR CONSIDERATION

1. Priority-setting

In order to reduce the most serious risks to human health and the environment first and assure the efficient and cost-effective use of Federal resources, the Federal government should examine its current priority-setting practices for cleanup and identify opportunities for improvement. Some of these improvements can be achieved administratively, while others may require legislative action. Approaches to priority setting that should be considered may include, but are not limited to, the following: identifying the sites that pose greater risks to human health and the environment, taking into account reasonably anticipated future land use; setting national cleanup standards and cleanup levels; assessing risks to cleanup workers, affected populations and the environment in relation to the cost of cleanup alternatives; identifying cost-effective cleanup alternatives; and ranking risks within sites to seek the maximum possible reduction of risk to human health and the environment for each increment of resources expended. Consistent application of priority setting mechanisms within and among agencies should also be addressed.

Product:

Identify effective ways to improve priority setting administratively and through legislative reform. Identify how best to implement greater degrees of priority-setting if current laws are amended.

2. Federal/State Agreements

Currently, many Federal facilities face serious cleanup problems. In recent years, Congress, Federal and state regulators, and the Federal government itself have started to apply the same environmental enforcement standards to Federal agencies as apply to non-Federal entities. Agreements between Federal agencies and state and Federal regulators are one compliance mechanism. Review and assessment of the role of these agreements and their relative effectiveness in insuring that maximum overall risk reduction is achieved in a cost-effective manner should be undertaken.

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Product:

Develop a plan, in consultation with the states and other stakeholders, for reviewing and assessing the role of compliance and cleanup agreements in meeting risk reduction and cost-effectiveness goals.

3. Interagency Issues Related to Implementation of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)

In the course of recent interagency efforts to review options for the reauthorization and amendment of CERCLA, several issues of importance to EPA and other Federal agencies were identified. The Federal agencies agreed that certain issues could be addressed, as appropriate, through administrative measures and that specific amendments to CERCLA were not required. Such issues include:

- o Examining administrative procedures for improving or streamlining EPA's Federal facilities enforcement authority.
- o Improving procedures used by Federal agencies in resolving disputes related to environmental compliance and enforcement actions.
- o Examining the extent to which decontamination and decommissioning of Federal facilities is subject to regulation under CERCLA and should be covered under enforceable cleanup agreements.
- o Addressing EPA funding and resource needs associated with addressing Federal facilities in cleanup-related activities such as cost estimating and working with site specific advisory boards.

Product:

Identify interagency issues that require specific Administration action and, in appropriate cases, develop action plans and schedules for resolving the issues.

4. Improving the Efficiency and Effectiveness of Federal Agency Contractors

There are significant differences among Federal agencies in the areas of contracting policies and methods and contractor management and performance. In some cases, existing practices have been severely criticized as wasteful and

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inefficient, and agencies have committed themselves to undertaking substantial reforms. Some agencies have gained valuable experience in managing cleanup contracts and have developed methods that are effective and efficient. In addition, the National Performance Review recommends systemic reforms that offer promise for improving cleanup contracting. Agencies with considerable experience and expertise have developed "best practices" in contract management that can be useful to other agencies with facility cleanup requirements.

Product

Provide an interagency forum for discussing issues of common concern and for sharing information about contracting experiences and best practices. Develop government-wide policies to improve agency contracting practices as appropriate.

5. Productivity, Efficiency, and Pollution Prevention

The productivity and efficiency of Federal agency cleanup efforts can be improved by the systematic adoption of ongoing productivity improvement and cost-reduction programs, as well as the use of management techniques like benchmarking and process re-engineering. Appropriate pollution prevention efforts also can make a significant contribution to reducing future waste management and cleanup costs.

Product:

Develop recommendations for and examples of successful techniques for improving productivity and efficiency through performance-oriented management. Provide an interagency forum for sharing information on approaches to pollution prevention, productivity improvement and implementation of effective cost-reduction programs.

6. Consolidating Federal Cleanup Expertise

Substantial efficiency gains, including overhead savings, may be possible if a single agency, or a few agencies, were to be given lead technical responsibility for conducting certain cleanup activities on behalf of other agencies. While individual agencies would remain accountable and liable for their own cleanup responsibilities, they could contract with a lead agency for cleanup expertise and work.

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Product:

Develop an assessment of the costs and benefits of consolidating cleanup expertise. Identify agencies with the need for cleanup expertise/services and the agencies that could provide it. Where cost-effective and appropriate, promote interagency contracting for cleanups.

7. Facilitate the Development and Application of Cost-Effective New Technologies

New technologies are needed in a number of areas to achieve effective cleanups, reduce costs, and reduce risks of handling contaminated materials. While, considerable Federal funding is being provided in several agencies to develop such technologies, there has been relatively limited interagency collaboration in planning and funding such efforts. There are some interagency activities underway with significant potential to improve the effectiveness and efficiency of Federal efforts in this area. Some program officials and others also have noted that Federal sites offer a unique opportunity for agencies to work together to develop and test new technologies, as well as to test innovative management and regulatory methods. In addition, opportunities may exist for beneficial collaboration with private industry and local governments.

Product:

Assess current cleanup technology R&D efforts at agency, interagency and intergovernmental levels, and determine how to improve current programs and policy-level coordination.

8. Expanding Local Stakeholder Participation in Waste Management and Cleanup Planning and Decision-Making

There is growing public interest in expanding local stakeholder participation in planning and decision-making for pollution prevention, waste management and cleanup efforts at Federal sites and facilities. Involving local government officials and other stakeholders in assessments and decisions on reasonably anticipated future land uses, in particular, may have significant potential for ensuring successful development and public acceptance of cost-effective cleanup strategies and is a component of the Administration's Superfund reform package. In addition, Executive Order #12898, Federal Actions to Address Environmental Justice in Minority and Low-Income Populations, requires public participation in connection with Federal activities related to human health and the environment,

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particularly those activities that may have a disproportionately adverse effect on low-income or minority populations.

Product:

Provide an interagency forum for sharing agency experiences in working with local stakeholders, including low-income and minority populations, and developing guidelines for improving stakeholder involvement in agency cleanup efforts.

9. Cost Estimation

Improving estimates of the total cost of cleaning up contaminated Federal facilities may improve the government's ability to plan and budget for cleanup and compliance. Such information could help decision-makers make better priority-setting and resource allocation decisions, although better estimates may be difficult and costly to obtain. At present, there are no commonly accepted guidelines or procedures for developing cost estimates for contaminated sites/facilities and for the Federal Trustee responsibilities for natural resources.

Product:

Where determined to be appropriate and feasible, develop more precise agency estimates of Federal cleanup costs, including the costs of natural resource damage assessment and restoration.

10. Ecosystem Protection and Natural Resources Restoration

Environmental degradation caused by activities at Federal facilities may have significant long-term effects on the quality of impacted ecosystems. Methods for improving protection and enhancement of critical ecosystems should be examined and developed as part of the cleanup process.

Product:

Create an interagency forum for exploring opportunities and experiences in ecosystem management and restoration.

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11. Improving the Budget Development Process

The development of cleanup budgets for the agencies and OMB emphasizes meeting milestones established in individual cleanup agreements and gives little express consideration to alternatives for increasing agency-wide and government-wide risk reduction for the resources expended on cleanup. With limited resources available for cleanup and many competing claims on the Federal budget, the Federal budget process should promote consistent, cost-effective allocation of cleanup resources within and across agencies and careful consideration of the relative impacts on health and environmental risk and to the relative costs and benefits of various budget alternatives.

Product:

Recommendations for improving the Federal budget process, including the quality and quantity of information on risk reduction and costs and effectiveness of cleanup budget alternatives, within and across agencies.