

**HAZARDOUS MATERIALS MANAGEMENT
FY 2003 ANNUAL PERFORMANCE PLAN AND REVISED FY 2002 ANNUAL PERFORMANCE PLAN**

Introduction

The purposes of the Hazardous Materials Management Program (HMMP) are:

- a) response to historical releases and threatened releases of hazardous substances and materials on facilities and lands under USDA jurisdiction, custody, and control, and
- b) prevention of future releases of hazardous materials from USDA facilities.

The HMMP was established at the Department level after a nationwide inventory of USDA facilities in 1985 found numerous inadequacies in the storage, handling, and disposal of hazardous substances and wastes and thousands of sites with releases or potential releases of hazardous substances. Cleanup of contamination is required at agricultural research and operations facilities, former grain storage facilities, abandoned mines and landfills, and trespass dumps. There are also illegal drug lab sites and the occasional leaking underground fuel and chemical storage tank. Many of these site problems are attributed to the activity of non-USDA parties on lands under USDA jurisdiction, custody, and control.

The Hazardous Materials Management Appropriation (HMMA) was established in 1988 to provide targeted no-year funding for priority hazardous materials cleanup projects on facilities and lands under USDA jurisdiction, custody, and control and USDA's share of the costs of cleaning up non-USDA sites where USDA activities may have resulted in contamination. Agency funds and the HMMA are both used in meeting HMMP goals and objectives. Projects and activities performed with HMMA funds are limited to those required by and conducted pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA).

The Hazardous Materials Policy Council (HMPC) was established in 1999 to provide Departmental leadership of the HMMP and to improve consistency in program management and execution across all USDA agencies. The HMPC consists of senior policy representatives from affected mission areas and agencies and is chaired by an appointee of the Secretary. The Agricultural Marketing Service, Animal and Plant Health Inspection Service, Agricultural Research Service, Farm and Foreign Agricultural Services, Forest Service (FS), Farm Service Agency (including the Commodity Credit Corporation, CCC), Food Safety and Inspection Service, Natural Resources Conservation Service, Office of the General Counsel (OGC), Rural Development, and Departmental Administration are currently represented on the HMPC. The Hazardous Materials Management Group (HMMG) serves as the program and technical staff for the HMPC.

Adjustments to the Current Strategic Plan. Editorial changes were made to the 2000 strategic plan to better align it with the programs and policies introduced by the new Administration. There were no significant legislative actions affecting the HMMP during the past year.

Improvements Arising from Reviews. There have been no recommended improvements to HMMP plans and reports during the past year.

Participants. This performance plan was prepared by HMMG staff using information submitted by agencies listed above. Only Federal employees were involved in preparation of this annual performance plan (APP).

Internet Address. This APP and other information on the HMMP can be accessed on the Internet at <http://www.usda.gov/da/hmmg>.

Mission Statement

The HMMP's mission is:

- 1) to improve and restore the environmental condition of facilities and lands under USDA jurisdiction, custody, and control by addressing contamination associated with sites releasing or with the potential to release hazardous materials and substances to the environment, primarily under provisions of CERCLA and Executive Orders 12580 and 13016;
- 2) to seek compensation from, or cleanup by, those responsible for contamination; and
- 3) to enhance USDA's environmental performance and the quality of the work environment for employees and cooperators through increased environmental awareness, compliance with applicable provisions of RCRA, and pursuit of related objectives of the Pollution Prevention Act (PPA) and the Emergency Planning and Community Right-to-Know Act (EPCRA).

This mission supports USDA Strategic Goal 3, Maintain and enhance the Nation's natural resources and environment, and USDA Strategic Goal 5, Operate an efficient, effective, and discrimination-free organization.

HMMP Strategic Goals and Objectives

The HMMP has two strategic goals, each with one objective, as follows:

HMMP Strategic Goal #1: Improve and restore the environmental condition of facilities and lands under the jurisdiction, custody, and control of USDA.

Objective: Clean up and restore facilities and lands contaminated from releases of hazardous substances and hazardous materials.

HMMP Strategic Goal #2: Ensure responsible management in the procurement, use, storage, and disposal of hazardous materials and wastes.

Objective: Improve regulatory compliance and reduce environmental contamination through pollution prevention and improvements in management practices.

Level of Resources Dedicated to Each Goal. The table that follows shows funding levels and FTEs by strategic goal for FYs 1998 through 2003.

Strategic Goal	Resources		Fiscal Year					
			1998	1999	2000	2001	2002	2003
1	Funding	HMM Program	\$	\$	\$	\$	\$	\$
		HMMG only ²	\$	\$	\$	\$	\$	\$
	FTEs ¹	HMM Program	47	64	65	61	61	63
		HMMG only	2.5	4.5	3.9	4.3	4.4	4.4
2	Funding	HMM Program	\$	\$	\$	\$	\$	\$
		HMMG only	\$	\$	\$	\$	\$	\$
	FTEs	HMM Program	2	2	2	2	2	2
		HMMG only	1.5	0.5	1.1	1.7	1.6	1.6
Totals	Funding	HMM Program	\$	\$	\$	\$	\$	\$
		HMMG only	\$	\$	\$	\$	\$	\$
	FTEs	HMM Program	49	66	67	63	63	65
		HMMG only	4	5	5	6	6	6

¹ FTEs are in HMMG, OGC, FS, and CCC

² All "HMMG only" values are included in, and are NOT in addition to, HMM Program values

Performance Profile of the FY 2003 Budget Request

The total HMMA request for FY 2003 is \$15.685 million. Forty-seven (47) percent, \$7.3 million, of this request is for actual cleanup work. Another 31 percent, or \$4.9 million, is for planning and investigative work directly supporting cleanup decisions. The remaining 22 percent, \$3.5 million, addresses post-cleanup monitoring, natural resource damage assessment, legal and technical support, general program management, and limited RCRA environmental auditing under Goal 2. The corresponding values in the President's FY 2002 HMMA request were 36, 36, and 28 percent, respectively.

At least \$2.5 million (16 percent) of the FY 2003 HMMA request will fund cleanup of abandoned and inactive mine (AIM) sites on National Forests where responsible parties may no longer exist or are not financially viable. In such cases, USDA must pay the cost of meeting environmental requirements. This "orphan share" of the costs of cleanup of mining-related contamination represents 39 percent of the Forest Service request for HMMA funds. Another 16 percent (\$2.6 million) of the total USDA HMMA request - representing 40 percent of the Forest Service portion of the request - will support investigation and cleanup planning for AIMs. USDA agencies have reported that they will commit a total of \$26.7 million of their FY 2003 appropriations to meet their HMMP mission.

CERCLA (Superfund) Program. About 88 percent of the FY 2003 HMMA request is for CERCLA cleanup work and related program activities. Requested funds are needed to perform the investigative and design work to support cleanup decisions as well as to complete cleanup actions. When private responsible parties perform the necessary cleanup work, funds allocated for that work are redirected to other priority hazardous materials cleanup projects within the Department, including those where there may be no financially viable responsible parties.

RCRA Program. About 12 percent of the HMMA request is for RCRA work that is critical to regulatory compliance. After removal of over 2000 underground storage tanks (USTs), the UST cleanup program is essentially complete. Fewer than five UST sites are expected to require cleanup of residual contamination and groundwater monitoring into FY 2003 and beyond. However, a few previously unknown USTs are still occasionally found on USDA facilities and properties taken into inventory. Other RCRA activities address proper management and disposal of hazardous waste.

Pollution Prevention/Source Reduction (P2/SR) Program. A small number of P2/SR projects that pay for themselves in under 10 years and reduce use of hazardous materials and generation of hazardous waste are normally conducted each year within the framework of the RCRA program. No FY 2003 HMMA funds are being requested for this purpose. Several agencies fund limited P2/SR efforts from their appropriations.

Key Outcomes for Goal #1

1. Determine the adverse effect of or threat to public health and the environment of all sites from which hazardous substances have been, are being, or may be released to the environment and their priority for cleanup; and
2. Perform timely cleanup of sites presenting an unacceptable threat to human health or the environment.

Each site requiring cleanup goes, assembly-line style, through an investigative phase (to determine the nature and extent of contamination) and a planning/design phase before the cleanup begins. In FY 2003, this ongoing process will continue to the limits of available funding.

Annual Performance Goal #1

HMMP Performance Goals and Indicators ¹	Fiscal Year					
	1998 Actual	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target ¹
Beginning in 1998 and by the end of 2002, clean up 150 CERCLA sites and all regulated USTs on lands and facilities under USDA custody and control. ²	27	66	90	137	154	-
From 2003 to the end of 2007, complete 150 additional CERCLA cleanups	-	-	-	-	-	48 (23)
Number of sites assessed/ characterized on need for cleanup. ^{3,4}	49	53	43	153 ⁴	109 ⁴	68 (23)
Number of cleanup plans. ⁵	n/a	9	6	65	64	59 (26)
Number of non-mine CERCLA cleanups. ⁶	15	32	15	32	7	23 (13)
Number of mine CERCLA cleanups. ⁶	12	7	9	15	10	25 (10)
Number of UST and other RCRA cleanups	32	13	5	70	15	6 (0)
Number of agreements reached with potentially responsible parties (PRPs).	8	7	11	19	10	10 (10)
Estimated value of cleanup/restoration work performed by PRPs (\$millions).	\$104	\$34	\$11.5	\$11.4	\$10	\$5

¹ Performance targets are programmatic, reflecting all sources of funding, not just HMMA. Values in parentheses are performance targets to be funded with FY 2003 HMMA funds; the balance are from agency appropriations.

² Values are cumulative numbers of completed CERCLA cleanups. Each year's increment reflects addition to the previous cumulative number completed of that year's target or performance for mine and non-mine CERCLA cleanups.

³ Includes CERCLA preliminary assessments and site inspections, other site characterization work, and natural resource damage screening and assessment.

⁴ Since FY 2001, this performance measure includes "due diligence" environmental site assessments performed pursuant to section 120(h) of CERCLA.

⁵ Includes CERCLA engineering evaluation/cost analyses, removal and remedial designs, remedial investigations and feasibility studies, and natural resource damage restoration planning.

⁶ Includes CERCLA removal and remedial actions, natural resource damage restorations, and property cleanups pursuant to section 120(h) of CERCLA. Does not include post-cleanup monitoring.

Discussion of Performance Goal. Cleaning up contaminated sites on land under USDA jurisdiction, custody, and control directly supports USDA Strategic Goal 3, Objective 3.2. Work in direct support of the performance goal includes investigation; preparation of cleanup plans for contaminated sites; activities such as strategic planning, program and project management, and oversight necessary to implement the HMMP within the Department; and work in inter-governmental groups dealing with HMMP issues, including the CERCLA National Response Team. Work related to this performance goal includes reviewing and commenting on proposed legislation and regulations that may impact the Department's HMMP mission and activities; legal review and support necessary to ensure compliance with environmental laws and their implementing regulations; legal representation during negotiations with responsible parties; and development of policies and procedures related to homeland defense. At each contaminated site, USDA and the custodial agency may be subject to environmental enforcement actions and lawsuits by private parties. Fines and penalties could exceed \$25,000 per day and lawsuits could cost, in some cases, more than the funding needed to perform a timely cleanup action.

Cleanup and restoration of hazardous materials and waste sites is complex, expensive, and time consuming, generally requiring the involvement of other Federal agencies, states, and stakeholders. A cleanup project often

takes several years to complete. Only 13 (27 percent) of the 48 cleanups projected to be completed in FY 2003 would actually start in 2003. The other 73 percent were started before 2003.

The performance targets in the table above represent only work that is expected to be completed in a specified FY, often with funding obligated in an earlier year. For example, HMMA or agency funds are being requested for only 32 (67 percent) of the 48 cleanups projected to be completed in FY 2003; funding was obligated for the rest in earlier years. Continuing work on well over 100 sites that will not be completed during FYs 2002 or 2003 is not represented in the HMMP's performance targets. For this reason, the performance targets do not fully reflect the scope and dynamics of USDA's cleanup program.

Contamination at sites such as the thousands of AIMs on the National Forests was caused by other parties, which introduces another level of complexity. As provided in CERCLA, USDA is working toward having those responsible for this contamination bear the cost of cleanups when appropriate.

The performance measures for this goal are completion of investigations, cleanup plans, cleanups, agreements with responsible parties, and estimated value of work by responsible parties. While these are all outputs, the HMMP supports the agencies' larger outcome of restoring lands, facilities, and important watersheds contaminated with hazardous materials.

New Performance Goals/Indicators. This APP contains no new performance goals or indicators.

Strategies

Resources needed to attain this objective include a continuing source of funds and trained personnel, legal counsel and assistance, program oversight (including cost management and financial accounting), and management systems to report accomplishments and develop budgets. Strategies for pursuing this goal include:

- c) Promoting partnerships with federal and state agencies, tribal organizations, and private parties in prioritizing planning, and carrying out environmental cleanups and related activities.
- d) Conducting all work in a manner consistent with the Superfund National Contingency Plan (i.e., NCP), codified at Title 40, Code of Federal Regulations, Part 300.
- e) Pursuing objectives for water quality protection and restoration, environmental health improvement, fish and wildlife habitat enhancement, recreational opportunities, forest health, increased economic viability of resource lands, and safety of the public and Department workforce.
- f) Seeking appropriate contributions towards cleanup costs from those responsible for the contamination before HMMA or other appropriated funds are used.

The performance goal of completing 150 CERCLA cleanups by the end of FY 2002 is expected to be met. A new interim five-year performance goal of completing 150 more CERCLA cleanups between 2003 and 2007 is started with this APP.

External Factors

The factors most likely to affect attainment of performance goals and targets are:

- g) Increased intervention by regulatory agencies or private parties. Historic HMMA funding levels make it difficult for USDA to continue to address contaminated sites proactively and within acceptable time frames, even utilizing agency funds, cooperative efforts with others, and requiring financially viable responsible parties to perform work or to pay for it. Project delays and dramatically increased transaction costs are likely to result. Fines, penalties, and lawsuits could cost, in some cases, more than the funding needed to perform a timely cleanup action.

- h) Unanticipated contamination and/or site complexity. Cleanup and restoration of hazardous materials and waste sites is complex, expensive, and time consuming, often taking several years to complete a single site. Many of the smaller and simpler priority sites have now been addressed, leaving the more complex, and more expensive projects. Contamination at many of the remaining sites, including AIMs, was generally caused by other parties, introducing another level of complexity.
- i) Lapses in strategic management of human capital. The cleanup program requires highly trained personnel, timely legal counsel and assistance, and active program and financial oversight (including cost management and financial accounting) to ensure cost effectiveness. Establishment of the HMPC and standardization of HMMP policies and procedures are intended to improve USDA's ability to maintain the focus and will to meet regulatory requirements to clean up the environment and restore natural resources with a minimum of enforcement actions and private lawsuits.

Verification and Validation

USDA agencies set and prioritize their performance targets and report their results to the HMMG. All data is reported through HMMG's data management system that facilitates data analysis. A comprehensive, standardized set of environmental activities and definitions that was developed by HMMG is used to identify needed and planned work, to develop prioritized budget requests, and to report results. Program activities are based on the NCP and other governing authorities. HMMG prepares several types of data summaries to examine the consistency and quality of reported data. HMMG also conducts compliance and management reviews to supplement internal agency reviews.

Linking all reported data to a comprehensive list of standard activities defined in applicable regulations (e.g., the NCP for CERCLA response actions) ensures a higher level of consistency in reporting. Agency heads or other responsible program officials attest to the completeness and accuracy of the data they report. The data is examined holistically by HMMG for gaps and logical inconsistencies (e.g., funds being requested in a later year than that in which the project activity was reported as being completed). If apparent data quality problems cannot be resolved, agency personnel are contacted for assistance in correcting the problem. Since all obvious data quality problems were resolved using this process, the data is believed to be of acceptable quality. See the APPRs for earlier years for further discussion of data limitations.

Key Outcome for Goal #2

Reduced costs and risks associated with use of hazardous materials and generation and disposal of hazardous wastes in agency operations.

Annual Performance Goal #2

Performance Goals and Indicators	Fiscal Year					
	1998 Actual	1999 Actual	2000 Actual	2001 Actual	2002 Target	2003 Target
Improve compliance with RCRA Subtitle C and reduce the costs and risks associated with generation and disposal of hazardous wastes in agency operations.						
Number of environmental audits and program reviews.	n/a	22	15	15	15	15
Number of P2 projects completed.	n/a	13	5	5	3	-

Discussion of Performance Goal. This goal supports USDA Goal 5, Objective 5.2. By continuing to pursue and evaluate regulatory compliance with RCRA and related Federal and state requirements for managing hazardous materials, reductions in hazardous material use and hazardous waste disposal are expected. This performance goal seeks to extend "continuous improvement" and quality management practices to reducing the adverse environmental

effects of USDA activities. No pollution prevention projects are currently planned for completion in FY 2003 due to higher priority demands on program resources.

New Performance Goals/Indicators. This APP contains no new performance goals or indicators.

Strategies

The resources needed to attain this objective include a continuing source of funds, personnel to perform or oversee needed work, and information sources to draw upon for oversight, statutory, and executive order reporting. USDA and its agencies have issued extensive guidance on regulatory compliance, P2/SR, and other topics related to this goal and objective. These must be systematized, trained, monitored, and evaluated to consistently and effectively improve the environmental performance of USDA facilities. The strategy is, without unnecessarily imposing new reporting burdens on USDA agencies, to develop indices or other measures that monitor and characterize environmental impacts, use of toxic and hazardous materials, hazardous waste disposal costs, and potential agency liabilities. Means include improved handling of hazardous materials and substitution of non-toxic for toxic materials in agency practices. The result of such efforts are improved regulatory compliance, environmental performance, reductions in toxic waste generation, and improved worker safety. Increasingly, this effort is occurring within a framework of environmental management systems being implemented under USDA Strategic Goal #5.

External Factors

No negative external factors have been identified. There is a broad public expectation that Federal agencies will comply with applicable regulations and work to improve their environmental performance.

Verification and Validation

HMMG uses information USDA agencies submit in program budget submissions, program status reports, annual accomplishment reports, and program or facility reviews and audits. Agency heads attest to the quality and reliability of this information. The information will be reviewed and analyzed and performance will be measured against the performance indicators. See the fiscal year 1999 through 2001 APPRs for a discussion of data limitations. Outcome-oriented targets will be substituted in performance plans and reports after an environmental management system is adopted and appropriate performance measures are selected.

Management Challenges and High-Risk Areas

Environmental Compliance Activities and Liabilities. The HMMP's strategic and annual performance plans present the approach and measures being employed to address this challenge. In essence, HMMG and the HMPC provide leadership, guidance, and support to USDA agencies. The agencies are responsible for identifying, prioritizing, requesting HMMA or agency funds, performing, and evaluating projects in support of HMMP Goals #1 and #2.