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2000 Annual Program Performance Report

HAZARDOUS MATERIALS MANAGEMENT



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HAZARDOUS MATERIALS MANAGEMENT
FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The purposes of the USDA Hazardous Materials Management Program (HMMP) are: 1) effective and efficient cleanup of hazardous materials from facilities and lands under the jurisdiction, custody, and control of the Department, and 2) prevention of releases of hazardous substances from USDA facilities through improved management practices. Program activities are conducted pursuant to requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA).

The HMMP is funded from agency appropriations and the Hazardous Materials Management Appropriation (HMMA). The HMMA was established in 1988 to provide targeted funding for priority hazardous materials cleanup projects. HMMA funds are distributed to the Animal and Plant Health Inspection Service, Agricultural Research Service, Farm Service Agency, Food Safety and Inspection Service, Forest Service, Office of the General Counsel, and Rural Development. The HMMA is critical to meeting agency mission requirements and program accomplishment goals and objectives.

Annually, USDA agencies request funding for planning-year HMMP activities, revise their proposed programs of work at the start of the current fiscal year to reflect current needs and priorities, manage the obligation and expenditure of their allocated agency funds and HMMA funds, and report HMMP accomplishments to the Hazardous Materials Management Group (HMMG). The HMMG provides day-to-day administration of the HMMP on behalf of the Hazardous Materials Policy Council. The HMMG recommends policies regarding management and cleanup; provides technical assistance; and prepares HMMA budget requests, annual HMMP performance plans (APPs), and performance reports, using data submitted by the agencies. It also provides guidance, assistance, and oversight of compliance with hazardous materials requirements within USDA. HMMG represents USDA on the National Response Team for oil and hazardous substance spills.

Fiscal year (FY) 2000 Hazardous Materials Management Program (HMMP) performance measures, targets, and results are summarized in the following table.

HMM PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999 Actual	FY 2000 Performance	
			Target	Actual
Goal 1: Improve and restore the environmental condition of facilities and lands under the jurisdiction, custody, and control of USDA.	Beginning in 1998 and by the end of 2002 complete the CERCLA cleanup of 150 sites and all regulated underground storage tanks (USTs) on lands and facilities under the custody and control of USDA as required by CERCLA and RCRA.	66	108	90
	Number of sites assessed/ characterized on need for cleanup.	53	78	43
	Number of cleanup plans completed.	9	17	6
	Number of non-mine CERCLA cleanups completed. ¹	32	30	15
	Number of mine CERCLA cleanups completed. ¹	7	12	9
	Number of UST and other RCRA cleanups. ¹	13	19	5
	Number of UST and other RCRA cleanups. ¹	7	10	11
	Number of agreements reached with potentially responsible parties (PRPs). Estimated value of cleanup/restoration work performed by PRPs (\$millions).	\$34M	\$35 M	\$11.5M
Goal 2: Ensure responsible management in the use, storage, and disposal of hazardous materials and wastes.	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.	22	15	15
	Number of P2 projects completed.	13 ²	1	5
	Reduction in releases and offsite transfers of toxics by USDA facilities not subject to TRI reporting but voluntarily pursuing such reductions.	N/A	50%	N/A ³

HMM PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999 Actual	FY 2000 Performance	
			Target	Actual
<p>¹ The target of 61 cleanups for FY 2000, which appeared in the FY 2000-2001 APP, included all cleanups – the target of 12 mine cleanups as well as UST and other RCRA cleanups. To more accurately and transparently show progress toward the performance goal and to eliminate the possibility of double counting, separate performance measures have been established for each type of environmental cleanup. The values in both the target and actual performance columns reflect this change in reporting.</p> <p>² Corrected from 16 reported in 1999. Three environmental audits were erroneously included in the earlier reported value.</p> <p>³ The Executive Order under which this information was collected was rescinded in 2000.</p>				

Only Federal employees were involved in the preparation of this report.

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

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

Key Performance Goal

Beginning in 1998 and by the end of 2002, cleanup 150 CERCLA sites and all regulated USTs on lands and facilities under USDA, jurisdiction, custody, and control.

Target ¹ :	108
Actual ² :	90
Number of sites assessed/characterized on the need for cleanup	
Target:	78
Actual:	43
Number of cleanup plans completed	
Target:	17
Actual:	6
Number of non-mine CERCLA cleanups completed	
Target ³ :	30
Actual:	15
Number of mine CERCLA cleanups completed	
Target ³ :	12
Actual:	9
Number of UST and other RCRA cleanups completed	
Target ³ :	19
Actual:	5
Number of agreements reached with potentially responsible parties (PRPs)	
Target:	10
Actual:	11
Estimated value of cleanup/restoration work performed by PRPs	
Target:	\$35 million
Actual:	\$11.5 million

¹ Target is cumulative, reflecting the total of 66 CERCLA cleanups completed in FYs 1998 and 1999 plus the FY 2000 target of a total of 42 CERCLA cleanups of mine and non-mine sites.

² Actual is cumulative, reflecting the total of 66 CERCLA cleanups completed in FYs 1998 and 1999 plus 24 mine and non-mine CERCLA cleanups completed in FY 2000.

³ To eliminate double counting, the 12 mine CERCLA cleanups were subtracted from the original target of 61 cleanups. To make clear which cleanups contribute to the performance goal, the target of 49 non-mine cleanups is broken out to distinguish CERCLA from RCRA cleanups, which include USTs.

2000 Data: USDA agencies identify funding priorities and performance targets as part of their HMMP budget requests. They show results in year-end obligations and accomplishment reports. The data management system they use for this reporting covers the entire budget cycle (i.e., needs identification

through project completion) and currently extends from FY 1997 through 2006, allowing for multi-year overview and performance analysis. Key reporting parameters include project name and location, specific activities needed and performed to complete the project, performance goals, priorities, status, and cost data. The agencies are provided a list of standardized activities and references to applicable authorities (e.g., the National Contingency Plan for CERCLA preliminary assessments, site inspections, and response actions). This system serves as the framework within which project plans are developed, performance targets are set, and results are reported by the USDA agencies. At the end of each fiscal year, they report all ongoing HMMP activities, regardless of funding source, as either finished or ongoing (i.e., not finished). Only finished activities are reported here, although ongoing work constitutes a significant portion of the workload and utilization of resources. For example, while the agencies reported completing a total of 29 environmental cleanups in FY 2000, well over 100 more are shown in the data management system as underway but not yet complete. Over 2000 additional environmental cleanups are anticipated to be required to complete the cleanup and restoration of facilities under USDA jurisdiction, custody, and control.

The accuracy and completeness of data is attested by USDA agency heads or, consistent with HMMP policies, their designees. It is examined holistically by HMMG for gaps and logical inconsistencies (e.g., funds being requested or obligated in a later year than that in which the project activity was reported as being completed). HMMG resolves data deficiencies by examining the data and, when necessary, contacting agency personnel. Since all detected data deficiencies were resolved through this process, the data is believed to be of acceptable quality.

To ensure proper accounting for HMMA funds, agency personnel also check their financial data against National Finance Center records, reconciling discrepancies when necessary.

Analysis of Results: This year, a change was made in the way performance targets and results in the cleanup program are reported. This was necessary to clearly and consistently present an accurate picture of the HMMP to management and to external customers. Specifically, cleanups are now identified as being performed pursuant to RCRA (e.g., UST cleanups, corrective actions, closures) or CERCLA, typically removals and remedial actions. This was done to clearly identify which environmental cleanups contribute to the primary performance goal (i.e., completing 150 CERCLA cleanups by the end of FY 2002). As in last year's report, CERCLA cleanups are further subdivided into non-mine and mine cleanups to reflect Departmental policies on CERCLA compliance.

The total of 90 CERCLA cleanups completed in fiscal years 1998 through 2000 indicates that USDA is exactly on target to meet its performance goal of completing 150 CERCLA cleanups through 2002. This projection assumes that the average pace of the past three years can be sustained for the next two years. Meeting the CERCLA cleanup goal may require shifting resources to expedite completion of some projects that are already underway. In practice, the HMMP has long been opportunistic, demonstrating flexibility in project implementation and funding to adjust to changing findings and circumstances. To the extent resources allow, plans for a few unscheduled priority projects are prepared along with the funded projects to allow for adjustment in the program if a project is delayed or additional funding becomes available. This proactive approach increases program efficiency and cost effectiveness.

USDA also employs authorities under CERCLA and related executive orders to leverage funding in the cleanup program. Responsible parties performed or funded over \$11 million of cleanup work in FY 2000, compared to the target of \$35 million. Factors that influenced the shortfall in this target included a slower pace of work than expected at some sites where responsible parties are performing the work and protracted negotiations at other sites.

As a result of its strategies, very few USDA sites are on the Superfund National Priorities List, and very few cleanups are conducted by USDA under administrative or other orders initiated by federal and state regulatory agencies. However, USDA's proactive approach is dependent on the availability of funding to address priority work, including preparing the plans for cleanups that will take place in future years. Completion of cleanup plans is not keeping pace with targeted needs, with only 69 and 35 percent of the performance target for cleanup plans having been completed in FYs 1999 and 2000, respectively. USDA is shifting some funding from the assessment and characterization portion of the program to the preparation of cleanup plans to address this problem. This stopgap measure of shifting resources to increase the number of cleanup plans can only worsen the shortfall in producing the site evaluations that support long-range planning and priority setting for cleanup work.

In the longer term, USDA will almost certainly fall far short of its goal of having all cleanups completed by 2045, perhaps requiring over 100 years to complete the cleanup program. During FY 2000, USDA and its agencies were named in a number of suits over environmental contamination attributed to USDA activities.

Settlement of a small number of these suits resulted in the U.S. paying private parties in excess of \$1.5 million during FY 2000.

Current projections are that a very small number of UST cleanups – probably one or two – will not be completed by the end of FY 2002.

Program targets and results for fiscal years 1995 through 2000 are presented in the table below.

Summary of Results and Targets for Performance Indicators, 1995-2000

Performance Goal/Indicator		Fiscal Year					
		1995	1996	1997	1998	1999	2000
Beginning in 1998 and by the end of 2002, cleanup 150 CERCLA sites and all regulated USTs on lands and facilities under USDA, jurisdiction, custody, and control.	Target (Prorated)				30	60	90
	Actual (Cumulative)				27	66	90
	% of Final (Cumulative)				18%	44%	60%
Number of sites assessed/characterized on the need for cleanup ¹	Target	156	160	106	49	54	78
	Actual	160	90	62	49	53	43
	%	103%	56%	58%	100%	98%	55%
Number of cleanup plans completed ¹	Target					13	17
	Actual					9	6
	%					69%	35%
Number of non-mine CERCLA cleanups completed ^{2,3}	Target	76	85	27	25 ⁴	30	30 ⁶
	Actual	37	62	34	27 ⁴	32 ⁵	15
	%	49%	73%	126%	108%	107%	50%
Number of mine CERCLA cleanups completed ²	Target					5	12 ⁶
	Actual					7	9
	%					140%	75%
Number of UST and other RCRA cleanups completed ³	Target	109	65	51	5	54	19 ⁶
	Actual	65	60	23	32 ⁷	13 ⁵	5
	%	60%	92%	45%	640%	24%	26%
Number of agreements reached with potentially responsible parties (PRPs)	Target	none	10	10	8	20	10
	Actual	4	4	8	8	7	11
	%		40%	80%	100%	35%	110%
Estimated value of cleanup/restoration work performed by PRPs (\$000.0s)	Target	none	none	none	20	30	35
	Actual	.5	22.3	26	104	34	11.5
	%				520%	113%	33%

- ¹ Until FY 1999, investigation (e.g., preliminary assessments, site inspections) and cleanup planning (e.g., engineering evaluation/cost analysis, remedial investigation/feasibility study) were combined and reported together. They are now separated so that management can track accomplishments in a more meaningful manner.
- ² Beginning with the FY 1998 results and the FY 1999 targets, CERCLA cleanups of abandoned and inactive mines are reported separately from other CERCLA cleanups. This distinguishes cleanups needed as a result of agency activities from those to address the activities of others.
- ³ To make program planning and performance in support of the performance goal more transparent, previously reported data on cleanups has been broken out to distinguish CERCLA and non-CERCLA effort.
- ⁴ This performance target is for both mine and non-mine cleanups. For consistency in showing results as a percent of targets during the transition period from combined reporting of CERCLA cleanups to separate reporting of mine and non-mine CERCLA cleanups, 12 mine cleanups are included in the 27.
- ⁵ The value of 42 non-mine cleanups reported in the FY 1999 APPR included 32 non-mine CERCLA cleanups and 10 UST cleanups. The value of 13 UST and other RCRA cleanups includes three other RCRA cleanups that were not counted in the earlier report.
- ⁶ The original target for cleanups was 61, of which 30 were non-mine CERCLA cleanups, 12 were mine CERCLA cleanups, and the remaining 19 were UST and other RCRA cleanups.
- ⁷ The large number of UST cleanups during FY 1998 is the result of a Departmental initiative to ensure that all regulated USTs were identified and brought into compliance by the December 1998 compliance deadline.

Program funding levels and other factors will dictate whether the 2002 performance goal is actually met. It is not always possible to accurately predict the cost and course of projects involving environmental contamination. Reasonable explanations for deviations from project plans are numerous, as illustrated by the following: There is more or less contamination than expected from the investigative work that was done at the start of the project. What appeared to be a routine project became complicated by other factors. The time required to gain concurrence from other regulatory agencies and to involve stakeholders in cleanup decisions is not under USDA control. An unexpectedly severe fire season diverted resources to other work. Negotiations with potentially responsible parties (PRPs) are protracted. As an example, in FY 2000 an agency reported a contract dispute on what had been expected to be routine project to remove and cleanup contamination from 11 large USTs on a former military installation now used by USDA. The cleanup was not completed on schedule because of the dispute and 11 of the 61 planned cleanups – 18 percent of the total performance target – were not completed, contributing to a missed performance target. The agency reports it is now planning to complete these UST cleanups in FY 2001.

Budget Information: The FY 2000 HMMA was \$15.7 million. Well over 95 percent of HMMA funds are obligated in support of Performance Goal #1. The funds in the HMMA are no-year. However, a vigorous effort is made each year to obligate all HMMA funds. In FYs 1999 and 2000, the obligation rate was over 95 percent. Prior-year carryover, deobligations of unspent obligations in past years, and recovery of past expenditures from viable responsible parties made the total of funds available for FY 2000 approximately \$22 million, of which all but \$629,496 was obligated during FY 2000. An unaudited and approximate breakout of FY 2000 obligations by performance measure is shown in the table below.

FY00 HMMA Funding (\$000.0s)	Primary GPRA Performance Measure			All Support Activities	Totals
	Investigations	Cleanup plans	All Cleanups		
Allocated	\$3,532.0	\$2,982.0	\$4,585.0	\$4,601.0	\$15,700.0
Obligated	\$5,191.8	\$3,740.8	\$6,649.0	\$5,963.2	\$21,544.8

Program Evaluations: On March 21, 2000, the Office of Inspector General (OIG) issued Audit Survey 50801-8-At, Evaluation of the USDA Reorganization of the Hazardous Materials Management Program. The report contained four recommendations, as follows:

1. Formally institutionalize the HMPC and the HMMP by publishing a final rule that amends the Code of Federal Regulations to reflect the revised organization and its authorities.
2. Develop a comprehensive strategic plan that covers organizational structure and procedures, objectives and measurements, together with performance goals that will support the

implementation of a consistent and effective departmental HMMP. This strategy should include target dates and plans of action to develop policy, guidelines, standards, and controls that will provide reasonable assurance of an economical and effective compliance effort.

3. Establish policies and procedures for agencies to consistently account for hazardous waste management funds by project.
4. Require agencies to reconcile at least semiannually HMMG's spreadsheet information with their formal accounting records of hazardous waste management funds and NFC's accounting reports in order to monitor and redirect program funds as necessary.

On June 7, 2000, the OIG accepted all management decisions regarding the recommendations. All action required by the management decisions was completed in December, 2000.

Goal 2: Ensure responsible management in the 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.

Key Performance Goal

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.

Target: 15

Actual: 15

Number of P2 projects completed.

Target: 1

Actual: 5

Reduction in releases and offsite transfers of toxics by USDA facilities not subject to TRI reporting but voluntarily pursuing such reductions.

Target: 50 %

Actual: N/A

2000 Data: As reported by USDA agencies, performance targets for FY 2000 were met or exceeded for the first two performance indicators. Because environmental audits and other program reviews represent management support for environmental compliance in USDA activities, information reported by the agencies is accepted without verification or validation. Pollution prevention projects seek to reduce or eliminate the use of toxic compounds and to achieve cost savings in the purchase or disposal of chemicals. Although the standard practices adopted by the private sector (e.g., calculation of cost savings, documentation of the payback period) for these projects has been recommended to the agencies, verification and validation of information they report to HMMG is not required, because the agencies are separately accountable for financial management.

Analysis of Results: The targets for the first two performance indicators were met or exceeded, the performance goal was met. Executive Order 12856 was rescinded in 2000 by the issuance of Executive Order 13148, and collection of this data was discontinued in 1999. Appropriate performance indicators and targets may eventually be added to support reporting on the environmental management systems and performance improvements called for in Executive Order 13148. However, specific results-oriented performance measures have not yet been identified or adopted. The phrase "consistent with the goals of the Pollution Prevention Act and Executive Order 12856" was deleted because Executive Order 12856 was rescinded and the rest of the phrase was needlessly specific.

Program Evaluations: None conducted during fiscal year 2000.