

2010 Explanatory Notes
Hazardous Materials Management

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DEPARTMENTAL ADMINISTRATION
HAZARDOUS MATERIALS MANAGEMENT

Purpose Statement

The Hazardous Materials Management Program (HMMP) provides leadership in six key environmental areas: (1) establishing annual funding priorities and funding hazardous material cleanups on USDA-managed lands and sites contaminated from past activities; (2) developing Departmental policies on environmental management systems, pollution prevention, and environmental compliance; (3) coordinating implementation of environmental management systems; (4) planning for, evaluating, and responding to natural and other incidents affecting the natural and built environment; (5) ensuring that USDA minimizes environmental liabilities associated with property transfers; and (6) representing USDA, which serves as a key Federal partner, in the national Brownfields program. Requirements, criteria, and procedures of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), and other environmental requirements guide decision making. The program also supports homeland security objectives by representing USDA on the National Response Team for oil and hazardous substance releases and several emergency support functions under the National Response Plan. HMMP also supports natural resources stewardship, quality-of-life goals for rural America, and Brownfields and Mine-Scarred Lands initiatives under the Small Business Liability Relief and Brownfields Revitalization Act.

HMMP is headquartered in Washington, D.C. As of September 30, 2008, there were seven permanent full-time employees, with six located in the national office and one located in a field office.

Office of the Inspector General Reports:

Open Audits during FY 2009:

#506010009AT	September 2003	Controls Over Chemicals and Radioactive Material at USDA Facilities
#508010012AT	September 2002	Management of Hazardous Waste Management Funds

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Available Funds and Staff Years
2008 Actual and Estimated 2009 and 2010

	<u>2008 Actual</u>		<u>2009 Estimated</u>		<u>2010 Estimated</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Hazardous Materials Management...	\$4,886,000	7	\$5,100,000	7	\$5,125,000	7
Carryover Balance.....	+2,431,707		+3,431,494			
Recoveries.....	+987,233	--	--	--	--	--
Unobligated Balance.....	-3,431,494	--	--	--	--	--
Rescission.....	-34,202	--	--	--	--	--
Total, Available or Estimate.....	<u>\$4,839,244</u>	<u>7</u>	<u>\$8,531,494</u>	<u>7</u>	<u>\$5,125,000</u>	<u>7</u>

Permanent Positions by Grade and Staff Year Summary
2008 Actual and Estimated 2009 and 2010

Grade	2008			2009			2010		
	Wash DC	Field	Total	Wash DC	Field	Total	Wash DC	Field	Total
GS-15.....	2	--	2	2	--	2	2	--	2
GS-14.....	3	1	4	3	1	4	3	1	4
GS-7.....	1	--	1	1	--	1	1	--	1
Total Permanent Positions.....	<u>6</u>	<u>1</u>	<u>7</u>	<u>6</u>	<u>1</u>	<u>7</u>	<u>6</u>	<u>1</u>	<u>7</u>
Total, Permanent Full-Time Employment, End-of-Year.....	<u>6</u>	<u>1</u>	<u>7</u>	<u>6</u>	<u>1</u>	<u>7</u>	<u>6</u>	<u>1</u>	<u>7</u>
Staff Year Estimate.....	6	1	7	6	1	7	6	1	7

DEPARTMENTAL ADMINISTRATION
HAZARDOUS MATERIALS MANAGEMENT

Appropriation Language

For necessary expenses of the Department of Agriculture, to comply with the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), [5,100,000] \$5,125,000, to remain available until expended: *Provided*, That appropriations and funds available herein to the Department for Hazardous Materials Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

Lead-off Tabular Statement

Appropriations Act, 2009.....	\$5,100,000
Budget Estimate, 2010	<u>5,125,000</u>
Increase in Appropriation.....	<u>+25,000</u>

Summary of Increases and Decreases
(On basis of appropriation)

<u>Item of Change</u>	2009 <u>Estimated</u>	<u>Pay Costs</u>	Program <u>Changes</u>	2010 <u>Estimated</u>
Hazardous Materials Management...	\$5,100,000	+\$25,000	- -	\$5,125,000

DEPARTMENTAL ADMINISTRATION
HAZARDOUS MATERIALS MANAGEMENT

Project Statement
(On basis of appropriation)

	<u>2008 Actual</u>		<u>2009 Estimated</u>		Increase or Decrease	<u>2010 Estimated</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>		<u>Amount</u>	<u>Staff Years</u>
Hazardous Materials Management	\$4,839,244	7	\$5,100,000	7	+\$25,000	\$5,125,000	7
Unobligated Balance...	+12,554	--	--	--	--	--	--
Total Available or Estimate.....	4,851,798	7	5,100,000	7	+25,000	5,125,000	7
Rescission.....	+34,202	--	--	--			
Total, Appropriation.....	4,886,000	7	5,100,000	7			

Project Statement
(On basis of available funds)

	<u>2008 Actual</u>		<u>2009 Estimated</u>		Increase or Decrease	<u>2010 Estimated</u>	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>		<u>Amount</u>	<u>Staff Years</u>
Hazardous Materials Management.....	\$4,839,244	7	\$8,531,000	7	-\$3,406,000	\$5,125,000	7
Unobligated Balance, Start of Year.....	-2,431,707	--	-3,431,000	--	+3,431,000	--	--
Recoveries.....	-987,233	--	--	--	--	--	--
Unobligated Balance End of Year.....	+3,431,494	--	--	--	--	--	--
Total Available or Estimate.....	4,851,798	7	5,100,000	7	+25,000	5,125,000	7
Rescission.....	+34,202	--	--	--			
Total Appropriation....	4,886,000	7	5,100,000	7			

DEPARTMENTAL ADMINISTRATION
HAZARDOUS MATERIALS MANAGEMENT

Justification of Increases and Decreases

- (1) An increase of \$25,000 to fund increased pay costs. These pay costs are for staff support related to oversight and management of HMM activities.

Geographic Breakdown of Obligations and Staff Years
2008 Actual and Estimated 2009 and 2010

	2008		2009		2010	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
District of Columbia.....	\$4,677,935	6	\$8,363,000	6	\$4,955,000	6
Denver, Colorado.....	161,309	1	168,000	1	170,000	1
Unobligated balance.....	12,554	--	--	--	--	--
Total, Direct Obligations..	4,851,798	7	8,531,000	7	5,125,000	7

DEPARTMENTAL ADMINISTRATION
HAZARDOUS MATERIALS MANAGEMENT

Classification By Objects

2008 Actual and Estimated 2009 and 2010

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Personnel Compensation:			
Washington, D.C.	\$622,197	\$770,000	\$788,000
Denver, Colorado.....	121,047	126,000	128,000
11 Total personnel compensation	743,244	896,000	916,000
12 Personnel benefits.....	135,075	182,000	187,000
13 Benefits for former personnel.....	275	--	--
Total pers. comp. & benefits.....	878,594	1,078,000	1,103,000
Other Objects:			
21 Travel.....	31,131	93,000	46,000
22 Transportation of things	0	2,000	1,000
23.3 Communications, utilities, and misc. charges	9,113	10,000	10,000
24 Printing and reproduction	7,200	6,000	6,000
25.3 Purchase of goods and services	3,902,788	7,334,000	3,951,000
26 Supplies and materials	8,740	8,000	8,000
31 Equipment.....	1,678	--	--
Total other objects.....	3,960,650	7,453,000	4,022,000
Total direct obligations.....	4,839,244	8,531,000	5,125,000
<u>Position Data:</u>			
Average Salary, GS positions	\$106,177	\$128,886	\$130,857
Average Grade, GS positions.....	14.2	15.3	15.3

HAZARDOUS MATERIALS MANAGEMENT

STATUS OF PROGRAM

The Hazardous Materials Management account centrally funds the necessary expenses of the Department to cleanup releases of hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.) and the Resource Conservation and Recovery Act (RCRA, 42 U.S.C. 6901 et seq.). Funds are transferred to agencies of the Department for use in meeting all requirements of CERCLA and RCRA on Federal and non-Federal lands. A portion of the account is used to fund staff within the Office of Procurement and Property Management (OPPM) and within the Office of the General Counsel (OGC). Program staff provide Departmental leadership through the development and implementation of policy and guidance, and provide oversight of the CERCLA and RCRA activities of the Department. OGC develops agreements for reimbursement and cleanup work by parties responsible for contamination on Federal lands managed by the Department and provides legal assistance for the program. Activities funded by the Hazardous Materials Management account support two of the Department's Strategic Goals: support increased economic opportunities and improved quality of life in rural America; and protect and enhance the Nation's natural resource base and environment.

Current Activities:

Each year¹, a Program Focus Panel of senior representatives from key USDA mission areas and offices evaluates and prioritizes proposed projects for protection of human health and the environment and public benefit. The Department's Hazardous Materials Policy Council composed of senior-level managers from the USDA agencies, Departmental Administration, the Office of Budget and Program Analysis, and OGC reviews and approves the recommended priorities. The Hazardous Materials Policy Council also establishes Department-wide policies related to environmental compliance and management. USDA's project prioritization and approval process ensures that Hazardous Materials Management account funds are used to address the most serious threats to public health and the environment at USDA-managed facilities and on USDA-managed lands. In FY 2008, USDA used the Hazardous Materials Management account to fund cleanup and oversight activities at three USDA facilities in Maryland, Colorado, and Montana that are on the U.S. Environmental Protection Agency's (EPA's) National Priorities List (NPL) -- EPA's list of the Nation's worst contaminated sites on private and Federal land. For 2009, the Program Focus Panel ranked 25 projects representing requests from USDA agencies for nearly \$23 million of activities. Based on the current projected funding level in FY 2009, USDA's Hazardous Materials Management account will fund cleanup activities at one facility in Maryland, which is on EPA's NPL and one facility in Nebraska; develop and implement policy and guidance; and pursue and monitor enforcement agreements with potentially responsible parties to perform cleanup/restoration at contaminated sites.

Selected Examples of Recent Progress:

EPA listed USDA's Beltsville Agricultural Research Center (BARC) on the NPL in 1994 and is overseeing USDA's cleanup activities at the facility pursuant to an enforceable Federal Facilities Agreement between USDA and EPA. USDA's Agricultural Research Service (ARS) has used the facility since 1910 for research on animal husbandry, dairying, and animal diseases. BARC spans 7,000 acres adjacent to Washington, D.C., in suburban Maryland, with agricultural plots and 800 buildings, including research laboratories, administrative offices, shops, greenhouses, barns, and several houses. A trailer park, high school, housing developments, and many Federal installations are located within four miles of the site. From the late 1940s until 1987, USDA used one area of BARC for the disposal of low-level radioactive waste and these radioactive wastes have contaminated nearby groundwater. In addition to EPA, the Nuclear Regulatory Commission is overseeing USDA cleanup activities of the radioactive waste disposal area. With EPA oversight, ARS is continuing to evaluate and clean up several dozen areas on BARC

¹USDA did not convene a Program Focus Panel for FY 2010. If funding levels are restored, the Department will use the FY 2009 priority list to fund projects in FY 2010.

that contaminated or threaten to contaminate ground and surface water with pesticides, solvents, metals, and other hazardous substances. Surface water from BARC flows to the Anacostia River and eventually to the Potomac River and the Chesapeake Bay. Fisheries in the creek known as the Northeast Branch and the Anacostia River provide habitat for numerous species and supply aquatic habitat for the USDA National Arboretum and several National Park units. To date, \$33 million USDA has spent for investigation and cleanup at 39 sites on BARC. EPA is requiring additional response actions at 22 sites and further detailed evaluation at four sites located on the facility before they are willing to certify that the remaining sites are protective of human health and the environment. ARS estimates that it will need an additional \$33 million to complete the ongoing investigations and remaining cleanups at BARC.

The Standard Mine is a former hard rock mine located in the Gunnison National Forest in Colorado. This project was funded with Hazardous Materials Management resources due to the high priority the Department places in protecting human health. EPA placed the mine on the NPL in 2005 because of the mine's threat to the drinking water supply for the town of Crested Butte, Colorado. Mining of lead, zinc, silver, and gold began at Standard Mine around 1874 and continued through 1966 when the mine was abandoned. While it remains USDA policy to pursue viable potentially responsible parties, the now defunct mining company is unable to pay for the cleanup of the mine site. The potentially responsible party placed piles and ponds of contaminated material on Forest Service land adjacent to and in Elk Creek. As a result, Elk Creek is devoid of all aquatic life and fails water standards. Elk Creek feeds into Coal Creek, which is the only available permanent source of drinking water for Crested Butte, Colorado. The community is concerned that contaminated material from the mine will contaminate their water supply if the site is not cleaned up. In 2008, EPA and USDA completed the removal of the dam and the mine tailings impoundment pond, removed contaminated material from Elk Creek and the surrounding areas, and reconstructed Elk Creek to control sediment, improved water quality, and provided habitat to protect Crested Butte's water supply. Initial laboratory toxicity testing downstream from the reconstructed Elk Creek indicates significant reduction in water toxicity.

EPA placed the Basin Mining Area, located partially on the Beaverhead/Deerlodge National Forest, Montana, on the NPL in 1999 because of the historic hard rock mining that started in the 1870's and continued intermittently into the late 1950s, resulting in extensive areas of heavy metal contamination at levels posing a threat to human health and the environment. Environmental contamination includes damage to Basin Creek, Cataract Creek, and part of the upper Boulder River all of which are designated as municipal watersheds. The USDA Forest Service manages the land upon which much of this mine waste is located. Since the site poses a significant threat to human and environmental health, Hazardous Materials Management funding has been used in its clean-ups. The mining companies that are potentially responsible for the contamination are defunct and unable to pay for the cleanup of the pollution they caused. USDA continues to work closely with EPA and the State of Montana to address the Basin Mining Area NPL site and in 2008, USDA provided funds from the Hazardous Materials Management account for the penultimate phase of the cleanup work in Cataract Creek. This work began in October, but was suspended due to snow and will resume in 2009.

In FY 2008, additional activities included the completion of 16 agreements (Administrative Settlement Agreements and Orders on Consent, Consent Decrees, Settlement Agreements, and Participating Agreements) for the recovery of costs or work conducted by the potential responsible parties for the contamination on USDA managed lands. The value of the cost recovery combined with work the potentially responsible parties conducted is \$24.5 million. OGC also provides legal support to USDA agencies that receive notices of violation for environmental infractions and negotiates settlement of the fines and penalties. OPPM staff completed the rewrite of the Departmental Manual containing policy for Environmental Pollution Prevention, Control, and Abatement (DM 5600-001). In FY 2009, after approval by the Hazardous Materials Policy Council, DM-5600-001 will go through Departmental review and approval by the Secretary.

HAZARDOUS MATERIALS MANAGEMENT

Summary of Budget and Performance
Statement of Agency Goals and Objectives

Hazardous Materials Management has one goal and objective that contributes to the Department's strategic goals.

Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
Goal 1: Provide USDA leadership with the administrative tools, services, infrastructure, and policy framework to support their public service mission.	DA Objective 3: Promote the efficient and economical use of USDA's resources to support customers, promote organizational productivity and ensure accountability.	Hazardous Materials Management Program.	Protect public health and natural resources by addressing hazardous materials contamination on lands under USDA jurisdiction, custody, or control. To achieve this outcome, HMMP will provide resources to agencies with the highest-priority project activities via reimbursable agreements within 45 days after notification of apportionment of HMM funds.

Selected Accomplishments Expected at the FY 2010 Proposed Resource Level:

USDA will continue to apply available funds to cleaning up the mine and non-mine CERCLA sites determined to be the Department's highest priorities for action. The funds requested in FY 2010 will be applied to fund site screening and removal actions at the Beltsville Agricultural Research Center, Maryland (BARC). This site poses hazards to public health and the environment. HMM will also develop and implement policy and guidance; pursue and monitor enforcement agreements with potentially responsible parties and perform cleanup and restoration at other contaminated sites. Removal actions eliminate the contamination and site screening activities assist in the identification of contamination at BARC which is on the U.S. Environmental Protection Agency's National Priorities List and has a signed Federal Facilities Agreement and negotiated Site Management Plan. Failure to show progress on investigation and cleanup at BARC places USDA at risk of fines and penalties. Program staff and the Pollution Control Team within the Office of the General Counsel support the Comprehensive Environmental Response, Compensation and Liability Act and Resource Conservation and Recovery Act programs of the Department through the development of Departmental and Inter-Departmental policy and guidance and oversight. The Pollution Control Team supports the search for responsible parties to fund investigation and cleanup of sites on Departmental lands and the development of legal agreements covering the cleanup activities of viable responsible parties on Departmental lands. The remainder of these funds will provide additional resources to larger project activities initiated in earlier fiscal years. These funds will complete the ten-year commitment in the cooperative effort between Montana, EPA, and USDA.

DEPARTMENTAL ADMINISTRATION
HAZARDOUS MATERIALS MANAGEMENT

Summary of Budget and Performance
Key Performance Outcomes and Measures

Goal 1: Provide USDA leadership with the administrative tools, services, infrastructure, and policy framework to support their public service mission.

Key Outcome: Protect public health and natural resources by addressing hazardous materials contamination on lands under USDA jurisdiction, custody, or control. To achieve this outcome, HMMP will provide resources to agencies with the highest-priority project activities via reimbursable agreements within 45 days after notification of apportionment of HMM funds.

Long-term Performance Measure:

Percent of Hazardous Materials Policy Council approved projects awarded. The Hazardous Materials Policy Council is a group of senior managers from USDA mission areas, Departmental Administration, and the Office of the General Counsel. The Policy Council determines HMM Appropriation funding priorities and establishes Department- wide policies related to environmental compliance and management.

Key Performance Targets:

Performance Measure	<u>2005 Actual</u>	<u>2006 Actual</u>	<u>2007 Actual</u>	<u>2008 Target</u>	<u>2009 Target</u>	<u>2010 Target</u>
Percent of available HMM resources distributed to priority activities in a timely manner.	100%	100%	100%	100%	100%	100%
a. Units						
b. Unit Cost	\$906,353	\$1,152,229	\$475,200	\$533,677	\$1,234,200	1,272,600

Summary of Budget and Performance
Full Cost By Agency Strategic Objective

PROGRAM ITEMS	Dollars in thousands		
	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Strategic Objective 3: Promote the efficient and economical use of USDA's resources to support customers, promote organizational productivity, and ensure accountability.			
Direct Costs	\$4,839	\$5,100	\$5,125
FTEs	7	7	7