



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

29 MAR 2004

OFFICE OF
SOLID WASTE AND EMERGENCY
RESPONSE

MEMORANDUM

SUBJECT: Promoting the Use of Multi-Site Approaches to Cleanup and Revitalize LUST Sites

FROM: Cliff Rothenstein, Director
Office of Underground Storage Tanks

A handwritten signature in black ink, appearing to read "Cliff Rothenstein", written over the printed name.

TO: UST/LUST Regional Division Directors, Regions 1-10

As you know, we have established cleanup goals for the underground storage tank program and we are always looking for better ways to help states achieve these goals. One approach that may help is to encourage states to group or cluster their leaking underground storage tank (LUST) clean ups so they can take advantage of the benefits of multi-site cleanup approaches and help reduce the national LUST cleanup backlog.

To encourage this approach, the Office of Underground Storage Tanks (OUST) is proposing that multi-site cleanups be used primarily to help states group and address sites already listed in a state's LUST cleanup backlog. Two examples of multi-site approaches are the clustering of cleanups by site ownership (e.g., owner/operator, federal facilities or tribal lands) or by geographic area (e.g., environmental justice communities, environmentally sensitive areas or abandoned tank sites). Attachment 1 describes these two approaches and Attachment 2 provides examples of how these approaches have been applied by some states.

As was discussed at our managers meetings in December and more recently at the National Conference, OUST is encouraging each Region to identify and implement at least one project using a multi-site cleanup approach in a state or Indian Country. We also indicated that OUST soon will be distributing \$360,000 to each region to fund regional-state improvement projects; development of a multi-site cleanup approach may be a good use of such funds.

Our goal is for states and tribes is to develop a multi-site approach that will help them decrease their existing backlogs most efficiently and save resources. They may even wish to combine a multi-site approach with other time and cost saving measures such as Pay for Performance contracting or Risk Based Corrective Action. In addition to saving resources there are other benefits of using a multi-site approach such as: reducing reporting requirements for state staff; providing the public with a single regulatory point of contact; or having one cleanup contractor for a cluster of sites. To further illustrate these benefits, Attachment 3 lists incentives, benefits and possible challenges to multi-site approaches, and Attachment 4 lists possible key components of a multi-site approach.

To promote effective multi-site approaches, OUST will provide a forum for states to exchange information on multi-site approaches through the web, conference calls, or visits to successful multi-site cleanup areas. Through this work OUST hopes to help the states and tribes decrease their backlog of LUST sites and clean up their environments as efficiently as possible.

If you have any questions about this effort, please feel free to contact me or Joseph Vescio at 703-603-0003.

Attachments

cc: UST Regional Branch Chiefs
UST Regional Program Managers
Sammy Ng
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OUST Regional Liaisons

Attachment 1: Types of Multi-Site Cleanup Approaches

Multi-site cleanup approaches can be grouped into two categories: (1) clustering of sites by site ownership; and (2) clustering of sites by geographic area.

1. Clustering of Sites By Site Ownership

When clustering sites by site ownership, the cleanup terms are negotiated between the implementing agency and the responsible party. The agreement may be formal or informal, but the primary benefit is the efficiencies resulting from negotiating several cleanups through one agreement with the same responsible party rather than negotiating each individual cleanup separately. States may decide to use their existing agreements, memoranda of understanding, supplemental environmental projects, consent orders, or other in-place mechanisms to consolidate multiple sites.

Some examples of clustering by site ownership are:

- **Gas Station Owner/Operators**

Addressing a group of sites belonging to the same owner/operator may provide more consistent and effective cleanup results. Clustering by site ownership can be a particularly useful method for states experiencing high levels of gas station divestitures.

- **Federal Facilities**

Addressing multiple federal facilities concurrently can help expedite cleanup concerns caused, generated, or managed by federal agencies and departments.

- **Tribal Lands**

By forming partnerships with tribes, EPA Regions and tribes can address multiple LUST sites, thus maximizing public health and environmental protection in Indian Country.

2. Clustering of Sites By Geographic Area

Often, area wide cleanups can provide economies of scale for the cleanup contractor. In addition, since developers are usually interested in working on a group of sites rather than a single site, a geographic multi-site cleanup approach can be a useful tool in promoting not only the cleanup but also the subsequent reuse of adjacent contaminated properties.

Some examples of specific geographic cluster areas include:

- **Environmental Justice Areas**

By grouping and targeting multiple cleanups in low-income and/or minority areas, states can help foster economic development by increasing the opportunities for area wide revitalization of contaminated sites.

- **Environmentally Sensitive Areas**

By clustering site cleanups around sensitive areas such as riverfronts, drinking water wells, and schools, an increased level of human health and ecological protection can be realized.

- **Abandoned Tank Sites**

Clustering a number of abandoned tank sites into a single bid package may result in lower costs for states authorized to take the lead in addressing abandoned contaminated sites.

Attachment 2: Examples of Multi-Site Cleanup Approaches Used by States

Clustering by site ownership:

- **Idaho -- A Consent Order with a Responsible Party**
The Idaho Department of Environmental Quality (DEQ) negotiated a consent order with a company in Sandpoint requiring the remediation of three gas station release sites all within a couple of blocks of each other in a prime commercial area. As a result, all the properties were remediated on an agreed upon schedule. DEQ wrote “no further action” letters and the properties were subsequently sold and reused for a pie shop, two antique shops, and a high-end furniture store.
- **Pennsylvania -- A Multi-Site Agreement with a Responsible Party**
Various groups of properties throughout Pennsylvania are owned by a single operator and require assessment and corrective action. Therefore, the Pennsylvania Department of Environmental Protection (DEP) uses multi-site remediation agreements to manage environmental requirements that result in efficiencies to the owner by addressing multiple contaminated sites together. A customized strategy is mutually developed and finalized as a legal agreement. Schedules and deliverables are negotiated so that DEP is involved from the beginning and has an understanding of the scope of work expected for each year. The responsible party and the regulatory agency benefits from the partnership formation and from the statewide standardization approach. The multi-site agreement provides good public relations for the owner because all his properties are being proactively addressed. Additionally, for regulatory agencies, backlogs of unresolved site issues can often be reduced. For example, Pennsylvania has been able to address 177 sites owned by a single responsible party by using one multi-site agreement.

Clustering by geographic area:

- **South Dakota -- Clustering Abandoned Tank Sites**
In South Dakota, the state is authorized to take the lead in addressing abandoned tank sites at no cost to the owner. To address the abandoned tank population, the state accepted voluntary applications for tank removal from owners of abandoned or inactive tanks. The state then bid the work for tank decommissioning, tank removal, contents removal, and soil excavation by clustering 10 to 25 sites per bid package. The low-bid contractor was then awarded the contract to conduct the tank removal at all sites within the bid package. By clustering a large number of sites into a single bid package, the bidding was more competitive, resulting in substantial cost savings. The benefits of having one payment for multiple sites also saved the state time and money. In 18 months, 3,700 tanks were removed at 2,700 sites at an average cost of just \$2,500 per site, which is about 30 percent cheaper than an average tank pull in South Dakota. Contractor payments were made within 30 days once work was satisfactorily completed for all sites in the bid package.

- **New Hampshire -- An USTfields Pilot Expedites Cleanup**
In the Town of Canaan, USTfields pilot funds were used to expedite the cleanup of three inactive service stations located within several hundred feet of one another. By addressing all three sites collectively, the New Hampshire Department of Environment Services was able to conduct concurrent site investigations and create comprehensive groundwater flow maps, thus expediting cleanup in a cost-effective manner.
- **Florida -- Bundling Sites in Conjunction with Pay for Performance (PFP)**
In Florida, multi-site cleanup agreements have been used for “bundles” of PFP LUST sites. The entire cost of cleanup for multiple sites is determined upfront. Used only for state funded cleanups, the agreement is usually with the cleanup contractor and the state pays the contractor directly. As a partner in the agreement, the cleanup contractor plays a strong role and usually acquires a sizeable amount of work. The cleanup of these sites is negotiated as a group, which results in economies of scale. Florida reported in a *LUSTLine* article that:

By partnering with private industry and using a combination multi-site/pay for performance approach to cleanup, the Florida Department of Environmental Protection anticipates savings considerably below historical averages per cleanup, which represents savings in the millions of dollars to the state. The responsible party will also realize savings of \$2 to \$3 million in self-insured cleanup costs. (Bulletin 39, p.23)

**Attachment 3: Potential Benefits and Challenges of
Multi-Site Cleanup Approaches**

Stakeholder	Benefits	Challenges
Regulated Community	Reduced reporting and regulatory interface burdens can result in cleanup program cost reductions.	Possible increased initial investment to accelerate cleanups (reduces time value of money options).
	Remediated sites can be reused or resold.	May reduce options for site-specific risk-management decisions and negotiation of site-specific cleanup goals.
	Remediated sites reduce liability.	
	Determine cleanup goals, priorities, and time frames for multiple sites simultaneously rather than one at a time.	
	Written agreement on cleanup goals and time frames.	
	Reduced reporting requirements through consolidated reporting	
	More efficient regulatory interface by establishing a single point of contact for multiple sites.	
Regulatory Agencies	Increased cleanups and site closures.	Initial time investment in negotiating agreement.
	Reduced costs through consolidated site management and reduced report review.	May require additional inter-agency agreements and coordination.
	Reduced report review time through consolidated reporting.	May reduce options for site-specific risk-management decisions and negotiation of site-specific cleanup goals.
	Clear cleanup goals and time frames help site managers quickly make decisions.	

Attachment 4: Possible Key Components of a Multi-Site Cleanup Approach

It may be helpful to include and record any or all of the following elements when organizing a multi-site cleanup approach. Regions are encouraged to work with their states to include state-specific elements that may make the process run more smoothly:

1. Sites covered under the approach (clustered by area, by owner)
2. Commitments on the part of the regulated parties
 - a. Number of sites where human health exposure is under control and contaminated groundwater migration is under control.
 - b. Number of sites to be cleaned up.
 - c. Time frame for accomplishing the above commitments and requirements.
Establishing specific cleanup time frames is probably one of the main benefits for the regulatory agency. These cleanup goals do not necessarily have to be expressed in years. The UST program could borrow from the RCRA Environmental Indicator program, including measure of success for cleanup such as human health exposure under control and contaminated groundwater migration under control, consistent with the one cleanup initiative. Cleanup goals could also be expressed as a percentage of sites cleaned up within a specified period of time.
3. Commitments on the part of the regulatory agency
 - a. Single point of contact
 - b. Negotiated cleanup goals (use existing agreements, memoranda of understanding, supplemental environmental projects, consent orders, or other in-place mechanisms to consolidate multiple sites).
4. Specific details of the agreement
5. Stipulated penalties for violating agreement
6. Disclaimers
7. Exit clauses for both parties