

Reclamation Manual

Directives and Standards

TEMPORARY RELEASE

(Expires 08/12/2017)

Subject:	Environmental and Disposal Liability (EDL)
Purpose:	Provides Bureau of Reclamation responsibilities regarding estimation, documentation, and reporting of Site EDL and Asset EDL. The benefit of this Directive and Standard (D&S) is a consistent process for Reclamation to meet Department of the Interior requirements for estimating EDL and for financial accountability.
Authority:	Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended; Oil Pollution Act (OPA) of 1990, as amended; Resource Conservation and Recovery Act (RCRA), as amended; Toxic Substance Control Act (TSCA), as amended; Clean Water Act, as amended; Clean Air Act, as amended; 40 CFR Part 61 Subpart M; 40 CFR Part 763; Federal Financial Accounting and Auditing Technical Releases No. 2 and No. 10; Statement of Federal Financial Accounting Standards (SFFAS) No. 5, Accounting for Liabilities of the Federal Government; SFFAS No. 6, Accounting for Property, Plant, and Equipment; Office of Management and Budget Circular A-136, Financial Reporting Requirements; and Department Environmental and Disposal Liabilities, Identification, Documentation and Reporting Handbook, version 3.0 (Department EDL Handbook)
Approving Official:	Director, Policy and Administration (POLICY)
Contact:	Environmental Compliance Division, 84-53000

1. **Introduction.** Reclamation is required to quantify any future outflow of resources that could result from environmental compliance requirements associated with Reclamation buildings and structures (Asset EDL), and land (Site EDL).
2. **Applicability.** This D&S applies to all Reclamation employees responsible for entry, review, management, or approval of EDL data.
3. **Definitions.**
 - A. **Asbestos EDL.** The financial liability associated with identifying, quantifying, removing, and disposing of asbestos in Reclamation assets. An asset's Asbestos EDL may be combined with others into an office, region, or Reclamation Asbestos EDL. Identification and estimation of Asbestos EDL for Reclamation assets is calculated using Department estimation factors and asset asbestos data elements and documented

Reclamation Manual

Directives and Standards

TEMPORARY RELEASE

(Expires 08/12/2017)

in the Financial and Business Management System (FBMS). The Department determines these factors based on asbestos surveys, conducted in accordance with 40 CFR part 763 and documented in FBMS asset records.

- B. **Asset EDL.** The combined material-specific future outflow of resources associated with identifying, quantifying, removing, and disposing of hazardous materials in a Reclamation building or structure. A material-specific EDL (i.e., Asbestos EDL, Lead Based Paint EDL, etc.) results from the costs associated with that hazardous material in a given asset, but may be combined for an office or bureau EDL. Asset EDL is calculated, tracked, and documented in FBMS. Reclamation total Asset EDL is reported in quarterly financial statements.
- C. **DOI Asset Code.** An 8 digit number denoting Department real property asset types. Also known as Asset Code and DOI Facility Asset Code. Some asset types (i.e., roads, bridges, earthen dams, etc.) are exempted by DOI Asset Code Asbestos EDL calculations in FBMS and from the asbestos liability reporting.
- D. **Environmental and Disposal Liability or EDL.** The legal and financial obligation resulting from environmental compliance requirements associated with Reclamation land (Site EDL), and Reclamation buildings and structures (Asset EDL). Quarterly estimation and certification of EDL is required for inclusion in Reclamation financial statements.
- E. **Environmental Management Information System (EMIS).** The Department system of record for reporting and tracking of Site EDL. The EMIS is used by Reclamation, the Department Office of Environmental Policy and Compliance, and the Department Office of Financial Management for quarterly Site EDL estimation, management, and financial reporting.
- F. **Environmental Release.** Any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including abandonment or discarding of barrels, containers, or other closed receptacles) of any hazardous chemical, hazardous substance, or toxic chemical (40 CFR 372.3).
- G. **Financial and Business Management System or FBMS.** FBMS is an integrated suite of software applications designed to streamline financial and administrative functions across all Department bureaus.
- H. **Future Outflow of Resources.** An expenditure of funds, or other allocation of resources, that will occur beyond the current fiscal year reporting period.

Reclamation Manual

Directives and Standards

TEMPORARY RELEASE

(Expires 08/12/2017)

- I. **Generally Accepted Accounting Principles.** A widely accepted set of rules, conventions, standards, and procedures for reporting financial information. They are established by the Federal Accounting Standards Advisory Board and include SFFAS and Interpretations, Technical Bulletins, Technical Releases, and Implementation Guides.
 - J. **Hazardous Substance.** An element, compound, mixture, solution, or substance that is defined as a hazardous substance under CERCLA or TSCA, or any substance designated pursuant to 40 CFR part 302 or 40 CFR Part 716 Section 120.
 - K. **Locations of Concern.** Sites that have the potential for future outflow of resources due to an environmental release.
 - L. **Site EDL.** The future outflow of resources resulting from potential activities associated with environmental site cleanup (CERCLA, TSCA, RCRA, or OPA) of hazardous materials or petroleum products on Reclamation land. Site EDL is quantified and tracked by location or facility in the Department EMIS database and may include liability for land associated with Reclamation assets. Reclamation total Site EDL is reported in quarterly financial statements.
4. **Responsibilities.**
- A. **Director, POLICY.** The Director, POLICY, is responsible for designating the EDL Administrator and ensuring compliance with the requirements of this D&S.
 - B. **EDL Administrator.** The EDL Administrator shall have the EMIS security role of “Bureau System Administrator” for Site EDL data. The EDL Administrator is responsible for:
 - (1) designating the POLICY EDL Coordinator;
 - (2) ensuring that Reclamation Site EDL data are updated quarterly in EMIS and that they are current, complete, and accurate; and
 - (3) approving Site EDL updates for release to the Department.
 - C. **POLICY EDL Coordinator.** The POLICY EDL Coordinator shall have the EMIS security role of “Bureau Environmental Reviewer” for all Site EDL data. The POLICY EDL Coordinator is responsible for:
 - (1) coordinating quarterly updates to region Site EDL data in EMIS;

Reclamation Manual

Directives and Standards

TEMPORARY RELEASE

(Expires 08/12/2017)

- (2) reviewing region Site EDL updates as the Bureau Environmental Reviewer to ensure the environmental data are current, complete, accurate, and compliant with applicable environmental requirements;
- (3) assisting region Site EDL coordinators in identifying and evaluating locations of concern;
- (4) routing Site EDL updates to the EDL Financial Reviewer and the EDL Administrator for timely approval and release to the Department;
- (5) coordinating quarterly updates to region Asset EDL data in FBMS;
- (6) reviewing Asset EDL updates to ensure the data are current, complete, and accurate;
- (7) certifying quarterly to the EDL Financial Reviewer that the region FBMS Asset EDL data updates are current, complete, and accurate;
- (8) maintaining quarterly region certifications on file (hard-copy or electronic) as required by FIN-6.10 (Accounting Information Reporting, 10 years) for fiscal year first, second, and third quarter certification, and as ADM-8.00 (A-123 Program Compliance Audit Appeals, 25 years) for fiscal year fourth quarter certification; and
- (9) coordinating resolution of financial irregularities and inconsistencies between FBMS Asset EDL data and EMIS Site EDL data.

D. **Manager, Business Accounting Division/Reporting and Accounting Team (BAD/RAT Manager).** The BAD/RAT Manager is responsible for designating the EDL Financial Reviewer.

E. **EDL Financial Reviewer.** The EDL Financial Reviewer shall have the EMIS security role of "Bureau Financial Reviewer." The EDL Financial Reviewer is responsible for:

- (1) reviewing quarterly updates to region Site EDL financial data in EMIS to ensure updates are reasonable, consistent, and compliant with Generally Accepted Accounting Principles;
- (2) identifying inconsistencies in financial data between FBMS Asset EDL data and EMIS Site EDL data and reporting them to the POLICY EDL Coordinator and assisting in their reconciliation;

Reclamation Manual

Directives and Standards

TEMPORARY RELEASE

(Expires 08/12/2017)

- (3) approving adjustments recorded to FBMS Asset EDL data for any changes recorded in EMIS Site EDL data; and
- (4) reviewing and approving financial data in Asset EDL and Site EDL updates for use in Department financial statement disclosures and footnotes and for other financial reporting purposes.

F. Regional Directors. Regional directors are responsible for:

- (1) Ensuring regional compliance with the requirements of this D&S.
- (2) Designating a region Asset EDL coordinator.
- (3) Designating a region Site EDL coordinator. The region Asset EDL coordinator and region Site EDL coordinator may be the same person.
- (4) Certifying annually, and in a timely manner, to the Director, POLICY, that the region Asset EDL data in FBMS are current, complete, and accurate.

G. Regional Asset EDL Coordinator Supervisor. The supervisor of the regional Asset EDL coordinator is responsible for:

- (1) certifying for fiscal year first, second, and third quarters to the POLICY EDL Coordinator in a timely manner that the region Asset EDL data in FBMS are current, complete, and accurate; and
- (2) providing a copy (hard-copy or electronic) of region Asset EDL data certification to the POLICY EDL Coordinator.

H. Regional Asset EDL Coordinator. The regional Asset EDL coordinator is responsible for:

- (1) acting as the regional point of contact for tracking and management of FBMS Asset EDL data;
- (2) verifying quarterly that regional FBMS Asset EDL data are current, complete, and accurate;
- (3) ensuring that a minimum of 3 percent of region assets have been surveyed for asbestos for each non-exempt DOI Asset Code (see Paragraph 6.B.); and

Reclamation Manual

Directives and Standards

TEMPORARY RELEASE

(Expires 08/12/2017)

- (4) identifying and scheduling, in consultation with the POLICY EDL Coordinator, the appropriate number of assets for survey if the number of region assets surveyed falls below three percent for any non-exempt DOI Asset Code.
- I. **Regional Site EDL Coordinator.** The regional Site EDL coordinator shall have the EMIS security role of “Regional Reviewer.” The regional Site EDL coordinator is responsible for:
 - (1) identifying and evaluating regional locations of concern for inclusion in EMIS within 6 months of identification;
 - (2) coordinating, reviewing, documenting, and routing of quarterly Site EDL data updates and legal review to POLICY EDL Coordinator; and
 - (3) reviewing and posting of site documentation in EMIS for compliance actions or changes to site condition (see Paragraph 5).
- J. **Area Office Managers.** Area office managers shall ensure area office compliance with the requirements of this D&S and certify quarterly to the regional director that area office Asset EDL data in FBMS are current, complete, and accurate.
5. **Quantifying Site EDL.** EMIS site records must include an attached reasonable estimate of potential future outflow of resources including, if applicable, an explanation of why the estimate is being deferred (see Department EDL Handbook).
 - A. **Probability.** Sites with remote probability for future outflow of resources are not required to have a quantified Site EDL. Quantification of Site EDL is required if the site probability changes to either reasonably possible or probable. If Site EDL is quantifiable then it must be documented EMIS, regardless of probability.
 - B. **Source Documents.** Existing compliance documents, such as the Remedial Investigation/Feasibility Study (CERCLA), can be used as source documents for a reasonable estimate of EDL. If no basis for estimating EDL exists (i.e., no milestone documents, historical data, completed studies, comparable studies, comparable conditions, etc.) then the lack of documentation must be noted in EMIS and Site EDL quantification can then be deferred until sufficient information becomes available.
 - C. **Technology Does Not Exist.** Once this conclusion is attached to the record, only the estimated costs to contain the contamination and other identifiable relevant costs (e.g., costs of future studies) shall be identified as Site EDL. If site data or compliance documents indicate that remedy technology for a site does not exist then that

Reclamation Manual

Directives and Standards

TEMPORARY RELEASE

(Expires 08/12/2017)

conclusion must be noted, and the supporting documentation attached, to the EMIS site record.

- D. **Percent Allocation of Liability.** If Reclamation is not the only party with EDL obligations for a specific site, then EDL estimates for all viable parties involved shall be based on a percentage of the allocated site liability. Percent allocation of a site's EDL must include the viability of non-Department responsible parties and the possibility that additional viable responsible parties will be identified. If Reclamation shares site EDL obligations with non-governmental parties, the estimated or court decreed percentage allocation of liability must be documented in EMIS (see EDL Handbook, Appendix C).
 - E. **Deactivation of a Site in EMIS.** To be considered for deactivation, a site in EMIS must have documentation of the site fee title transfer, or the completed site cleanup action, attached to the site record. Sites being considered for deactivation must be identified in EMIS site record notes with supporting documentation at least one fiscal quarter before deactivation. A site is only deactivated as part of the site's quarterly update.
6. **FBMS.**
- A. FBMS is the system of record for Asset EDL. All Reclamation assets must be evaluated for Asset EDL as soon as they are identified in FBMS.
 - B. Asbestos surveys on Reclamation assets shall be conducted in accordance with 40 CFR Part 61 Subpart M. Surveys may be contracted or conducted by qualified Reclamation employees. Anyone conducting a survey shall be trained and certified in accordance with 40 CFR Part 61 Subpart M and licensed in accordance with state and local requirements.

RECLAMATION MANUAL TRANSMITTAL SHEET

Effective Date: _____

Release No. _____

Ensure all employees needing this information are provided a copy of this release.

Reclamation Manual Release Number and Subject

Summary of Changes

NOTE: This Reclamation Manual release applies to all Reclamation employees. When an exclusive bargaining unit exists, changes to this release may be subject to the provisions of collective bargaining agreements.

Filing instructions

Remove Sheets

Insert Sheets

All Reclamation Manual releases are available at <http://www.usbr.gov/recman/>

Filed by: _____

Date: _____