



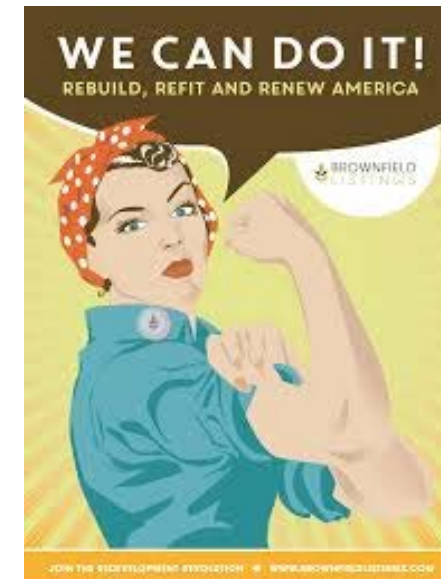
Brownfields Liability

Lisa Griswold
Alaska Department of Environmental Conservation
Alaska Tribal Conference on Environmental
Management (ATCEM)



What we're covering today:

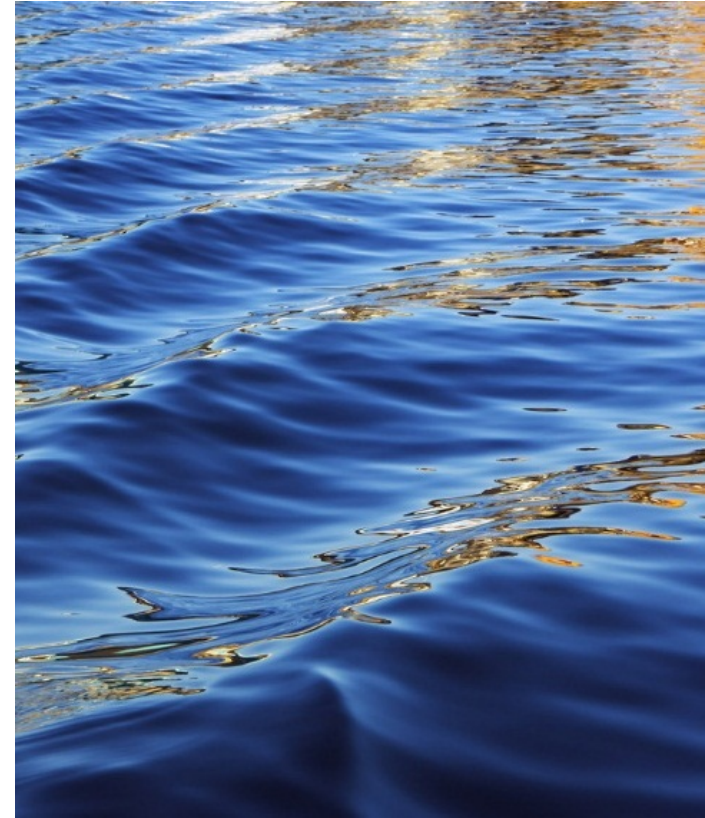
- Key Terms
- Laws and Regulations
 - History and applicability
- Liability protections
- How this applies to Brownfields





Key Terms

The what-y what now?



What is “liability”?

- A comprehensive legal term that describes the condition of being actually or potentially subject to a legal obligation

What is “strict liability”?

- Legal obligation without regard to fault

What is “joint liability”?

- A legal obligation for which more than one party is responsible

What is “joint and several liability”?

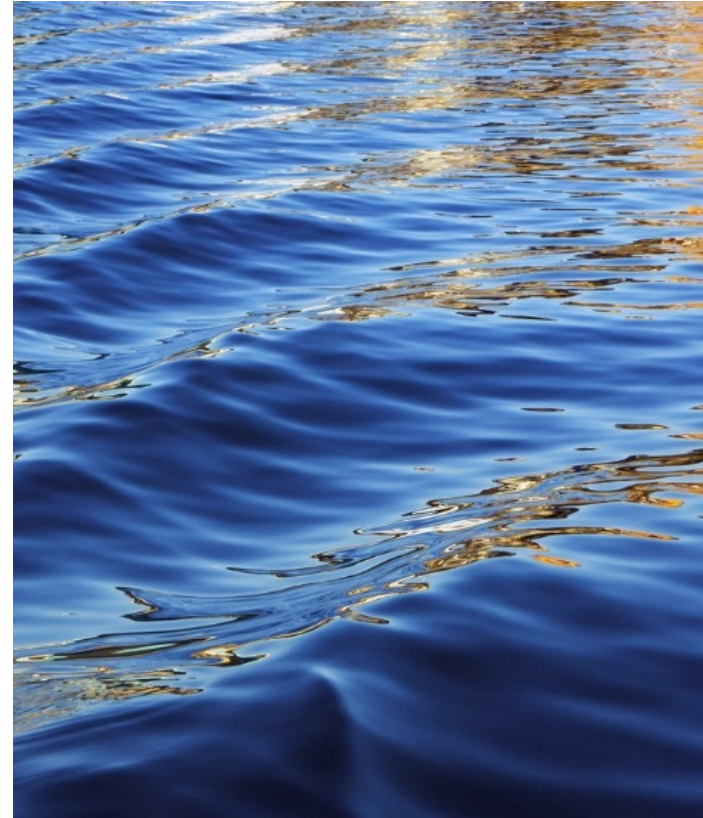
- The status of those who are responsible together as one unit as well as individually for their conduct. The person who has been harmed can institute a lawsuit and recover from any or all of the wrongdoers—but cannot receive double compensation, for instance, the full amount of recovery from each of the two wrongdoers.





Applicable Laws and Regulations

What laws apply to Brownfields?



Applicable Laws and Regulations

CERCLA AKA “Superfund”

- Comprehensive Environmental Response, Compensation, and Liability Act

SBLRBRA

- Small Business Liability Relief and Brownfields Revitalization Act

SOA Law

- State of Alaska Law

BUILD Act

- Brownfields Utilization, Investment, and Local Development Act

**CERCLA
1980**

**BUILD
2018**

**SBLRBRA
2002**

**SOA
Law**

What was behind CERCLA?

- Resource Conservation and Recovery Act (RCRA)
- Toxic Substances Control Act (TSCA)
- Series of incidents
 - Bridgeport, New Jersey
 - Love Canal, New York
 - Elizabeth, New Jersey

What did CERCLA do?

- Established prohibitions and requirements concerning closed and abandoned hazardous waste sites
- Provided for liability of persons responsible for releases of hazardous wastes at these sites
 - Strict liability
- Established a trust fund to provide cleanup when no Responsible Party (RP) could be identified

<https://www.epa.gov/laws-regulations/summary-comprehensive-environmental-response-compensation-and-liability-act>



What was behind SBLRBRA?

- Need for funds to assist in cleaning up contaminated sites for reuse.
- Need for liability relief for those trying to redevelop contaminated land

What did SBLRBRA do?

- Increased funds to assess and cleanup Brownfields
- Clarified CERCLA liability protections
 - Bona fide prospective purchasers
 - Contiguous property owners
 - Innocent Landowners
- Funds to enhance State and Tribal Response Programs
- Described eligible types of property
 - Land contaminated by petroleum or petroleum products
 - Land contaminated by a controlled substance
 - Mine scarred lands



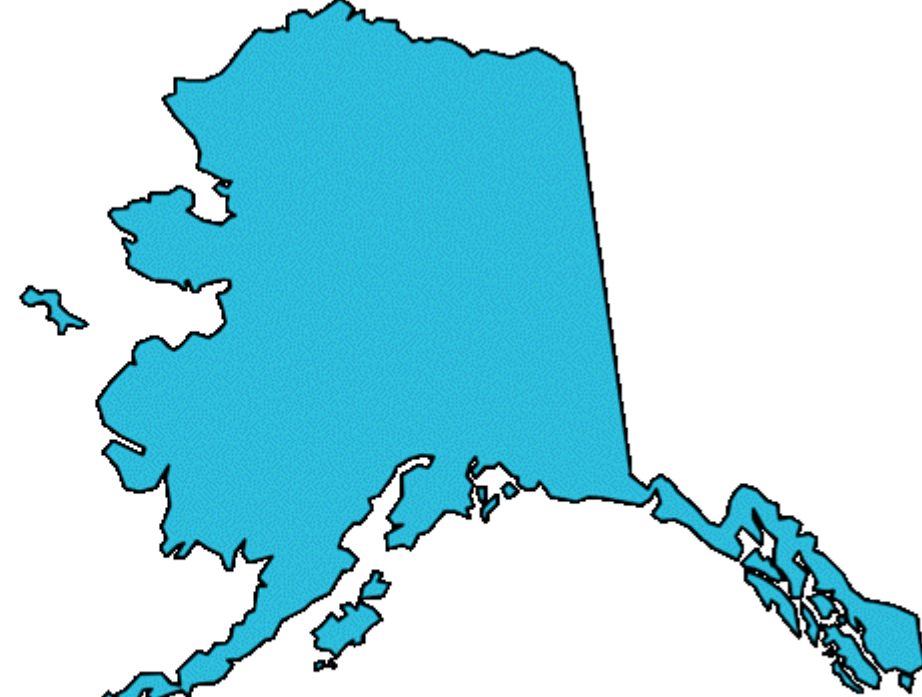
<https://www.epa.gov/brownfields/summary-small-business-liability-relief-and-brownfields-revitalization-act>

What does SOA Law Say?

- AS 46.03.822 AKA “Mini CERCLA”
- AS 46.04
- Strict liability
- Joint and Several liability

What does SOA Law do?

- Notifications of Liability – Potential Responsible Party letters
 - Notification of how/why liable
 - Owned or operated property or facility at time of release
 - Owned or operated property or facility where release occurred
 - Own(ed) or operate(d) the property where the hazardous substance became to be located
 - Arranged for transport, disposal or treatment of hazardous substances that were released
 - Cost recovery language
 - Per AS 46.04 requires ADEC to cost recover for certain tasks including oversight or those incurred by responding to a release or threatened release
 - State action
 - If actions by RP are not considered satisfactory, ADEC may assume lead role in investigation and cleanup, and the RP billed



THE STATE of ALASKA
GOVERNOR BILL WALKER

Department of Environmental Conservation
DIVISION OF SPILL PREVENTION AND RESPONSE
Contaminated Sites Program

410 Wainwright Ave., Suite 303
P.O. Box 111800
Juneau, Alaska 99811-800
Phone: 907-465-2390
Fax: 907-465-3218
www.dec.alaska.gov

File: 12545678910
Certified Mail, Return Receipt Requested
Article No. 1234567891011

Mr. John Doe
Company
12345 Main Street
Anchorage, AK 99501

Re: Contaminated Site Name
Hazard ID: 1234

Dear [RP CONTACT NAME],

**** STATE OF ALASKA NOTIFICATION - HAZARDOUS SUBSTANCE LIABILITY****

This notification letter is to advise you of your liability for the contamination identified at the Contaminated site located at 12345 Main Street in Anchorage. Alaska Statute (AS) Title 46 authorizes the State to respond to this pollution incident and to take appropriate action to minimize potential damage to human health, safety or welfare or to the environment. Under Title 46, any Responsible Party may be held financially responsible for any actions taken by the State.

AS 46.03.822 (Strict Liability for the Release of Hazardous Substances) establishes who is financially responsible or liable for the investigation and cleanup of any release or threatened release of a hazardous substance. State records indicate that you meet one or more of the following criteria:

- owned or controlled the hazardous substance at the time of its release;
- own(ed) or operate(d) the property or facility from which the release occurred;
- own or operate the property at which the hazardous substance came to be located; or
- arranged for transport, disposal or treatment of hazardous substances that were released.

Site History and Background
This site became contaminated when...The [Site Name] site has been added to the ADEC contaminated sites database, which is accessible on-line at the following URL:
<http://dec.alaska.gov/Applications/3PAR/Public4VC/CSP/SiteReport/1234>

What was behind the BUILD Act?

- Re-authorization of the EPA Brownfields Program
- Need for liability clarifications
- Need for eligibility expansion

What did the BUILD Act do?

- Redevelopment certainty for Government entities
- Alaska Native Village and Native Corporation Liability Relief
- Petroleum Brownfield Enhancement
- Prospective Purchasers AND Lessees
- Certain Publicly Owned Brownfield Sites made eligible

Brownfields Utilization, Investment, and Local Development Act (BUILD Act) Bill Summary

Overview

In March 2018, Congress passed the BUILD Act, which amends the Brownfields provisions of CERCLA, as part of the FY 2018 Omnibus Bill. In this factsheet, we explain the major changes to the Brownfields Amendments. The BUILD Act reauthorized the Brownfields Provisions through 2023.



More Redevelopment Certainty for Governmental Entities

Local or state governments that take control of a contaminated site no longer has to be an "involuntary" acquisition.



Alaska Native Village and Native Corporation Liability Relief

Provides liability relief for Alaska Native Villages and Native Corporations for a facility received under the Alaska Native Claims Act, as long as the entity did not cause or contribute to the release of a hazardous substance from the facility.



Petroleum Brownfield Enhancement

Removed the language and requirement that petroleum brownfield sites be "of relative low risk" in order to be eligible for funding.



Prospective Purchasers and Lessees

Bona Fide Prospective Purchaser definition was amended to include language related to those who have tenancy or leasehold interests in the facility.



Expanded Eligibility for Non-Profit Organizations

Non-profits (including LLCs and community development entities that are non-profit) can now apply for assessment and RLF grants.



Certain Publicly Owned Brownfield Sites

Publicly owned sites acquired prior to January 11, 2002 can apply for assessment and remediation (RLF and cleanup) grants as long as the entity is not responsible for the contamination.



Increased Funding for Remediation Grants

Increased the cleanup grant funding amount to \$500,000 per site; eligible entities can also request a waiver to \$650,000 per site, based on the anticipated level on contamination, size, or ownership status of the site.



Multipurpose Brownfields Grants

Grant authority for multi-purpose grants (assessment and cleanup combination) was increased up to \$1,000,000. No more than 15% of the total appropriation can be awarded to multi-purpose grants.



Allowing Administrative Costs for Grant Recipients

Entities are now able to use up to 5% of grant awards on administrative costs.



Grant Applications

New ranking criteria focusing on renewable energy or energy efficiency projects and waterfront developments.



Small Community Technical Assistance Grants

Authorized a new grant program for states and tribes to provide training, technical assistance, or research for small communities (populations of 15,000 or less), Indian tribes, rural areas, and disadvantaged areas. Maximum of \$20,000 per community.



June 2018

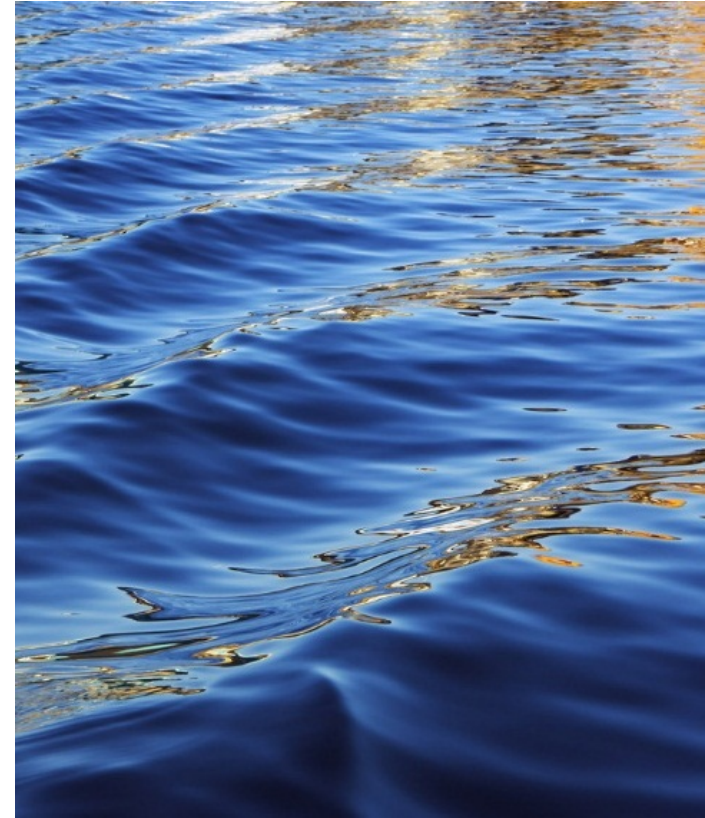
EPA 560-F-18-170

<https://www.epa.gov/brownfields/summary-2018-build-act-provisions>



Liability Protections

What if I have an interest in a contaminated property?





“Bona fide Prospective Purchaser” or BFPP

Purchased property knowing, or having reason to know the property is contaminated

- Conducted “All Appropriate Inquiry”
- Must satisfy “ongoing obligations”
- Demonstrate “no affiliation” with liable party
- Acquired property after January 11, 2002



All Appropriate Inquiries Rule: Reporting Requirements and Suggestions on Report Content

WHAT IS “ALL APPROPRIATE INQUIRIES”?
“All appropriate inquiries” is a process of evaluating a property’s environmental conditions and assessing potential liability for any contamination. All appropriate inquiries must be conducted to obtain certain protections from liability under the federal Superfund Law (CERCLA).

WHY DID EPA ESTABLISHING STANDARDS FOR CONDUCTING ALL APPROPRIATE INQUIRIES?
The 2002 Brownfields Amendments to the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) require EPA to promulgate regulations establishing standards and practices for conducting all appropriate inquiries.

WHEN IS THE ALL APPROPRIATE INQUIRES RULE EFFECTIVE?
The final rule is effective on November 1, 2006, one year after its publication date in the Federal Register.

WHAT ARE THE DOCUMENTATION REQUIREMENTS FOR ALL APPROPRIATE INQUIRIES?
The final rule requires that the results of an all appropriate inquiries investigation be documented in a written report. The specific reporting requirements for all appropriate inquiries are provided in 40 CFR §312.21 (*Results of Inquiry by an Environmental Professional*) and §312.31 of the final rule and include:

- I. An *opinion* as to whether the inquiry has identified conditions indicative of releases or threatened releases of hazardous substances on, at, in, or to the subject property.
- II. An identification of *data gaps* (as defined in §312.10) in the information collected for the inquiry that affect the ability of the environmental professional to identify conditions indicative of releases or threatened releases of hazardous substances on, at, in, or to the subject property, as well as comments regarding the significance of these data gaps.
- III. *Qualifications and signature* of the environmental professional(s). The environmental professional must place the following statements in the document and sign the document:

“[I, We] declare that, to the best of [my, our] professional knowledge and belief, [I, we] meet the definition of Environmental Professional as defined in §312.10 of this part.”

“[I, We] have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. [I, We] have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.”
- IV. In compliance with §32.31(b), the environmental professional must include in the final report an *opinion regarding additional appropriate investigation*, if the environmental professional has such an opinion.



<https://www.epa.gov/enforcement/bona-fide-prospective-purchasers>



"Contiguous Property Owners" or CPO

For property adjacent to source of contamination.

Purchased property with no knowledge of contamination at the time of purchase

- Conducted “All Appropriate Inquiry”
- Must satisfy “ongoing obligations”
- Demonstrate “no affiliation” with liable party



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<https://www.epa.gov/enforcement/contiguous-property-owners>

What is All Appropriate Inquiry?

- The process of evaluating a property's environmental conditions and assessing potential liability
- AAI must be conducted or updated within one year before date of acquisition *

*If more than 180 days, certain aspects must be updated before acquisition

- Requirements:
 - An opinion on if the inquiry identified conditions indicating a possible release
 - Identification of significant data gaps
 - Qualifications and signature of the Environmental Professional
 - Opinion regarding additional appropriate investigation

<https://www.epa.gov/brownfields/brownfields-all-appropriate-inquiries>



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Ongoing Obligations

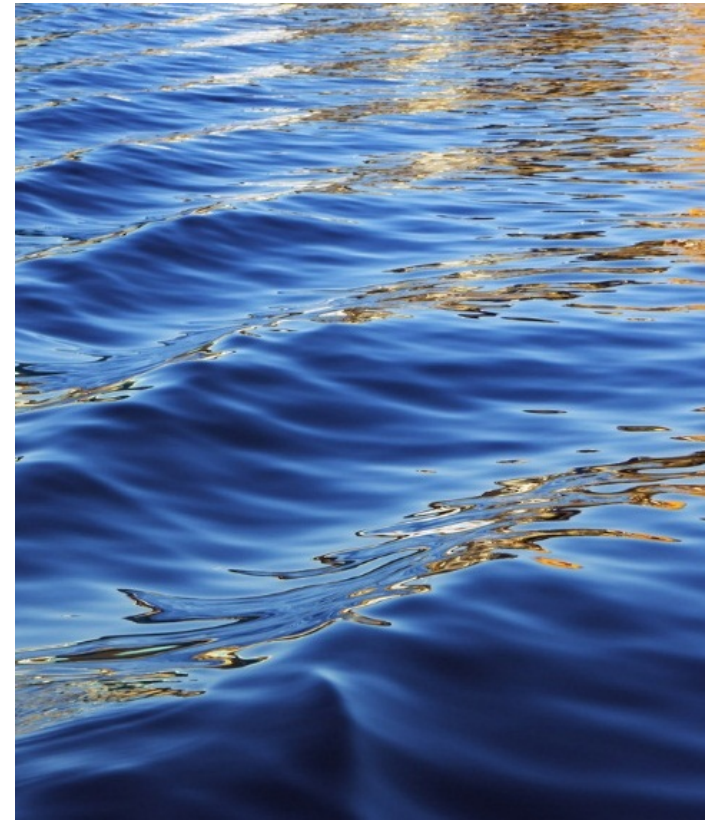
- compliance with land use restrictions and not impeding the effectiveness or integrity of institutional controls; (ILO, BFPP and CPO)
- taking “reasonable steps” with respect to hazardous substances affecting a landowner’s property; (ILO, BFPP and CPO)
- providing cooperation, assistance and access; (ILO, BFPP and CPO)
- complying with information requests and administrative subpoenas; (BFPP and CPO) and
- providing legally required notices (BFPP and CPO).





How Does this Apply to my Brownfields?

Tell me what I really want to know



Liability effects Eligibility



Who owns the property?

Did they cause the contamination?

Who did cause the contamination?

When was the property acquired?

If applicable, did they conduct AAI?

If applicable, are they meeting continuing obligations?

Thank you!

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