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Information on Cost and Other Issues Related to the Cleanup of the Federal Creosote Site

What GAO Found

The extent of the contamination in a residential area at the Federal Creosote site was the primary factor influencing EPA’s risk assessment conclusions, remedy selection decisions, and how EPA prioritized site work, according to site documents and agency officials. EPA assessed site contamination through multiple rounds of evaluation and concluded that soil and groundwater contamination levels were high enough that EPA needed to take action. Then, EPA evaluated remedies to achieve cleanup goals that it had established for the site and that were consistent with its residential use. EPA selected off-site treatment and disposal of the contaminated soil and long-term monitoring of the groundwater contamination as the remedies for the site. In selecting these remedies, EPA considered a range of alternatives but ultimately determined that certain options would be potentially infeasible or ineffective due to the residential setting. For example, EPA chose not to implement certain alternatives on-site because the agency found that there was insufficient space and they would be too disruptive to nearby residents. In addition, EPA chose not to implement certain alternatives because the agency found that they would be unlikely to achieve the cleanup goals for the site, especially considering the high level of treatment required to allow for unrestricted residential use of the area and the high levels of contamination found at the site. EPA made cleanup of the site a high priority because the contamination was in a residential area. For example, EPA took steps to shorten the cleanup period and prioritized the use of regional Superfund resources on the Federal Creosote site over other sites in the region.

The $338 million in total site costs exceeded EPA’s estimated remedial construction costs of $105 million by about $233 million, primarily because EPA’s estimates focused only on construction costs, and EPA discovered additional contamination during the cleanup effort. EPA prepared preliminary cost estimates during the remedy selection process; however, EPA requires that these estimates include only the costs associated with implementing different remedies it was considering, not all site costs. Also, as a result of the movement of contamination in the ground and sampling limitations during EPA’s site investigation, a greater-than-expected amount of contamination was discovered during the cleanup effort, which increased costs. Other factors, such as contractor fraud, affected total site costs to a lesser extent.

EPA was responsible for managing the overall site cleanup and community relations, while the Corps was responsible for implementing the cleanup. EPA dedicated a full-time staff member to manage the site cleanup who, according to EPA, maintained a significant on-site presence to ensure that the project remained on schedule and was adequately funded and to work with residents. EPA also oversaw the work of the Corps and its costs. To conduct the actual cleanup work, the Corps hired contractors to design or implement cleanup activities who, in turn, hired subcontractors for some tasks. The Corps oversaw the activities and costs of its primary contractors but, according to Corps officials, was less involved in selecting and overseeing subcontractors.