Financial Assurance: Data Long-Term Strategy and Other Priorities

ASTSWMO Annual Training Conference
Oklahoma City, OK
August 15, 2017
Overview

- Financial Assurance Data Long-Term Strategy
- Data Quality Update
- RCRAInfo Financial Assurance Module Version 6 Update
- Financial Assurance Resources
Financial Assurance Data Long-Term Strategy

The OIG Management Alert *Significant Data Quality Deficiencies Impede EPA’s Ability to Ensure Companies Can Pay for Cleanups* issued in March 2016 made a finding that significant data gaps and invalid financial assurance instruments resulted in significant financial risk to EPA and taxpayers.

- EPA acknowledged that data gaps exist and set forth on corrective actions to address these gaps.

- Corrective actions responding to the Management Alert have been completed, but further data and process improvement is possible.

EPA developed the Financial Assurance Data Long-Term Strategy to continue progress and establish practices to maintain best possible data quality.

- Issued June 29th along with memo from ORCR to EPA Regions.

- Builds upon data cleanup effort undertaken in response to the OIG management alert and aims to solidify improved data maintenance practices.
Regional FA Strategy Points of Contacts

- Region 1, Lynn Hanifan
- Region 2, Norman Rost
- Region 3, Catherine McGoldrick
- Region 4, Wesley Hardegree
- Region 5, Molly Finn, Renee Wawczak
- Region 6, Matt Loesel
- Region 7, Mary Grisolano
- Region 8, Mike Roach
- Region 9, Cheryl Nelson, Kaoru Morimoto
- Region 10, Ian Ainoa, Barbara McCullough
Financial Assurance Data Long-Term Strategy - Four Objectives

1. Maintain and continue improvement of RCRAInfo financial assurance data quality.
2. Take actions to document and remedy incidences of non-compliance.
3. Monitor overall and facility-level financial assurance program compliance.
Assess facilities remaining on the RCRAInfo Financial Assurance Audit Report to diagnose financial assurance discrepancies and identify instances of non-compliance

- Regions and states are asked to review the financial assurance discrepancies, document the source of each discrepancy, and share if the discrepancy has been resolved.
- Spreadsheets were sent to Regional POCs on June 7th
  - Insufficiency Reason - RCRAInfo report error, Data gap, Out of compliance, Previously remedied, other
  - Explanation
  - Facility error remedied (yes/no)
  - Explanation of remedy action taken
- End of September deadline
Financial Assurance Data Long-Term Strategy - Action 2

Address facilities found to be out of compliance with financial assurance requirements

- EPA will provide the list of facilities from the February 9th report found to be out of compliance with financial assurance requirements to the appropriate compliance programs.
- List will be provided in October, 2017.
- The compliance office may consider if conducting inspection of financial assurance of the facilities listed and undertaking enforcement actions is appropriate.
Monitor data quality long-term

- EPA Headquarters will provide semi-annual (e.g., January, July) updates on data quality to EPA Regions and states.
- Depth of the semi-annual audit update will be tailored based on the frequency of discrepancies and incidences of potential non-compliance existing in RCRAInfo at the time of the update.
- EPA Headquarters will track progress over time.
- Regions and states are encouraged to develop internal practices to regularly review errors reported in the semi-annual updates.
Financial Assurance Data Long-Term Strategy - Action 4

Modify FA module as part of RCRAInfo Version 6 update

- Action aims to lessen hurdles that prevent programs from entering data in RCRAInfo Financial Assurance Module.
- FA module update also seeks to improve data reporting to make accurate, program wide metrics more readily attainable.
- Example modifications being considered include:
  - Adding notifications
  - Reevaluate mechanism rules and type codes
  - Evaluate linking instruments and obligations across facilities
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<tr>
<th>Milestone</th>
<th>Action</th>
<th>Expected Completion Dates</th>
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<tr>
<td>Bi-monthly calls with RCRAInfo v6 FA workgroup to develop requirements document</td>
<td>4</td>
<td>April – September 2017</td>
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<td>Provide semi-annual update on monthly calls</td>
<td>3</td>
<td>July 2017</td>
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<td>Request Regional POCs work with their states to review the February 2017 list of facilities, document resolution, and provide complete assessment responses to Anna Krueger (<a href="mailto:krueger.anna@epa.gov">krueger.anna@epa.gov</a>)</td>
<td>1</td>
<td>By September 29, 2017</td>
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<td>Produce RCRAInfo v6 Financial Assurance module requirements document</td>
<td>4</td>
<td>September 2017</td>
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<td>Discuss progress of long-term maintenance strategy and RCRAInfo v6 Financial Assurance module at RCRA Division Directors and ASTSWMO annual meeting</td>
<td>1, 2, 3, 4</td>
<td>October 2017</td>
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<td>Refer facilities found to be out of compliance to state compliance/enforcement for consideration of possible action</td>
<td>2</td>
<td>October 2017</td>
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Data Quality Update
Based on “Financial Assurance Audit Report” in RCRAInfo

### July 2017 % error

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Workgroup of state, region, and headquarter staff is meeting through September to define needs for the version 6 financial assurance module.

Requirements document expected late 2017.

Early responses in Action 1 that identify database issues may feed into the requirements document.

- We want to continue to hear about challenges to data entry and maintenance in the FA module.

The broad program and RCRAInfo user community will have the opportunity to provide input on proposed changes.

Version 6 Financial Assurance module is anticipated to go live in early 2018.