UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
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OFFICE OF THE
REGIONAL
ADMINISTRATOR

October 21, 2014

Mr. Dick Pedersen
Director
Oregon Department of Environmental Quality
811 SW Sixth Avenue
Portland, Oregon 97204-1390

Dear Mr. Pedersen:

I am writing to acknowledge your September 10, 2014, letter regarding the Portland Harbor Superfund site, and following up as well on your related discussion with Assistant Administrator Stanislaus. Your letter described concerns you had expressed to me in late August during a teleconference that the Oregon Department of Environmental Quality has about the status of work at the site.

During our discussion we affirmed our commitment to work together on this important project. We also agreed that it would be beneficial for our two agencies to enter into a facilitated dialogue to update our strategic direction and discuss whether changes were appropriate to our work sharing agreement, currently outlined in a Memorandum of Understanding signed in 2001. As you know, we have contracted with a facilitator for this effort and are beginning this dialogue. As we begin this process, I think it is important to share with you some of EPA's perspectives on topics you raised in your letter and in our discussion.

Portland Harbor is one of the largest Superfund sites in the nation, with contamination resulting from a long history of industrial activity and urban development, making for a very complex set of conditions in the Harbor. There is no easy answer or "silver bullet" solution to this type of megasite. EPA's Region 10 has experience with large sediment cleanup projects, such as Commencement Bay in Tacoma, Washington, Harbor Island in Seattle, Washington and the Coeur d'Alene Basin, in Idaho. We are bringing forward both successes and lessons learned from our work at those sites to our management of the Portland Harbor site. We will also continue to bring our Headquarters national expertise on sediment sites to bear here as well. One commitment in that regard has been to bring Jim Woolford, Director of the Office of Superfund Remediation and Technology Innovation, more directly into key discussions regarding Portland Harbor. That has included Jim's commitment to attend the Senior Executive meetings in person with the Lower Willamette Group in Portland. The EPA's Headquarters will also be involved in developing the cleanup proposal for the site as we move toward putting that in front of the National Remedy Review Board.

The EPA shares DEQ's interest in making cleanup plan decisions as quickly as possible. The critical path to making those decisions is to complete the Remedial Investigation/Feasibility Study, which will provide the scientific foundation for the remedy at the site. Unfortunately, the initial versions of the RI/FS prepared by a subset of potentially responsible parties, the Lower Willamette Group, did not meet EPA requirements. As a result, and in coordination with the Lower Willamette Group, agency and tribal

partners, the EPA is revising these documents to ensure they follow CERCLA and the National Contingency Plan and that they lay a sound scientific basis for a proposed plan.

The unique, chapter by chapter, review process we have established for the RI/FS revisions is time consuming given the many perspectives provided by stakeholders and the agency commitment to responding to their perspectives. In November 2013, the EPA proposed an expedited schedule to get to a Record of Decision faster, but heard from the LWG and our MOU partners that the proposed schedule didn't allow enough time to review documents, digest the proposed conceptual plan, or provide for adequate government to government consultation. We worked with the Lower Willamette Group, DEQ and our other MOU partners to develop a mutually agreeable schedule, which calls for presenting a cleanup proposal to EPA's National Remedy Review Board and Contaminated Sediments Advisory Group in 2015, followed by a proposed cleanup plan for public review and comment in 2016. The EPA is committed to continue to work closely with DEQ as we move forward.

It is essential to develop a cleanup proposal as soon as possible to begin to focus discussions on the remedy and move away from hypothetical concerns about whether the remedy will be reasonable. We fully intend the cleanup proposal to be grounded in the data in the RI/FS, sound science and consistency with our Superfund law and policies. While I know there will always be concerns about how the remedy will affect individual PRPs, I believe we need to focus on the actual proposal. I am hopeful that DEQ will play a constructive role in moving forward to develop a proposed plan, and Record of Decision that the state can concur on.

You raised questions about EPA's Portland Harbor project team, indicating that you felt staff turnover has created confusion. We did have a long-time project manager located in our Oregon Operations Office retire earlier this year; however, our remaining project managers have worked on this project for many years (one as early as 2001) along with other experienced engineers, scientists and managers from our regional and headquarters offices. I have confidence in our team's ability to move this project forward and working with DEQ to do so. We recognize the interest in having the EPA increase its presence in the Oregon Operations Office and we are considering options for doing so that are appropriate to upcoming work on the site. I look forward to addressing how your team and our team can work together more collaboratively as we work with the facilitator.

It is also important to acknowledge DEQ has been a regulatory partner throughout the process, using its authorities to make progress on controlling ongoing sources of contamination to the river. In November, DEQ is scheduled to send EPA a source control status report, which we will review to ensure both agencies agree on the conclusions as to which sources are adequately controlled and which sources need further attention. DEQ has focused its efforts to date on high priority sources, and at this phase of the project, we want to emphasize that the medium priority, and ultimately lower priority sites need appropriate attention as well. Further, we support DEQ source control efforts to move forward to implement the planned sediment cleanups at the Former Portland Gas Manufacturing Site and the PGE Willamette River Sediment site in the downtown reach.

We understand your interest in achieving additional environmental cleanup and restoration prior to the ROD, and would like to continue our discussions as to how DEQ could become more engaged with early in-water sediment cleanup work. There are some challenges in regard to scoping such early actions with potential long-term cleanup approaches being evaluated for the ROD, and our inability to grant

early release of liability for cleanup work in advance of the ROD. However, I look forward to our discussions regarding how we might make this a successful collaboration.

Finally, we are aware that DEQ is planning extensive outreach on its source control work, and would like to work with DEQ on those efforts. Again, we look forward to our facilitated process aimed at how we can best move forward in partnership to clean up the Portland Harbor Superfund site.

Sincerely,

Dennis J. McLerran
Regional Administrator