

KATE BROWN
GOVERNOR



May 17, 2017

To: The Honorable Fred Girod & The Honorable Paul Holvey, Co-Chairs for Joint Ways & Means Subcommittee on Capital Construction

Subject: SB 5530, Portland Harbor Superfund Site, Support for \$10-Million Lottery Bond Request

Oregonians deserve a cleanup plan of the Portland Harbor that keeps our communities safe and promotes the long-term health of the river and its diverse habitats. After nearly two decades of being deemed a Superfund site, the EPA is moving forward with a plan to clean up the Portland Harbor.

It is critical to get the active cleanup going and completed as soon as possible, and under Governor Brown's leadership, the State of Oregon will retain a prominent role in ensuring the EPA's cleanup is timely, effective, and closely coordinated with tribal governments and local stakeholders.

Governor Brown's plan to jump-start the cleanup with a \$10 million state bond proposal, in conjunction with Oregon DEQ's continued collaboration with the EPA, will help restore the river's health, revitalize a vibrant waterfront, and preserve the Willamette's cultural significance for generations. Additionally, moving the cleanup forward is particularly important to protect public health and support new investments in thousands of family-wage for these reasons:

- a) Public Health: The Oregon Health Authority indicates the contamination in some areas of Portland Harbor present risks to human health that are close to 500 times above desirable levels. Contamination most directly affects fish that spend large amounts of time in the harbor, such as smallmouth bass, carp, and crappie. These fish are an important source of food, particularly for tribal and recent immigrant communities, recreational fishers, and low-income Oregonians. Every year of additional delay in the harbor's cleanup is another year of unacceptable exposure of people to high levels of contamination. Governor Brown's proposed investment will jump-start critical work to begin cleaning up the harbor.
- b) Family Wage Jobs: The Portland Harbor was listed as a Superfund Site in 2000, which brought to a virtual halt investments in one of the most important employment centers in Oregon. Over 50,000 jobs are created by the firms located within Portland Harbor (direct, induces, and indirect), and in turn, those jobs generate \$1.5 billion of direct wage and salary income for an average salary of \$51,000. In addition, over \$400 million of state and local tax revenue is generated by activity in the Portland Harbor every year.

On January 6, 2017, the United States Environmental Protection Agency (EPA) released its record of decision (ROD) for the required sediment clean-up. This is a key step in lifting the cloud of legal and economic uncertainty created by the Superfund listing, and will eventually lead to unlocking key industrial lands now vacant or underused for new investment and employment. Further, the cleanup

work will itself create opportunities for Oregonians to be employed as part of cleanup efforts. In short, resolving the environmental liabilities and moving the harbor cleanup forward is a key economic development strategy for the state and the region.

State Leadership: The State, on behalf of all Oregonians, and as a performing party, intends to support EPA in implementing time-critical elements of the ROD. Governor Brown's proposed \$10 million plan to jumpstart harbor cleanup will support initial tasks that could include developing and implementing baseline sampling, initiating remedial design at one or more work areas within the Harbor, or evaluating potential infrastructure needs, such as transload or nearby upland treatment facilities.

Many public and private entities, including the State of Oregon's Department of State Lands and Department of Transportation, are involved in a mediation process to resolve issues around the funding and responsibility related to investigation and cleanup of Portland Harbor. This process may take many months or years to complete, but initial cleanup work can begin even if these issues remain unresolved and may in fact help to inform that process.

Potential Work Associated with the State's Funding Request:

EPA's ROD for the Portland Harbor Superfund Site identifies two types of additional sampling efforts aimed at augmenting the remedial investigation:

- Updating Baseline Characterization of the Site () (§14.2.7)
- Conducting Remedial Data Collection at specific Sediment Management Areas (SMAs) (§14.2.7)

The ROD also indicates that these additional investigations may be most efficiently conducted in phases and by dividing the site into smaller areas. Accordingly, the State is seeking \$10-million in net proceeds of Lottery Bonds to:

1. Develop and conduct the first iteration of post-ROD harbor-wide sampling to update the remedial investigation baseline levels of contamination before design and construction of the final remedy;
2. Conduct sampling at one or two SMAs to identify existing conditions;
3. Evaluate infrastructure needs/options for the eventual Harbor cleanup (e.g., transload facilities, upland treatment facilities...).

1. Updating Baseline Characterization of the Site:

Conducting additional investigations are necessary to update the site conditions presented in the Remedial Investigation Report, which relied primarily upon data generated before 2008. This investigation may include surface sediment samples; resident fish tissue samples; surface water samples; and sediment trap samples collocated and collected concurrently with the surface water sampling locations. The final details will be negotiated with EPA. This data will assist EPA, the State, and Potential Responsible Parties (PRPs) to identify the updated footprints of SMAs that may eventually need active cleanup (e.g., dredging, capping, or in situ treatment). The data would also provide substantive useful information to inform the State's involvement in the allocation process.

The State of Oregon is currently in discussions with other PRPs to determine if there is interest in teaming on this sampling. Each additional PRP that joins this effort will reduce the State's share of any cost, which will free-up funds for items 2 and 3 below.

2. Site-Specific sampling to augment the remedial investigation at one or two SMAs:

The State of Oregon intends to engage in negotiations with EPA to develop and implement additional investigations to update site conditions at one or more SMAs (the number of SMAs and the level of effort depends on the balance of funds from task 1 above). The purpose of the sampling is to further identify current areas potentially subject to active cleanup. The State will focus these investigations at SMAs of keen interest to the public and those directly implicated in the allocation process (e.g., SMAs where the State may have liability, or where there is no identified viable PRP). Sampling will likely include surface sediments, subsurface sediments, surface water, and biota with relatively small home-ranges. The final scope of work negotiated with EPA will be SMA-specific.

The State understands that other PRPs have been in communication with EPA about other site-specific investigations they are interested in performing. Taken together, the combination of updated harbor-wide baseline sampling and the various SMA-specific investigations would significantly advance the data necessary for design and construction of the final remedy and provide additional information in the ongoing allocation amongst dozens of PRPs.

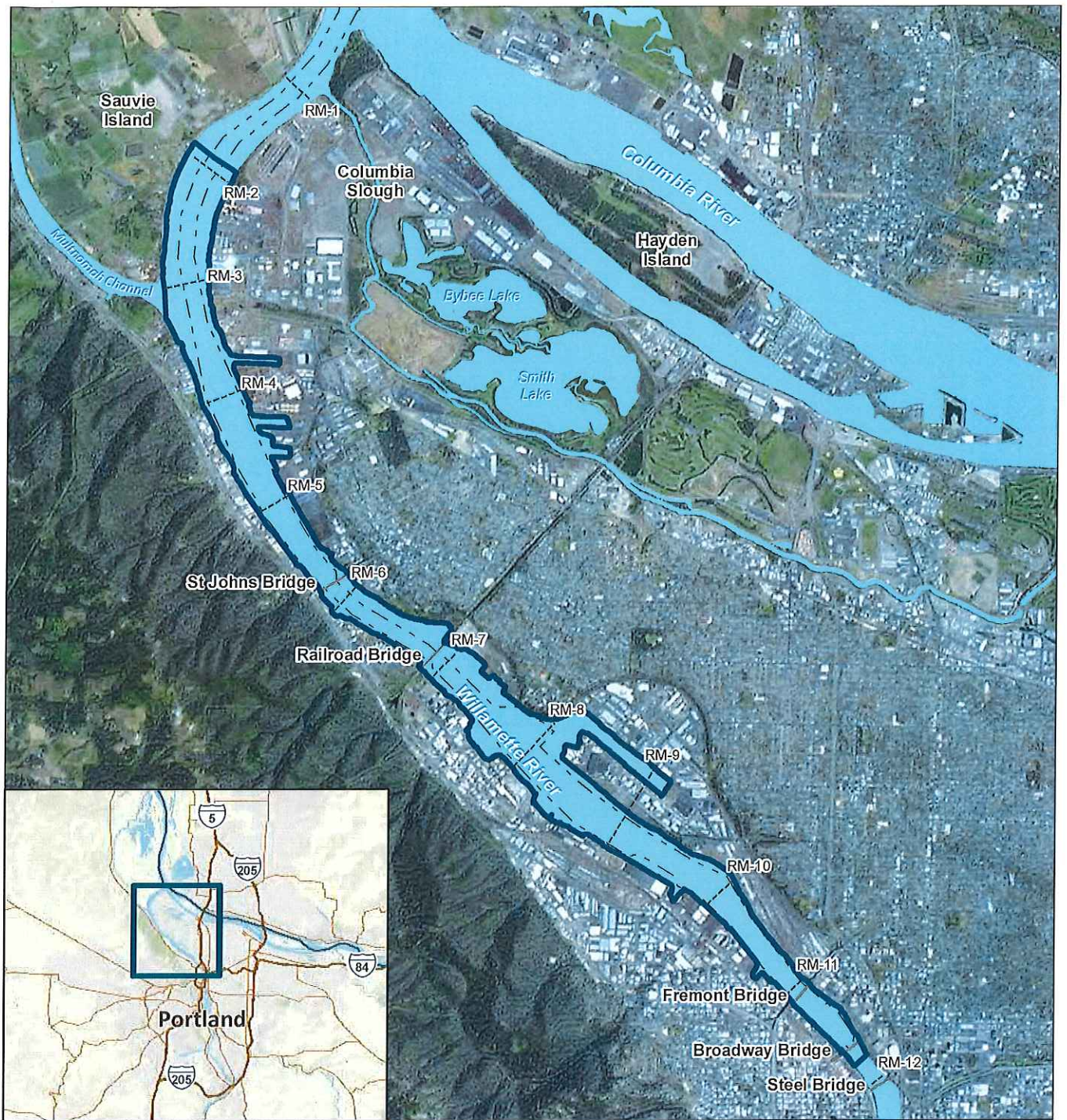
3. Infrastructure Investigations:

Portland Harbor is considered by EPA to be a Mega-Superfund Site (i.e., final cleanup costs over \$50-million). It is also complex in terms size (over 10-miles of river); contamination (nearly 300 chemical of concern); location (largest port in Oregon, Portland's industrial sanctuary, and neighboring residential and agricultural uses); number of Potential Responsible Parties (over 100); schedule (likely to take at least 15 years to complete active cleanup). It is necessary to investigate opportunities to develop harbor-wide infrastructure facilities (e.g., a multi-use transload facility [barge to rail, or barge to truck...]; multi-use upland treatment facility; on-site laboratory capability...) before design and construction of the final remedy. The State will utilize a portion of the Lottery Bond funds to investigate these and other infrastructure needs. The State will also work with EPA to develop and implement a comprehensive data management system necessary to manage the enormous and complex database that will include all data generated during the baseline sampling, remedy implementation, and post-remedy long term monitoring phases.




Sincerely,




Jim McKenna
Portland Harbor Policy Analyst
Office of Governor Kate Brown



LEGEND

-  Portland Harbor Study Area
-  River miles
-  Navigation Channel



Miles
0 0.3 0.6 0.9 1.2




Figure 1. Site Area

Portland Harbor Superfund Site

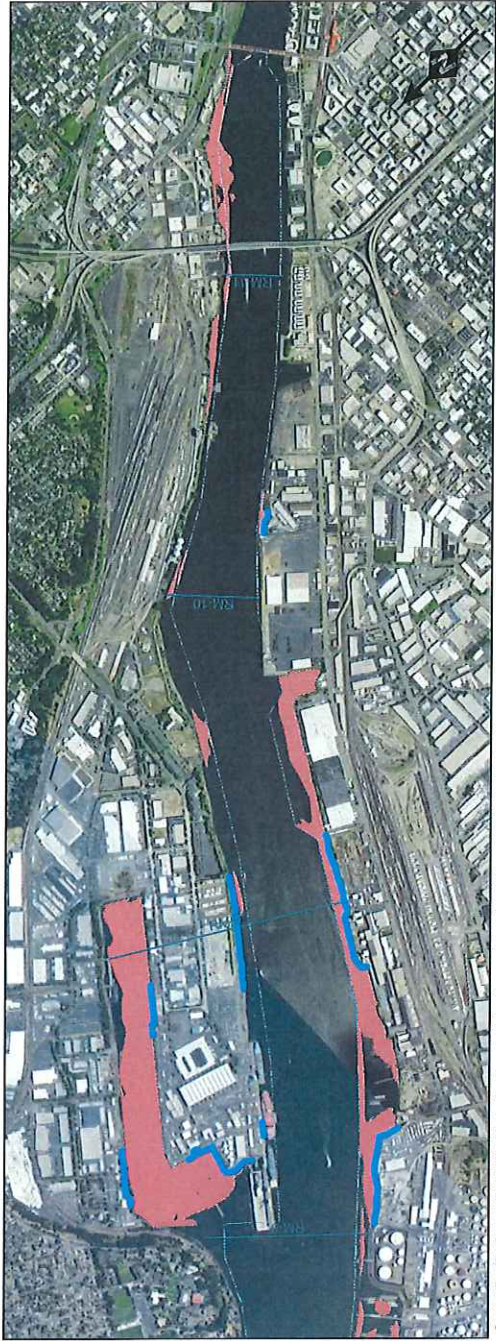
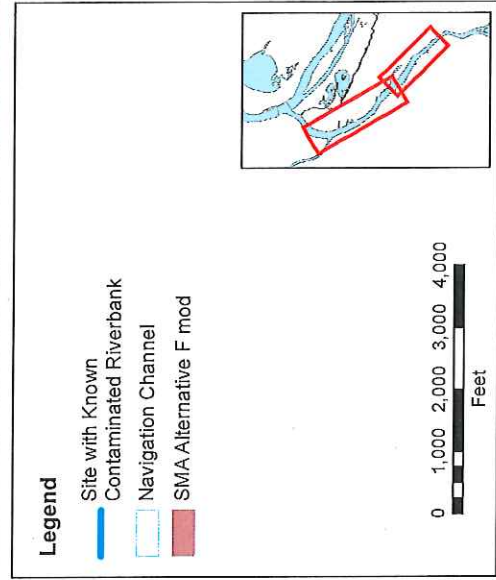


Figure 30. Sediment Management Areas, Selected Remedy

Portland Harbor Superfund Site