

A FRAMEWORK FOR DETERMINING THE COSTS OF INSTITUTIONAL CONTROLS

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What is a Framework & Why?

- Way of organizing thinking about costs of Institutional Controls (ICs)
- Widespread concern about costs
- Unknown or poorly understood
- Budgeting
- Unfunded mandate

ELI/RFF Study

- Costs from a budgeting perspective
- Looked at broader related issues
 - Discounting/present value
 - Social costs of restricted use
 - Decreased property value due to restricted use
 - Not included in Framework

Scope of Costs in Framework

- Similar approach to engineering costs
- Labor
- Materials

Categories of Costs

- Initial or Set-up costs
- Implementation costs
 - Annual or Regular Activities
- Episodic costs

Initial Activities Costs

- System costs
 - Establishing tracking system
 - Establish system for using tracking system (for local government or other non-owner user)
 - Amend state laws
- Set-up costs for a particular IC
 - Negotiating deed restriction language
 - Title search
 - Recording restriction
 - Infrastructure (rare, but significant at DOE sites)
 - Adding site to tracking system

Initial Activities cont'd

- Identify all potential implementers of ICs
 - State agency
 - Property records (county recorder)
 - Local government
 - Land owner
 - Responsible party
 - NGO
- Determine expected timeline for IC

Regular Activities

- Monitoring
- Training

Periodic Costs

- Response when monitoring/inspection reveals a problem
- Responding to change in ownership
 - Updating records/tracking system
 - Change agreements/enforcement documents

Categories of IC Activities

- Planning
- Informing the public
- Record keeping
- Administration
- Monitoring
- Inspection
- Enforcement

IC Costs by Activity and Responsible Entity

	Responsible Entity						
<i>Annual Activities</i>							
Type of Activity (Record-Keeping, Monitoring, etc.)	Federal	State	Tribe	Local	PRP	Community Group	NGO
<i>Initial Activities</i>							

IC Costs by IC Type and Activity

IC Type	Property-Based	Regulatory	Warning Systems
Activities			
Planning			
Initial			
Annual			
Periodic			
Record-keeping			
Initial			
Annual			
Periodic			

Conclusion

- Plan for ICs
- Identify needed activities/cost categories
- Identify who will bear those costs
- Budget for them