



United States
Environmental Protection
Agency

Superfund Reforms: Progress

June 4, 1996

FACT SHEET:
ORPHAN SHARE REFORM

EPA INCREASING FAIRNESS IN THE ENFORCEMENT PROCESS

- By October of this year, EPA expects to offer over \$50 million of past costs and projected oversight costs to compensate for a portion of the orphan share based on settling parties' willingness to perform work.
- Under CERCLA's joint and several liability system, at sites where there are parties who have no money to contribute to the cleanup or who are no longer in existence, viable potentially responsible parties (PRPs) are required to absorb the shares that may be attributable to such insolvent and defunct PRPs. Under this reform, EPA will consider this in its assessment of the federal compromise it provides in settlement at such sites.
- EPA will provide compensation to settling parties who perform cleanups by forgiving past costs and projected oversight costs.
- This compensation must necessarily be subject to the adequacy of funding of the cleanup program, since the taxing authority to replenish the Superfund Trust Fund expired on December 31, 1995.
- As a result of these concerns, and the need to minimize delay in cleanup negotiations, minimize additional transaction costs, and provide equity among sites, the Agency decided to limit such compensation. Compensation will be up to 25% of the projected cost of the remedial action at the site.
- This principle of maximizing available compensation is also contained in guidance issued today that will help EPA to better implement this new way of settling with performing parties.
- If you have any questions about this reform, please call Susan Boushell, at 202/564-5107, or Patricia Mott, at 202/564-5133.