



## **ASTM E1527-13 Phase One Environmental Site Assessment standard celebrates one-year anniversary**

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Released on November 6th, 2013, and ratified by the Federal Environmental Protection Agency (EPA) on December 1st, 2013, the American Society of Testing Materials (ASTM) E1527-13 Phase One Environmental Site Assessment (ESA) standard has now been in the market place for one year. The standard meets the definition of the All Appropriate Inquiry (AAI) rule which is a key component for users of the standard as it provides some legal language that is important during the acquisition of a property. In addition, to purchasers, many lending institutions rely on this standard as well. Since 1994, the ASTM body has been responsible for issuing the standards for ESA reports including the qualifications of those preparing them.

As discussed by this author throughout the year, there were several major sections covered by the new standard. Some new sections included the introduction of a controlled recognized environmental condition (CREC.) The CREC allows consultants to report on prior impacts to a site that are currently being managed, mitigated or "controlled." While other sections were a clarification of what consultants should have been including in reports, such as file reviews at local regulatory agencies regarding a subject site and neighboring sites that may have an impact on the target property. The most important section of the new standard is understanding vapor encroachment.

Vapor encroachment is the process where contaminants in the soil and groundwater breakdown into a gaseous state. When this occurs, vapors can migrate into building structures. (Typically through cracks in the foundation walls and floor slabs). Enough vapors inside a building can cause air quality issues to the occupants. Most vapor encroachment scenarios stem from present and former gasoline stations and dry-cleaners that utilized chlorinated solvents. The need to understand and include this item in a phase one report is more paramount than ever. There are a few ways to determine if a vapor issue exist which include soil/groundwater sampling which is a traditional method of determining if a "source" exists. With that data, a consultant can draw conclusions about the possibility of vapors being present in a building. The other method becoming more popular is soil gas vapor coupled with indoor air quality testing. This method involves less invasive methods of gathering data and can also help a consultant make a determination of whether or not potentially harmful vapors exist. Of course the best method is to use all four of these data points. However the cost of this approach can be costly. This investigation is also beyond the scope of the phase one ESA, so additional time may be required to obtain the necessary data.

Lenders have become more aware of the vapor scenario throughout 2014 as many of the reports they have reviewed now outline this potential based on the consultant's research of the site and adjacent sites historical uses. Consultants representing lenders have also been educating their client base through seminars and newsletters pointing out the importance of this phenomenon.

While the new standard became effective on January 1st, the EPA allowed the prior version of the

standard to co-exist as meeting the AAI rule. This has caused much confusion for most of 2014 as some consultants made the switch while others did not. Pricing was also a challenge throughout the year as company A factored in the cost of complying with the new standard while company B did not. In a very price sensitive industry, some consultants benefitted by providing less expensive pricing yet not addressing the added sections of the new standard. The average price increase to comply with the new standard has been estimated at \$350-\$500. While many larger lending institutions have in house environmental staffs who know the difference and vet firms that do work for them. Many local savings banks rely on the expertise of their outside consultants they have approved to stay current with the standards After all, assisting them with their risk management is the main reason lenders require environmental reports in the first place.

In September, the EPA released a statement that it would sunset the prior standard leaving only one (E1527-13) that meets the definition of the AAI rule. This has been a much awaited decision and should create a more even playing field when bidding. So as we move into 2015, users of the new standard should be able to assume all reports are prepared equally? In theory the answer is yes. However, experience, expertise and commitment to provide the best report possible is based on each firm's dedication to that mission.

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