

Federal government underestimating cost of contaminated site cleanup, watchdog says

Cleaning up nearly 25,000 sites across the country contaminated by hazardous waste and pollution will cost billions of dollars more than the federal government has anticipated, says a new analysis by Canada's budget watchdog.



The costs of cleaning up Canada's so-called Big Five contaminated sites, including the Faro mine pictured here, is likely to increase as will to costs of cleaning up other sites, according to the Parliamentary Budget Office. (CATHIE ARCHBOULD / THE CANADIAN PRESS FILE PHOTO)

By **STEVE RENNIE**The Canadian Press Thu., April 10, 2014

OTTAWA—Cleaning up nearly 25,000 sites across the country contaminated by hazardous waste and pollution will cost billions of dollars more than the federal government has anticipated, says a new analysis by Canada's budget watchdog.

And the cost could run even higher now that a new chemical used in fire-retardant foam has been found in the groundwater at some airports, says the report by the Parliamentary Budget Office released Thursday.

“The likely financial costs associated with contaminated sites are significant and are not reflected in the figures reported to Parliament in the public accounts,” says the report.

To do the analysis, Treasury Board provided the office with access to its internal database of contaminated sites, which contains about 1,000 locations not included in the public version for security reasons. The PBO then looked at the total cost to remediate the known, suspected and future sites in the general inventory. There are 24,990 open, closed and deleted sites listed in the government’s inventory.

Because of their unique characteristics, the analysis did not include low-level radiation sites around Port Hope, Ont., or the so-called Big Five sites: the Faro mine in Yukon; the Colomac and Giant mine sites in the Northwest Territories; Cape Dyer-DEW line on Baffin Island; and CFB Goose Bay in Happy Valley-Goose Bay, N.L. “Both the general inventory sites and the Big Five will likely see increases over and above those currently reported,” the report says.

While the federal government expects the cost to clean up the general inventory sites to be about \$1.8 billion, the office anticipates the actual cost will be closer to \$3.9 billion — an increase of some \$2.1 billion.

The report says it gets a higher number because its estimate includes liabilities for sites that either haven’t been assessed or aren’t yet fully assessed. The budget watchdog also counts sites that haven’t yet been identified in its analysis, and factors in the risk of higher liability for sites that are currently being remediated.

“The results indicate that the current liability of \$1.8 billion in the public accounts for the contaminated sites in the inventory (minus the Big Five and Port Hope) underestimates the total remediation costs by \$2.1 billion,” the PBO says.

“Therefore the total future cost is estimated to be \$3.9 billion.”

The PBO also estimates an additional \$24 million is needed for site assessments.

The discovery of a new contaminant could further increase the cleanup cost. The chemical perfluorooctane sulfonate, used in fire-retardant foam, has been found in the groundwater at some airports.

The cost of remediating sites contaminated by the chemical isn’t yet known, the PBO says, since the government is still figuring out how to handle the cleanup.