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Standard Practice for Limited Environmental Due Diligence: Transaction Screen Process¹

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^{ε1} NOTE—Question 21 of the Transaction Screen Questionnaire (see Section 6) and footnote 6 were editorially corrected in January 2017.

1. Scope

1.1 *Purpose*—The purpose of this practice is to define a good practice in the United States of America for conducting a *transaction screen*² for a parcel of *commercial real estate* where the *user* wishes to conduct limited environmental *due diligence* (that is, less than a *Phase I Environmental Site Assessment*). If the driving force behind the environmental *due diligence* is a desire to qualify for one of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) *Landowner Liability Protections (LLPs)*, this practice should not be applied. Instead, the ASTM E1527: Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process or ASTM E2247: Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process for Forestland or Rural Property may be used.

1.1.1 This practice will not satisfy the requirement to conduct *all appropriate inquiries* into the previous ownership and uses of the *property* consistent with “generally accepted good commercial and customary standards and practices” as defined in 42 U.S.C. §9601(35)(B) to qualify for one of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) *Landowner Liability Protections (LLPs)*. *Users* who desire to conduct environmental *due diligence* to qualify for one of the CERCLA LLPs should conduct assessment activities in conformity with “Standards and Practices for All Appropriate Inquiries,” 40 C.F.R. Part 312, ASTM E1527: Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process or ASTM E2247: Standard Practice for Environmental Site

Assessments: Phase I Environmental Site Assessment Process for Forestland or Rural Property.

1.2 An evaluation of business environmental risk associated with a parcel of *commercial real estate* may necessitate investigation beyond that identified in this practice. See Sections 1.4 and 11.

1.2.1 *Potential Environmental Concerns*—The goal of conducting a transaction screen is to identify *potential environmental concerns*, as defined in 3.2.35.

1.2.2 *Other Federal, State, and Local Environmental Laws*—This practice does not address requirements of any state or local laws or of any federal laws. *Users* are cautioned that federal, state, and local laws may impose environmental assessment obligations that are beyond the scope of this practice. *Users* should also be aware that there are likely to be other legal obligations with regard to *hazardous substances* or *petroleum products* discovered on *property* that are not addressed in this practice and may pose risks of civil and/or criminal sanctions for non-compliance.

1.3 *Objective*—The objective guiding the development of this practice is to facilitate standardized *transaction screens*.

1.3.1 *Note of Caution*—The *user* should be cautious in applying this practice to properties with known current or historic handling of *hazardous substances* or *petroleum products*.

1.4 *Considerations Beyond the Scope*—The use of this practice is strictly limited to the scope set forth in this section. Section 11 of this practice identifies, for informational purposes, certain environmental conditions (not an all-inclusive list) that may exist on a *property* that are beyond the scope of this practice but may warrant consideration by parties to a *commercial real estate* transaction. The need to include an investigation of any such conditions in the scope of services should be evaluated based upon, among other factors, the nature of the *property* and the reasons for performing the assessment (for example, a more comprehensive evaluation of business environmental risk) and should be agreed upon as additional services beyond the scope of this practice prior to initiation of the *Transaction Screen Process*.

¹ This practice is under the jurisdiction of ASTM Committee E50 on Environmental Assessment, Risk Management and Corrective Action and is the direct responsibility of Subcommittee E50.02 on Real Estate Assessment and Management.

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² Whenever terms defined in 3.2 or described in 3.3 are used in this practice, they are in *italics*.