



Designation: E2137 – 17

Standard Guide for Estimating Monetary Costs and Liabilities for Environmental Matters¹

This standard is issued under the fixed designation E2137; the number immediately following the designation indicates the year of original adoption or, in the case of revision, the year of last revision. A number in parentheses indicates the year of last reapproval. A superscript epsilon (ϵ) indicates an editorial change since the last revision or reapproval.

1. Scope

1.1 *Purpose*—The purpose of this document is to provide a standard guide for good commercial and customary practice in estimating *costs and liabilities* for environmental matters.² Many possible uses for estimates of *costs and liabilities* for environmental matters exist, including but not limited to business decision making and portfolio optimization, due diligence and communications involving acquisitions and divestitures, regulatory requirements, third-party lawsuits, insurance premium calculation and claim settlement, change of property use, revitalization, compliance planning, construction and project control, analysis of remedial alternatives, budgeting, strategic planning, audit defense, financing, and investment analysis by shareholders. The use of estimated *costs and liabilities* developed in accordance with this standard may be subject to other standards applicable to the matter involved. For example, it is not intended to supersede accounting and actuarial standards. This standard does not address the establishment of reserves or disclosure requirements.

1.2 *Objectives*—The objective of this standard is to provide guidance on approaches for estimating *costs and liabilities* for environmental matters.

1.3 *This international standard was developed in accordance with internationally recognized principles on standardization established in the Decision on Principles for the Development of International Standards, Guides and Recommendations issued by the World Trade Organization Technical Barriers to Trade (TBT) Committee.*

2. Referenced Documents^{3,4}

2.1 ASTM Standards:

¹ This guide is under the jurisdiction of ASTM Committee E50 on Environmental Assessment, Risk Management and Corrective Action and is the direct responsibility of Subcommittee E50.05 on Environmental Risk Management.

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² For the purposes of this standard, costs and values are defined as monetary estimates.

³ Appendix X1 includes citations for additional relevant documents and requirements from other organizations including FASB, GASB, PCAOB, FASAB, IASB, and SEC.

- E1527 Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process
- E1739 Guide for Risk-Based Corrective Action Applied at Petroleum Release Sites
- E2081 Guide for Risk-Based Corrective Action
- E2091 Guide for Use of Activity and Use Limitations, Including Institutional and Engineering Controls
- E2107 Practice for Environmental Regulatory Compliance Audits
- E2150 Classification for Life-Cycle Environmental Work Elements—Environmental Cost Element Structure
- E2173 Guide for Disclosure of Environmental Liabilities
- E2205 Guide for Risk-Based Corrective Action for Protection of Ecological Resources
- E2247 Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process for Forestland or Rural Property
- E2637 Guide for Utilizing the Environmental Cost Element Structure Presented by Classification E2150
- E2718 Guide for Financial Disclosures Attributed to Climate Change

3. Terminology

3.1 Definitions:

3.1.1 *accretion*—an increase to the present value of a liability solely due to the passage of time, normally a year; also known as “unwinding the discount.”

3.1.2 *activity and use limitations (AULs)*—legal or physical restrictions or limitations on the use of, or access to, a site or facility to eliminate or minimize potential exposures to chemicals of concern, or to prevent activities that could interfere with the effectiveness of a response action, to ensure maintenance of a condition of “acceptable risk” or “no significant risk” to human health and the environment. These legal or physical restrictions are intended to prevent adverse impacts to individuals or populations that may be exposed to chemicals of concern.

⁴ For referenced ASTM standards, visit the ASTM website, www.astm.org, or contact ASTM Customer Service at service@astm.org. For *Annual Book of ASTM Standards* volume information, refer to the standard’s Document Summary page on the ASTM website.