

On Page 5, first bullet under the heading **Additional Uses/Restrictions of Grant Funds**, replace with the following:

- Grants funds **cannot be used** to pay response costs at a brownfield site for which the recipient of the grant or loan is potentially liable under CERCLA Section 107 (see *Appendix 2, Prohibition on Use of Funds*, for additional information on prohibitions). Under CERCLA Section 107, present and past owners or operators, parties that arranged for the treatment or disposal of hazardous substances, and parties that accept hazardous substances for transport to disposal or treatment facilities are potentially liable for cleanup or paying the cost of cleaning up a site. Thus, an owner of contaminated land may be liable even though they did not cause or contribute to the contamination at the site. The Brownfields Law established liability protection for innocent land owners, contiguous property owners and bona fide prospective purchasers of contaminated land. Applicants that own a contaminated site may qualify for one of these landowner liability protections. For fiscal year 2004 only, funds appropriated under the Consolidated Appropriations Act of 2004, to carry out CERCLA 104(k), may be used by recipients of Brownfields grants and loans for eligible and allowable costs when a recipient satisfies all of the elements required to qualify as a bona fide prospective purchaser under CERCLA section 101(40) notwithstanding the fact that the property was acquired prior to the enactment of the Small Business Liability Relief and Brownfields Revitalization Act of 2001, P.L. 107-118, on January 11, 2002. A notice in the Federal Register on February 10, 2004, contains information on a reopened fiscal year 2004 grant competition, including discussion of eligibility requirements, process, and deadlines. This Federal Register notice is incorporated into these guidelines by reference.