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**How the United States Can and Should Improve Its Funding of International Joint Commission Activities. ID-78-10; B-189859. February 8, 1978. 22 pp. + 8 appendices (12 pp.).**

**Report to Secretary, Department of State; by J. K. Fasick, Director, International Div.**

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The International Joint Commission assists the United States and Canada in solving water use problems along their common border. The two governments are asking the Commission to become more involved in working out solutions to increasingly complex matters. Findings/Conclusions: The ability of the Commission to fulfill its responsibilities has been hampered by the ineffective means by which the United States funds Commission studies. The indirect funding method has forced the Commission to rely on Federal agency funds to carry out the U.S. portion of the studies, resulting in one instance of the United States<sup>e</sup> being unable to meet its commitment. Indirect funding has also caused the true cost of Commission studies to lose visibility. Congress has no awareness of the total cost of Commission studies. The resources provided to the U.S. Secretariat have not kept pace with increasing demands. Lack of adequate staff and funds has hampered the U.S. Secretariat in providing assistance to the U.S. Commissioners, and the Secretariat has had to rely on Federal agencies for staff and funds to carry out some of its responsibilities. The Canadian Government has been more responsive to Commission needs. Recommendations: The Secretary of State, with the concurrence of the Director of the Office of Management and Budget, should: establish a separate fund to ensure that funds are readily available promptly to begin needed studies; and include direct funding of Commission board activities in the State Department budget submission to Congress. Agency budgets should no longer include separate funds for Commission studies. (RRS)



*UNITED STATES  
GENERAL ACCOUNTING OFFICE*

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## How The United States Can And Should Improve Its Funding Of International Joint Commission Activities

The International Joint Commission has been instrumental in solving problems regarding the use of waters along the U.S.-Canadian border. The two governments are asking the Commission to become more involved in working out solutions to increasingly complex matters.

The United States needs to develop a better method of funding commission activities. A separate fund should be established to finance studies, and direct funding of the Commission board activities should be placed in the Department of State.



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

INTERNATIONAL DIVISION

B-189859

The Honorable  
The Secretary of State

Dear Mr. Secretary:

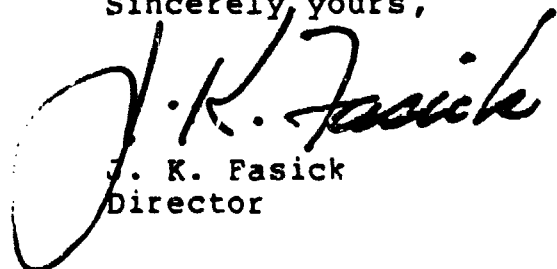
The International Joint Commission has been instrumental in solving problems regarding the use of waters between the borders of the United States and Canada. The Commission is being asked by the two governments to become more involved in working out solutions to increasingly complex problems.

This report primarily addresses the need for the United States to reassess its methods of funding the Commission's activities. We make certain recommendations that we believe are necessary if the Commission is to operate more effectively and efficiently.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the four committees mentioned above and to other selected congressional committees and members of Congress. We are also sending copies to the Acting Director, Office of Management and Budget; Secretaries of the Interior, Defense and Army; Chief of Engineers, Army Corps of Engineers; and Administrator, Environmental Protection Agency.

Sincerely yours,

  
J. K. Fasick  
Director

GENERAL ACCOUNTING OFFICE  
REPORT TO THE SECRETARY  
OF STATE

HOW THE UNITED STATES CAN AND  
SHOULD IMPROVE ITS FUNDING OF  
INTERNATIONAL JOINT COMMISSION  
ACTIVITIES

D I G E S T

The International Joint Commission assists the United States and Canada in solving water use problems along their common border. Since 1912 the Commission has reviewed over 60 applications and made over 40 studies. As the two governments have developed confidence in the Commission, they have asked it to consider more complex problems. However, the Commission's ability to respond to these requests has been hampered because the United States lacks an effective method of funding the Commission's studies.

U.S. FUNDING PROBLEMS LESSEN  
COMMISSION'S ABILITY TO RESPOND  
TO REQUESTS AND DISRUPTS AGENCY  
PROGRAMS

In one instance, the United States was unable to meet the requirements of the Boundary Waters Treaty and in other instances Commission studies were delayed and other agency programs were disrupted because of the U.S. mechanism to fund its portion.

The Boundary Waters Treaty requires that the United States and Canada provide enough financial support and resources for the Commission to perform any study requested by the two governments. The majority of U.S. funding, however, does not go directly to the Commission. Instead, the Commission performs its studies through specially created international boards which are usually composed equally of Canadian and U.S. members with cochairmen usually appointed from a Federal agency in each Government. These board co-chairmen are then expected to find sufficient funds within their agencies to carry out the Commission studies.

In the United States, board chairmen frequently must fund Commission studies from money originally programmed for other related projects, or use funds from projects only indirectly related to the Commission studies. In other instances, U.S. board chairmen

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have delayed Commission studies until the Congress approved their agencies' supplemental appropriations. Here are some examples:

--The United States could not meet its commitment under Boundary Waters Treaty to provide \$25,000 for a study by the Commission's Air Pollution Advisory Board because the Environmental Protection Agency did not have the funds. As a result, the U.S. portion was not done. GAO did not determine the effect of this. (See p. 6.)

--The Great Lakes Levels Study took 11 years to complete. One phase of the study was held up one year because of difficulty in obtaining initial study funds. (See p. 7.)

--The Environmental Protection Agency's followup on various water quality problems was disrupted because the Agency used over \$100,000 from various water quality programs to fund the U.S. portion of the Commission's study of the Garrison Diversion. (See p. 8.)

Many important decisions regarding the use of boundary waters cannot be made until Commission studies are completed. Because delays in these decisions can drastically increase the cost of the project, the two governments have requested that recent studies be completed in 1 to 2 years. However, such studies generally cannot be funded that soon through the routine budget and appropriation process. (See p. 7.)

Another factor which affects the present U.S. funding mechanism is that State governments are requesting more involvement in Commission studies. Responding, the Commission has appointed more State personnel to its boards. However, the States do not have the funds to cover the cost of participation and are looking to the Commission and U.S. agencies for financial support. (See p. 11.)

Indirect funding has caused the true cost of the Commission studies to lose visibility. Since 1971, the Commission has been involved in 13 studies, which will cost the United States an estimated \$17 million upon completion. Because some of these

funds were obtained indirectly through other agencies, the Congress is not aware of the total cost of the studies or that funds justified in the agencies' budget submissions for various projects were used instead for Commission studies. (See p. 6.)

LIMITED RESOURCES PROVIDED  
TO U.S. SECRETARIAT

In addition, the Commission is hampered because U.S. staff and financial support have not kept pace with the increasing demands placed on the Commission and the U.S. Secretariat. This means that the U.S. Commissioners have not been provided the technical advice and administrative support they needed; and they have had to rely on the Canadian Secretariat for support. (See p. 18.)

An example of the impact of the limited staffing is the amount of duties assigned to the staff engineer. This job calls for involvement in almost all Commission functions--reviewing and evaluating various reports from technical and control boards, advising the U.S. Commissioners on the soundness of engineering data, and preparing the technical portions of Commission reports. Because there has been only one engineer at the U.S. Secretariat, however, he has frequently not been available to provide this assistance. Instead, the Commissioners have relied on the assistance of the Canadian Secretariat which has three engineers performing these functions. (See p. 18.)

Although the need for a larger U.S. Secretariat staff long has been recognized, in each of the last 5 years the Commission's requests for additional staff has been turned down. (See p. 20.)

None of the U.S. Secretariat requests for additional staff for 1974, 1975, 1976, and 1977 was filled. In its 1978 budget proposal the U.S. Secretariat requested six additional positions. Two were cut from the budget proposal by the Department of State before it was submitted to the Office of Management and Budget and two were cut afterwards. The other two positions were included in the budget submitted to the Congress and were approved. The U.S. Secretariat's 1979 budget proposal again requests the four positions previously denied. (See p. 20.)

## RECOMMENDATIONS

To correct the problems the United States has in providing funds for International Joint Commission studies, the Secretary of State, with the concurrence of the Director of the Office of Management and Budget, should

- Establish a separate fund to ensure that funds are readily available to promptly begin needed studies that had not yet been requested at the time the budget was prepared; and
- Include direct funding of Commission board activities in the State Department budget submission to the Congress. In this regard, other agency budgets should no longer include separate funds for Commission studies. (See p. 13.)

## AGENCY COMMENTS AND ACTIONS

Officials of all the agencies involved agree that a separate fund should be established to ensure that funds are readily available to promptly begin needed studies, and said they would work toward its establishment. (See p. 14.)

Most of the agencies did not agree on direct funding of Commission board activities, principally because they perceived no operational problems stemming from the present arrangements. But this report shows that problems have been experienced by agencies in obtaining funds for board activities and that direct funding for all Commission activities in the State Department budget is both needed and practical. (See p. 15.)

Officials of all the agencies involved agree that there was a need for an increased staffing level of the U.S. Secretariat. The 1979 State Department budget submission to the Congress includes four new positions for the U.S. Secretariat. If authorized by the Congress, those positions should alleviate some of the U.S. Secretariat's staffing problems. (See p. 22.)

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## ABBREVIATIONS

<b>EPA</b>	<b>Environmental Protection Agency</b>
<b>GAO</b>	<b>General Accounting Office</b>
<b>IEC</b>	<b>International Boundary Commission</b>
<b>IBWC</b>	<b>International Boundary and Water Commission, United States and Mexico</b>
<b>OMB</b>	<b>Office Management and Budget</b>

## CHAPTER 1

### INTRODUCTION

The United States and Canada share the world's longest unprotected boundary--4,800 miles. To settle disputes on the use of boundary waters, to make provisions for the adjustment and settlement of all questions along the common border, and to establish principles to be followed in the adjustment and settlement of such questions, the two governments entered into the Boundary Waters Treaty in 1909.

The Treaty established a permanent binational body --the International Joint Commission composed of six commissioners. The commissioners--three appointed by the President of the United States for unspecified terms and three by the Governor General in Council in Canada--act as a single body rather than as national delegations. Decisions made by the Commission are based on majority vote. The Commission has a U.S. Secretariat in Washington and a Canadian Secretariat in Ottawa to provide technical and administrative support to the commissioners. In addition, a regional office for Great Lakes studies was established in 1973, in Windsor, Canada.

### RESPONSIBILITIES OF THE COMMISSION

Under the Treaty, the responsibilities of the Commission fall into three categories--approving application to use boundary waters, investigating and studying border problems, and, when requested, monitoring the implementation of Commission orders and recommendations.

Applications for the use, obstruction, or diversion of boundary waters, waters flowing from boundary waters, or waters that cross the boundary are submitted to the Commission through the government which has jurisdiction. The government determines if the water use, obstruction, or diversion will have a material effect on the natural level or flow on the other side of the boundary. If so, the application is submitted to the Commission for review.

Applications approved by the Commission often impose conditions on the applicant. These conditions are intended to ensure protection and indemnity of all interests on the other side of the boundary that may be injured. For example, in December 1968, the Commission approved the diversion of

water from the St. Lawrence River to the Raisin River Watershed in the Province of Ontario. However, the approval was subject to 10 conditions. One of the conditions was that the applicant compensate the Hydro-Electric Power Commission of Ontario for loss of power by reason of the diversion.

Either government may ask the Commission to investigate or study any differences arising between the two governments involving the rights, obligations, interests, inhabitants of the other, along the boundary. These requests, commonly called references, are made when questions or differences can better be resolved by the Commission than through diplomatic channels. The scope and terms of the reference are negotiated and then jointly submitted by both governments to the Commission.

For example, in September 1974, the United States first became aware of the proposed construction of a thermal generating station near Coronach, Saskatchewan, on the Poplar River. In February 1975, the United States expressed concern to the Government of Canada about the proposed station and in March 1976, expressed its desire for Commission involvement. In August 1977, the two governments asked the Commission to study the station's impact on water quality in the Poplar River.

The Commission also monitors compliance with terms and conditions set forth in its approval of applications and, when requested by the governments, the Commission may monitor and coordinate actions or programs it has recommended. For example, on May 26, 1914, the Commission issued orders of approval to ensure that overflow from Lake Superior to the St. Marys River was properly controlled. The Commission established a means of monitoring to ensure compliance with the terms of the orders.

#### IMPORTANCE OF THE COMMISSION

Since 1912, when the first application was received for review, the Commission has developed a reputation as being one of the primary means for identifying solutions to boundary problems. This reputation is based on a solid foundation of law and precedent and the Commission's successful record. Since 1912, the Commission has received 61 applications and has been referred 45 problems by the two governments. The problems have become more varied and complex as the two governments have developed confidence in the Commission. These problems include such matters as air pollution along

the border and the Point Roberts, Washington, residents' problems resulting from isolation from the rest of the United States.

#### USE OF BOARDS CREATED TO CARRY OUT COMMISSION RESPONSIBILITIES

When requested, the Commission creates international boards to carry out technical investigations, and ensure compliance with recommendations accepted by the two governments and conditions imposed by the Commission when approving applications.

Boards are usually composed of an equal number of Canadian and U.S. members. In forming a board, the Commission considers the various Federal departments and agencies in each country concerned with that particular area or having available the special skills, experience, information and personnel required. The Commission also looks to Provincial and State governments affected, or to private sources for board members. Board members drawn from Provincial or State governments are not paid from Federal sources, except in some instances in which the Commission pays traveling expenses associated with the board work.

Thirteen boards of control established by the Commission are still active. These boards were established to oversee operations required under the Commission's orders of approval or international agreements entered into by the two governments to supplement the treaty. In addition, the Commission currently has 20 technical boards performing investigations requested by the governments or surveillance of actions taken in response to Commission recommendations adopted by both governments. (See app. I.)

#### FUNDING OF COMMISSION ACTIVITIES

The Boundary Waters Treaty requires the governments to pay all reasonable and necessary expenses of the Commission. The U.S. Secretariat receives funds through the Department of State budget to cover the cost of its activities. These activities include providing technical and administrative support to the U.S. commissioners and providing staff and administrative support through the Windsor regional office to implement the Great Lakes Water Quality Agreement. Also, funds are provided to the U.S. Geological Survey, Department of the Interior, to cover the cost of special and technical investigations principally for the maintenance of river gauging stations performed for the Commission. Since the regional

office's opening in 1973, the cost of these activities has increased from \$517,200 annually to an estimated \$1.7 million in fiscal year 1978. (See app. II.)

To cover the cost of its board activities, the Commission relies on each government to provide support. In the United States, the board chairman must obtain funds from his Federal agency to pay for the U.S. portion of the costs. In fiscal year 1976, these costs amounted to about \$5 million. Since 1971, the Commission has been involved in 13 studies. When completed they will cost the United States about \$17 million. (See apps. III and IV.)

#### SCOPE OF REVIEW

Our review concentrated on U.S. participation in the Commission and the present system used in the United States to fund and staff the Commission. Our review of board activities was directed primarily to 13 studies in which the Commission has been involved since 1971. We did not dwell on activities of the Windsor regional office. At the time of our review the two governments, as part of a cooperative effort, were performing a review of the accomplishments of the Great Lakes Water Quality Agreement, including a look at the Windsor regional office.

To determine how the present funding system and U.S. participation in the Commission affected implementation of the 1909 Treaty we:

- Reviewed the mechanism used in the United States to provide funds and personnel to carry out Commission activities. Included in our review were the Department of State, Environmental Protection Agency, Army Corps of Engineers, and the Bureau of Reclamation and Fish and Wildlife Service of the Department of Interior.
- Interviewed officials and reviewed documents at the headquarters of each of the U.S. agencies involved in Commission activities and at various regional offices and other locations. We also discussed the funding means with Office of Management and Budget officials.

--Interviewed Canadian officials to obtain information on their system for funding and providing staff to carry out Commission activities.

--Interviewed Commission officials and reviewed copies of Commission public documents and other literature.

At the completion of our review, we discussed the major conclusions and recommendations with representatives of the Departments of State and the Interior, Army Corps of Engineers, and Environmental Protection Agency. The Departments of State and Interior and the Office of Management and Budget also provided us with written comments concerning our draft. (See apps. VI, VII and VIII.)

## CHAPTER 2

### NEED FOR IMPROVED FUNDING

#### OF COMMISSION STUDIES

As discussed in chapter 1, the board chairman appointed by the Commission for each study requested by the two governments is responsible for obtaining the funds to perform the study. Because Commission studies are not usually directly funded, the board chairmen have obtained funds from various sources within their agencies or relied on supplemental appropriations requested through their agencies. In either case, obtaining enough money for the U.S. portion of Commission studies has been difficult hampering the ability of the Commission to respond to the governments' requests as well as disrupting agency programs.

#### IMPACT OF U.S. FUNDING METHOD ON COMMISSION STUDIES AND AGENCY PROGRAMS

The Commission has been involved in 13 studies since 1971. Our review of these studies showed that some board chairmen used funds from programs directly or indirectly related to the project being studied. In other cases, board chairmen relied on supplemental appropriations requested by their agencies to support the Commission studies. The board chairman had various difficulties in obtaining these funds, depending on the relationship of the study to the agency's programs, the time set for completing the study, and the amount of funds required.

This indirect funding method also caused the true cost of the Commission studies to lose visibility. The 13 studies when completed will cost the United States an estimated \$17 million for its share. (See app. IV.) Yet, because some of these funds were obtained indirectly through other agencies, the Congress has no awareness of the total cost of these studies or that funds justified in agencies' budget submissions for agency projects were instead used for Commission studies.

#### U.S. funding commitment not met for Commission study

In one instance, because of lack of funds, the United States did not meet its commitment as provided under the Boundary Waters Treaty to support a Commission study. In



1976, the Air Pollution Advisory Board, whose U.S. chairman is an EPA official, recommended a joint study on sulfate levels in the air along the border. Both governments and the Commission responded favorably to the proposal. The cost of the study was initially estimated at \$7,000 to \$10,000, but eventually rose to over \$25,000. At this point, EPA officials determined that no funds were available and could not be obtained through the budget and appropriation process in time to perform the study. However, the Canadians continued with their part of the plan. The Canadian Board chairman indicated the U.S. cost to perform a comparable study today would be \$75,000 to \$100,000. <sup>Wp</sup> did not determine the impact of not performing the U.S. portion of this study.

Lack of adequate funds  
causes delays in completion  
of Commission studies

The two governments are requiring the Commission to complete studies in much shorter periods of time than have been taken in the past. For example, a study of the Great Lakes water levels completed in 1976 took over 11 years. But, the governments want four of the five studies requested in fiscal years 1976 and 1977 to be completed in 1 to 2 years. Quick response is necessary because important decisions cannot be made until the results of the Commission studies are available. Examples of this are the Garrison Diversion and Poplar River studies. (See app. I.) In the case of the Garrison Diversion, construction was stopped, awaiting the Commission's recommendations and other decisions. In the case of the Poplar River, it is important to know if the new thermal power station will affect the water quality. If water quality is affected, corrective action can promptly be taken before the station is completed. Also, with construction costs rapidly increasing, delays can drastically increase the cost of projects being studied.

Part of the delay in completing the Great Lakes Levels Study was caused by the difficulty in obtaining funds. A single phase of the U.S. portion of this study was held up 1 year because of lack of money. Indications are that two studies concerning the Great Lakes, requested in February 1977, will also be delayed. Because the normal budget process takes 18 to 21 months, the Army Corps of Engineers cannot obtain funds for these studies through its budget. The Corps' budget provides funds by specific activity, and making it difficult to obtain funds unless enough notice is given to request them through the budget.

A Corps official has been appointed board chairman for the two February 1977 Great Lakes studies. These concern limited regulation of Lake Erie, and the diversions and consumptive uses of water in the Great Lakes Basin. The governments have requested that the Commission issue the two reports by March 31, 1979. However, the appointment of the board chairman came too late for the Corps to obtain funds through its 1978 budget. Waiting for funds through the fiscal year 1979 budget will result in considerable delay in completing the study.

In fiscal year 1977, the Corps was able to use \$37,000 that it had originally intended for a general investigation project to start the studies. However, the board has estimated that at least \$1 million will be needed by U.S. agencies to carry out the work planned for fiscal year 1978, and no funds for the studies have yet been appropriated by the Congress. The board chairman indicated that the use of funds from other studies will be difficult, considering the amount required. He suggested that a supplemental appropriation may be the best alternative.

Although the Corps has had difficulties obtaining funds to perform the Commission studies, it has not encountered problems funding control board activities. These are permanent boards that operate continuously and require only limited funding. This permits the funding agency to anticipate the boards' needs and request funds through the budget process. Ten of the thirteen boards of control have a Corps of Engineers Board chairman and are funded through the Corps budget. The other three have a Geological Survey Board chairman and are provided direct funding by the Commission. (See app. III.)

#### Use of agency funds disrupts agency programs

When agency programmed funds were used for Commission studies instead of their planned use, other agency programs often suffered. For example, EPA used over \$100,000 from various water programs to fund its participation in the Garrison Diversion Study. The majority of this money was for salaries and travel. Because of a 1972 travel ceiling imposed on EPA by the Congress, some agency programs did not receive their fair share of travel money. Therefore, EPA could not fulfill some of its agency responsibilities, such as following up water quality problems. Because of this problem, the EPA board member indicated that he did not wish to participate in another Commission study that lacked direct funding.

In 1973, the governments requested the Commission to determine the impact of flood control construction on the Richelieu River and Lake Champlain. As was often the case with studies requested by the two governments, funding questions took a considerable amount of the Commission's attention and effort. The U.S. portion of the study cost over \$1 million and was funded by the Fish and Wildlife Service, Department of the Interior, whose Boston Regional Administrator was board chairman. Because the Service had no closely related programs and the study was of low Service priority, the board chairman relied on supplemental appropriations. The appropriations totaled \$985,000 over a 3-year period.

During the study, the Fish and Wildlife Service contracted with the Army Corps of Engineers and the U.S. Geological Survey. The Service paid the Corps \$250,000, and the Geological Survey \$48,000 for its services. However, the Service had to use \$25,000 from one of its programs to cover initial costs of the study. Later, because a critical aerial mapping study was deficient, an additional \$96,000 was required to correct and verify the maps. This cost was approximately \$40,000 more than the estimated available funds, and therefore, the regional office had to use funds from three of its programs. In addition to these costs, \$72,000 for salaries and travel attributable to the study were absorbed by various Service programs. Service officials stated that the use of its \$40,000 from the three funds to complete the study will result in some in-house equipment purchases and personnel hiring being delayed. Because of the difficulties in funding this study, the board chairman indicated that he did not wish to participate in any additional Commission studies.

Two of the studies reviewed were requested by the two governments in the Great Lakes Water Quality Agreement. The two studies, which concerned pollution from land use activities and pollution in the upper Great Lakes, required substantial funding--\$7 million and \$4 million, respectively. Although most of the money was provided through the EPA Great Lakes Initiative Program, the board chairmen for these studies indicated there was a lack of U.S. commitment to fund them from the beginning, and the process for obtaining funds was slow.

In addition to funds provided through the Great Lakes Initiative Program for the land use study, EPA used 3 staff-years planned for other programs. The Department of Agriculture official appointed as board chairman for the land

use study also had to find funds in agriculture programs to absorb all of the agency's expenses associated with the study.

Officials from the agencies responsible for funding the 13 studies believe that the method of funding Commission studies should be changed. They suggested that

- a reserve fund be established to cover initial study costs until funds could be obtained through the budget, and
- either an appropriation be provided to the Commission for all study costs, or appropriations be provided to each participating agency, specifically for each Commission study.

#### COMMISSION HAMPERED IN MEETING INCREASED DEMANDS WITH CURRENT FUNDING SYSTEM

In addition to the recent emphasis on shorter completion times, an increase in the number of studies and greater involvement in these studies by individual States dictate the need for a better funding system.

Since October 1975, the governments have requested that the Commission make five studies, and more requests are anticipated in the near future. Many of the studies were recommended by the Commission in its reports to the governments on other studies requested. In its reports issued since 1975, the Commission recommended that the two governments

- negotiate a water quality agreement for the Saint John River Basin,
- request a study of various matters in the Saint John River Basin, while negotiations toward the establishment of a water quality agreement are underway,
- request a study to determine the effects of limited regulation of Lake Erie levels,
- request a study of the effects of existing or new diversions in and out of the Great Lakes Basin,

- request a study of the meteorologic, hydrologic, and hydraulic networks in the Great Lakes Basin,
- coordinate and approve a schedule for the Roseau River Basin works and a proposed Commission-coordinated plan,
- request the construction and operation of the works in the coordinated plan for the Roseau River Basin to be monitored, and
- negotiate a water quality agreement for the Souris and Red Rivers.

In addition, the Commission forwarded letters to the two governments outlining the recommendations of its Air Pollution Advisory Board for the establishment of a mechanism for achieving international coordination and cooperation on research related to the long-range transport of air pollutants.

Three of these matters have been referred to the Commission for study. The Department of State has referred the others to the Federal agencies responsible for the area of concern. Once the agency states its opinion on the feasibility of the proposed study, the Department of State will inform Canada of the U.S. opinion. Then, if the appropriate details can be worked out to their mutual satisfaction, the two governments will jointly respond to the Commission.

Because the recommendations made by the Commission can greatly affect the States where studies are being made, officials from these States have asked to participate more on Commission boards. The Commission has responded, but there is a problem: the States do not have the funds to cover the cost of participation. They are looking to the Commission and Federal agencies for financial support, but under the present system it is difficult to obtain.

REQUEST FOR DIRECT FUNDING  
DENIED BY THE DEPARTMENT OF  
STATE

In anticipation of 10 studies being requested by the two governments, the Secretariat in its fiscal year 1978 budget requested \$470,000 for grants, contributions, subsidies and other expenses associated with the 10 studies.

Over \$330,000 of the funds were to be transferred to Federal agencies to start the studies. However, this portion of the request was denied by the Department of State. The balance, over \$80,000, to be used by the U.S. Secretariat was approved, as discussed in chapter 3.

The Department of State was in favor of providing funds to the Secretariat for anticipated studies, but not for other agencies. Department of State officials believed that it was not the Department's responsibility to establish a reserve fund for other Federal agencies.

Four of the 10 studies for which the Secretariat requested funds were referred to the Commission by the two governments in 1977. The amount requested for these studies was \$258,000.

#### DIRECT FUNDING OF AGENCY ACTIVITIES BY OTHER COMMISSIONS

The Department of State budget also provides funds to the U.S. Section of the International Boundary and Water Commission (IBWC), the International Boundary Commission (IBC), and several international fisheries commissions. The IBWC and several of the fisheries commissions rely on Federal agencies to carry out some of their activities. However, these commissions receive funds directly through the Department of State which they in turn pay to the agencies for their services. None of these commissions require the other Federal agencies to obtain their own funds for such activities. For example, the Great Lakes Fishery Commission, one of the international fisheries commissions, carries out the sea lamprey control program through the Fish and Wildlife Service. The Great Lakes Fishery Commission provides funds to the Service to cover all expenses associated with the program. In fiscal year 1976, this amounted to about \$2.6 million.

Since 1968, IBWC has entered into three memorandums of understanding with the Corps of Engineers to pay the Corps for its services. In January 1969, IBWC contracted with the Corps for services costing approximately \$1.1 million. The contract was for planning and designing a flood control project. In February 1970, another contract for \$630,000 was awarded for supervision of the construction. In August 1977, IBWC contracted with the Corps to serve as engineer-representative during construction of a power plant. The Corps will be paid \$200,000 for its services.

The International Joint Commission itself provides funds only to the Geological Survey for special studies and investigations. This amounts to an estimated \$2 million from fiscal year 1971 through 1978. (See app. II.)

### CONCLUSIONS AND RECOMMENDATIONS

The ability of the International Joint Commission to fulfill its responsibilities has been hampered by the ineffective means by which the United States funds Commission studies. The indirect funding method has forced the Commission to rely on Federal agency funds to carry out the U.S. portion of the studies. This has resulted in one instance in which the United States did not meet its commitment, as provided under the Boundary Waters Treaty; in other instances, Commission studies have been delayed or agency programs were disrupted. The Commission's ability to carry out its responsibilities has been further complicated by recent requests for future studies to be completed in 1 to 2 years and to include more involvement of State governments.

The indirect funding method also has caused the true cost of the Commission studies to lose visibility. Since 1971 the Commission has been involved in 13 studies which when completed will cost the United States an estimated \$17 million for its share. Yet, because some of these funds were obtained indirectly through other agencies, the Congress has no awareness of the total cost of these studies or that funds originally justified in agencies' budget submission for its own programs were instead used for Commission studies.

To correct the problems the United States has in providing funds for Commission studies, we recommend that the Secretary of State with the concurrence of the Director of the Office of Management and Budget:

1. Establish a separate fund to help insure availability of funds to promptly begin needed studies that had not been requested at the time the budget was prepared.
2. Include direct funding of Commission board activities in the Department of State budget submission to the Congress. In this regard other agency budgets should no longer include separate funds for Commission studies.

## AGENCY COMMENTS AND OUR EVALUATION

We discussed a draft of our report with representatives of the Department of State, Corps of Engineers, Environmental Protection Agency, and the Department of the Interior. In addition, the Departments of State and Interior and the Office of Management and Budget provided us with written comments concerning our draft report. Their comments on both of our recommendations are shown below.

### Recommendation 1

All of the agencies involved agree with our recommendation that the Secretary of State establish a separate fund to help insure availability of funds to promptly begin needed studies that had not been requested at the time the budget was prepared. The Department of State stated that:

"\* \* \* the proposed reserve [1/] fund for beginning new Reference activities \* \* \* might have considerable merit, if an appropriate mechanism for administering the fund could be devised, including the necessary fiscal safeguards. Such a fund would avoid the delays now common between the conclusion of negotiations on a Reference and the commencement of study activity."

The Office of Management and Budget stated that:

"We have \* \* \* been aware of a problem from time to time of financing the initial costs of study boards because of the lack of a reserve [1/] fund, as the draft reports point out. \* \* \* we and State Department representatives have agreed to explore the advisability of such a fund prior to preparation of the 1980 budget."

The Army Corps of Engineers, Environmental Protection Agency, and Department of Interior officials also told us that they had experienced difficulties obtaining funds in a timely manner to perform agency studies because of the budget process. They agree that a separate fund could ensure that funds were available to board chairmen to start the actual study work as soon as possible, which would speed up the completion of board studies.

1/ The report now refers to a "separate" fund, not a "reserve" fund.



## Recommendation 2

The Department of the Interior stated that it "\* \* \* endorses the recommendations made by the General Accounting Office that the Department of State increase its support for the U.S. Secretariat of the International Joint Commission and undertake direct funding of the Commission's studies." They told us they believe such a system would result in less administrative confusion and better funding of Commission activities. They said it would also be less disruptive of agency programs and would provide better visibility of the entire Commission operating budget.

Department of the Interior officials also stated that:

"The Commission's ability to respond to these requests, in keeping with our commitments under the Boundary Waters Treaty, has been sharply limited by inadequate funding for the U.S. Secretariat and a lack of direct funding for Commission studies.

"The U.S. Secretariat has had to turn to a number of U.S. government agencies to supplement funding for its own activities and to finance studies requested by the two governments.

"The Department of the Interior and other government agencies, aware of the importance of the Commission's work, have responded to such requests--but with great difficulty.

"Because such support can be given quickly only by disrupting domestic programs with which the agencies are charged, there is, understandably, a reluctance on the part of these agencies to become involved in such financial commitments."

Officials from the Department of State, Office of Management and Budget, Army Corps of Engineers, and the Environmental Protection Agency, however, disagree with the recommendation. The State Department stated that:

"\* \* \* we see little merit in the recommendation that funds be centralized for all activities of the Commission in one U.S. federal agency. Activities of the Commission frequently involve a number of agencies and, in particular in the case

of the U.S. Environmental Protection Agency and the Army Corps of Engineers, are hard to separate from the domestic functions of these agencies. To attempt to centralize funding for these agencies in the Department would entail unnecessary duplication and decreased efficiency.

"We support and agree with the comment in the Report regarding the need to give Congress a more clear idea of the total amount of funds involved in IJC activities. We will work with the U.S. Section of the Commission to have them present a good approximation of the funds expended by other agencies in furtherance of IJC activities at the time they defend their budget request within the State Department, before the Office of Management and Budget, and before Congress."

The Office of Management and Budget stated that:

"The draft report recommends that all 'direct funding of Commission board activities' be included in the Department of State budget. We, however, are not aware of any operational problems resulting from the fact that the Environmental Protection Agency and the Corps of Engineers regularly budget for IJC study and control board work, whereas the State Department budgets for IJC work done by the Geological Survey and the U.S. section. Our discussions with other agency representatives do not indicate that any operational advantages would result from full budgeting of IJC activities by the State Department."

Officials from the Army Corps of Engineers and the Environmental Protection Agency echoed the comments from the State Department and OMB. They told us that the work of the Commission studies was very closely related to work being done by their agencies under other congressional mandates. They stated that the separation of Commission studies and the other related agency work would fragment the budget process and could result in duplication of effort.

We believe our recommendation for the establishment of direct funding is necessary to improve the U.S. funding of Commission activities. As discussed in the report and observed by Department of the Interior officials, evidence

of operational problems does exist and these problems will likely worsen as demands for shorter completion times of Commission studies increase. The routine budget cycle for an agency can take as long as 21 months; however, recent requests have asked that Commission studies be completed within 1 to 2 years.

Agency officials agree with our recommendation that a separate fund for starting studies would be an improvement over current procedures. We believe the recommendation for direct funding is an extension of the same basic principle. The State Department budget already includes direct funding of work performed by the U.S. Geological Survey; providing direct funding for all Commission activities in the State Department budget appears to be both needed and practical.

### CHAPTER 3

#### GREATER UNITED STATES COMMITMENT

#### NEEDED TO SUPPORT THE COMMISSION

The Commission's ability to carry out its responsibilities under the Boundary Waters Treaty depends upon the resources provided by the two governments to the Secretariats. Although the United States has directed resources to its Secretariat, funding has not kept pace with the increasing demands placed on the Commission and the U.S. Secretariat.

Lack of adequate staff support and appropriate financing has hampered the U.S. Secretariat's support of its Commissioners. To carry out its responsibilities, the U.S. Secretariat has had to rely on the Canadian Secretariat for technical and administrative support and U.S. agencies for staff and funds.

#### COMMISSION'S ABILITY TO PERFORM HAMPERED BY LIMITED UNITED STATES SUPPORT

The primary functions of the two Secretariats are to provide technical advice to the Commissioners, draft Commission reports to the two governments, provide assistance to the boards, and inform the public of actions taken by the Commission. Prior to fiscal year 1978, the U.S. Secretariat had only four technical staff members and a public information officer on loan from the EPA to do this work. This limited staff could not perform many of their duties and had to get help from the Canadian Secretariat. In addition to the staffing problems, proper financing was also lacking; sometimes the U.S. Secretariat had to rely on funds from Federal agencies.

#### Limited staffing

An example of the impact of the limited staffing is the large amount of duties assigned to the staff engineer. He is required to

- review various semiannual and annual reports submitted by technical boards, as well as annual reports of control boards,
- evaluate and assess the feasibility and soundness of engineering data submitted to the Commission,

- monitor control board activities,
- advise the Commission and staff on matters needing their attention and action, and
- draft technical portions of the Commission's reports to the governments and application orders of approval.

In Canada these duties are performed by three engineers. Because the one U.S. engineer cannot perform all these functions, many are not done. For example, on many occasions he was not able to provide assistance to the boards when requested.

Because the Canadian staff is much larger, most Commission reports and other documents are initiated by the Canadian Secretariat. The U.S. Secretariat is in a continual position of responding to Canadian initiatives. The U.S. Secretariat finds this situation intolerable but with the current level of staff cannot alter it without causing substantial delays in Commission activities. Many board chairmen and other officials associated with the Commission believe the processing of Commission reports is slowed considerably by the limited U.S. staff.

For example, on October 22, 1975, the two governments requested the Commission to study whether the proposed Garrison Diversion Unit in North Dakota would pollute the waters which flow across the boundary into Canada. The two governments requested the study be completed not later than October 31, 1976. The results of the study were provided to the Commission on December 3, 1976, but, the Commission report was not issued until September 19, 1977. The U.S. Board Chairman as well as Federal officials associated with the study believed that a larger U.S. Secretariat staff would have greatly reduced the response time.

#### Lack of appropriate financing

In fiscal years 1976 and 1977 the U.S. Secretariat did not have enough money to carry out its duties. In March 1976 the Secretariat had to rely on the use of \$210,000 from the Bureau of Reclamation so it could do its part of the Garrison Diversion study. The funds were used for such purposes as special contracted studies, travel, and printing. Again in April 1977, funds were obtained from a Federal agency by the Secretariat so that it could

perform its duties. In this instance, the EPA provided \$12,000 for studies on the Great Lakes requested by the two governments.

U.S. SECRETARIAT'S EFFORTS  
TO INCREASE STAFF UNSUCCESSFUL

The need for a larger U.S. Secretariat staff has long been recognized, but the present process of competing with Department of State programs has limited the Secretariat's growth. At a June 1974 seminar attended by Department of State officials, the Commission reviewed its achievements, needs and potential. The need for additional staff was highlighted. It was pointed out that the Secretariat in both countries had been below full strength for a long time.

The U.S. Secretariat has attempted to increase its staff since 1974. But, as detailed below, this was not successful until 1978 when hiring of an environmentalist and another secretary were approved. These two positions increased the size of the Secretariat staff from 9 to 11.

<u>Fiscal year</u>	<u>Secretariat's request</u>	<u>Denied as a result of State Department review</u>	<u>Denied as a result of Presidential allowance</u>	<u>Submitted to the Congress for approval</u>
1974	1	0	1	0
1975	3	0	3	0
1976	5	3	2	0
1977	4	4	0	0
1978	6	2	2	2

To overcome its staff limitations, the U.S. Secretariat turned to Federal agencies for assistance. In addition to an EPA public information officer on loan to the Commission, the Secretariat's legal adviser was previously on loan from the Department of State. In March 1977, to meet its increased responsibilities, the Secretariat requested an engineer be detailed to the Commission from a Federal agency. This engineer was not provided, and now EPA is requesting that the public information officer be returned.

During our review, the U.S. Secretariat again requested additional positions. In its fiscal year 1979 budget, the Secretariat requested a public information officer, engineer, secretary and a technical assistant. The Department of State submitted the request to OMB.

Despite problems in obtaining additional staff, the U.S. Secretariat did receive additional funds. As mentioned in chapter 2, the U.S. Secretariat in its fiscal year 1978 budget requested that a \$470,000 reserve be established for study startup costs. These funds were to be used by the Secretariat or transferred to Federal agencies to cover the startup cost for studies that had not been requested by the two governments at the time the budget was prepared. Only the portion of the reserve to be used by the Secretariat amounting to \$81,000 was approved.

### CANADIAN GOVERNMENT MORE RESPONSIVE TO COMMISSION NEEDS

In contrast to the United States, the Canadian Government has been more responsive to Commission needs. During the 5-year period from fiscal year 1972-73 through 1977-78, the Canadian Secretariat staff was increased from 9 to 20 positions. There was also an increase in funds provided to the Secretariat so the new staff members could carry out their duties. (See app. V.)

Although the Secretariat's budget is submitted to the Department of External Affairs, it is only a formality. To date, the Canadian Department has not exercised its authority to reduce the Secretariat's request for funds or positions. The budget is then forwarded to the Treasury Board, OMB's counterpart in Canada, where it is separated from the Department of External Affairs' submission and reviewed with those agencies that provide funds and personnel to perform board activities. In the United States, however, the Secretariat's submission remains part of the Department of State's submission throughout the budget review process, although the Commission participates in defending its budget requests before OMB and the Congress.

### CONCLUSION

The resources provided to the U.S. Secretariat have not kept pace with the increasing demands placed on the Commission and the U.S. Secretariat. Lack of adequate staff and funds has hampered the U.S. Secretariat in providing assistance to the U.S. Commissioners. The U.S. Secretariat has had to rely on Federal agencies for staff and funds to carry out some of its responsibilities. Even though resources were received from Federal agencies in addition to those funds provided through the Department

of State budget, they were not adequate and the U.S. Secretariat had to rely on the Canadian Secretariat to do things it could not do. In light of increasing use of the Commission by the governments, we believe that a reassessment of the staffing needs of the U.S. Secretariat is needed to insure that the Secretariat can effectively perform its functions.

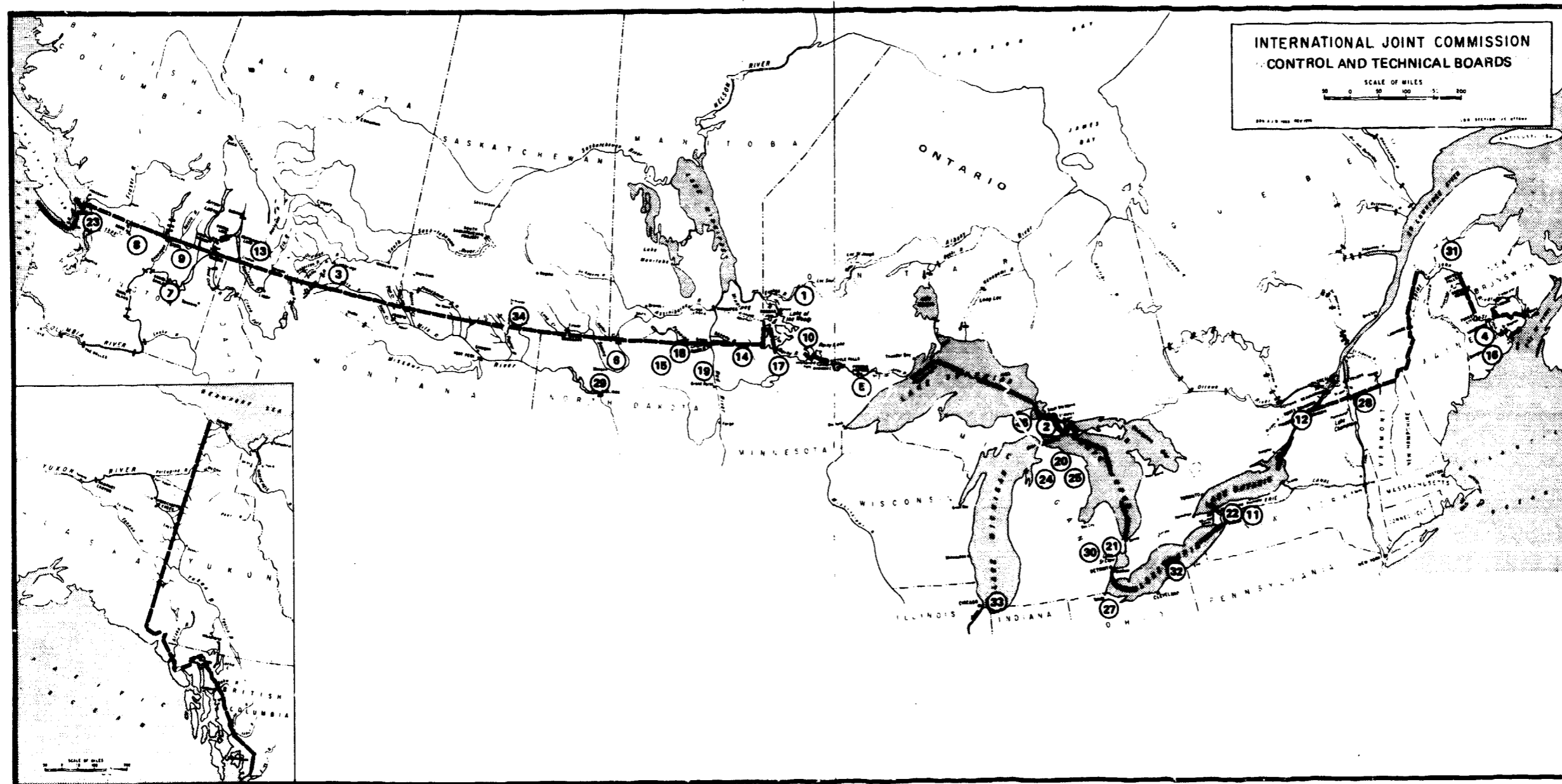
AGENCY ACTIONS, COMMENTS  
AND OUR EVALUATION

All of the agency officials contacted agree that the staff for the U.S. Secretariat of the Commission should be increased. The State Department advised us that the four positions requested by the Commission for fiscal year 1979 have been included in the State Department budget submission and, if authorized by the Congress, should eliminate the U.S. Secretariat's current staffing shortage.

The Office of Management and Budget told us that in spite of an overall employment limit determined by the President, the President's budget submission to the Congress includes four positions requested for the U.S. Secretariat by the State Department.

If authorized, the four additional positions should alleviate some of the U.S. Secretariat staffing problems and enable the U.S. Secretariat to better assist the Commission in performing its functions. We suggest, however, that the Department of State continue to monitor the staffing of the U.S. Secretariat to ensure the U.S. Secretariat is able to effectively perform its role especially in view of the increasing demands being placed on the Commission.





**CONTROL BOARDS**

1. LAKE OF THE WOODS CONTROL BOARD
2. LAKE SUPERIOR BOARD OF CONTROL
3. ACCREDITED OFFICERS FOR THE APPORTIONMENT OF WATERS OF THE ST. MARY'S AND MILK RIVERS
4. ST. CROIX RIVER BOARD OF CONTROL
5. PRAIRIE PORTAGE BOARD OF CONTROL
6. SOURIS RIVER BOARD OF CONTROL
7. COLUMBIA RIVER BOARD OF CONTROL
8. SKAGIT RIVER BOARD OF CONTROL
9. OSOYOOS LAKE BOARD OF CONTROL
10. RAINY LAKE BOARD OF CONTROL
11. NIAGARA BOARD OF CONTROL
12. ST. LAWRENCE RIVER BOARD OF CONTROL
13. KOOTENAY LAKE BOARD OF CONTROL

**TECHNICAL BOARDS**

14. ROSEAU RIVER ENGINEERING BOARD
15. SOURIS-RED RIVERS ENGINEERING BOARD
16. ADVISORY BOARD OF CONTROL OF WATER POLLUTION-ST. CROIX RIVER
17. RAINY RIVER WATER POLLUTION BOARD
18. PEMBINA RIVER ENGINEERING BOARD
19. RED RIVER POLLUTION BOARD
20. GREAT LAKES LEVELS BOARD (TERMINATED IN 1977)
21. AIR POLLUTION ADVISORY BOARD
22. AMERICAN FALLS INTERNATIONAL BOARD
23. POINT ROBERTS BOARD
24. GREAT LAKES WATER QUALITY BOARD
25. GREAT LAKES RESEARCH ADVISORY BOARD
26. REFERENCE GROUP ON UPPER LAKES POLLUTION

27. REFERENCE GROUP ON LAND USE ACTIVITIES
28. CHAMPLAIN-RICHELIEU BOARD
29. GARRISON DIVERSION BOARD (STUDY BOARD)
30. MICHIGAN-ONTARIO AIR POLLUTION BOARD
31. COMMITTEE ON WATER QUALITY IN THE ST. JOHN RIVER
32. LAKE ERIE REGULATION BOARD
33. GREAT LAKES DIVERSIONS AND CONSUMPTIVE USES BOARD
34. POPLAR RIVER WATER QUALITY BOARD

SCHEDULE OF DIRECT FUNDING PROVIDED  
BY THE UNITED STATES  
TO THE INTERNATIONAL JOINT COMMISSION  
IN FISCAL YEARS 1971 THROUGH 1978

<u>Fiscal year</u>	<u>U.S. Secretariat</u>	<u>Great Lakes regional office</u>	<u>Geological Survey special and technical investigations</u>	<u>Total</u>
1971	\$ 128,476	\$ -	\$ 217,100	\$ 345,576
1972	166,034	-	228,500	394,534
1973	256,500	22,000	238,700	517,200
1974	314,200	151,750	250,000	715,950
1975	368,869	339,900	297,000	1,005,769
1976	382,321	588,074	327,500	1,297,895
a/1977	409,000	764,800	344,600	1,518,400
a/1978	<u>507,400</u>	<u>831,600</u>	<u>370,000</u>	<u>1,709,000</u>
Total	<u>\$2,532,800</u>	<u>\$2,698,124</u>	<u>\$2,273,400</u>	<u>\$7,504,324</u>

a/ Figures are estimates; actual figures were not available at the time our review was completed.

SCHEDULE OF ESTIMATED EXPENDITURES  
FOR ACTIVE COMMISSION BOARDS IN  
FISCAL YEAR 1976 (note a)

<u>Control boards</u>	<u>Responsible agency</u>	<u>Expenditure</u>	<u>Source of funds</u>
Lake of the Woods Control Board	Corps of Engineers	\$ 14,000	Included in Corps budget b/
Lake Superior Board of Control	Corps of Engineers	53,000	Included in Corps budget b/
Accredited Officers for the Apportionment of Waters of the St. Mary and Milk Rivers	Geological Survey	13,350	Line item in Commission budget
St. Croix River Board of Control	Corps of Engineers	11,000	Included in Corps budget b/
Prairie Portage Board of Control	Corps of Engineers	3,000	Included in Corps budget b/
Souris River Board of Control	Geological Survey	7,700	Line item in Commission budget
Columbia River Board of Control	Geological Survey	530	Line item in Commission budget
Skagit River Board of Control	Corps of Engineers	2,500	Included in Corps budget b/
Osoyoos Lake Board of Control	Corps of Engineers	6,060	Included in Corps and Commission budget b/
Rainy Lake Board of Control	Corps of Engineers	6,000	Included in Corps budget b/
Wisara Board of Control	Corps of Engineers	47,800	Included in Corps budget b/
St. Lawrence River Board of Control	Corps of Engineers	78,000	Included in Corps budget b/
Kootenay Lake Board of Control	Corps of Engineers	3,000	Included in Corps budget b/
<b>Subtotal</b>		<b>\$ 247,140</b>	
<u>Technical boards</u>			
Roseau River Engineering Board	Corps of Engineers	25,000	Line item in Corps budget-flood control on the Roseau River
Souris-Red Rivers Engineering Board	Bureau of Reclamation	78,300	General Investigations funds and various agency program funds
Advisory Board of Control of Water Pollution--St. Croix	EPA	4,300	Related program funds
Rainy River Water Pollution Board	EPA	4,900	EPA Great Lakes Initiative Program, and other EPA program funds
Pembina River Engineering Board	Corps of Engineers	4,500	Included in Corps budget under Pembina River Studies
Red River Pollution Board	EPA	8,860	Various water programs
Great Lakes Levels Boards	Corps of Engineers	-	(c)
Water Quality Board	EPA	202,000	Various agency water programs
Great Lakes Research Advisory Board	EPA	73,000	Various agency water programs
Reference Group on Upper Lakes Pollution	EPA	578,719	Great Lakes Initiative Program funds provided in EPA budget, and service related program funds
Reference Group on Land Use Activities	Department of Agriculture	2,534,400	EPA Great Lakes Initiative Program funds and other agency programs, and Agriculture program funds
Champlain-Richelieu Board	Fish and Wildlife Service	836,505	Supplemental appropriations and various service programs
Garrison Diversion Board	Bureau of Reclamation	453,841	Construction funds for Garrison Diversion Unit; various EPA programs, Corps General Investigations funds
Michigan-Ontario Air Pollution Board	EPA	5,000	EPA Air Program funds for implementation of the Clean Air Act
Committee on Water Quality in the St. John River	EPA	5,000	Various EPA water programs
Air Pollution Advisory Board	EPA	10,500	EPA Air Program funds for implementation of the Clean Air Act
American Falls International Board	Corps of Engineers	-	c/
Point Roberts Board	State	-	d/
Lake Erie Regulation Board	Corps of Engineers	-	e/
Board for Great Lakes Diversions and Consumptive Uses	Corps of Engineers	-	f/
Poplar River Water Quality Board	EPA	-	g/
<b>Subtotal</b>		<b>\$4,824,913</b>	
<b>Total of all boards</b>		<b>\$5,072,053</b>	

## GAO notes:

- a/ In many cases, funds are not provided for Commission studies and agencies use their program funds. Records are not maintained to show the funds used, therefore, agencies could only provide estimates of costs incurred on Commission studies.
- b/ Commission activities included in Corps budget under International Water Studies line item.
- c/ No funds were expended for these boards in fiscal year 1976. The Great Lakes Level Board was disbanded in 1977.
- d/ A State official is board chairman; no federal funds were expended.
- e/ Board was not formed until after fiscal year 1976.

ESTIMATED UNITED STATES EXPENDITURESBY COMMISSION BOARDS FOR STUDIESINITIATED OR COMPLETED SINCE 1971 (note a)

Great Lakes Levels Board	\$ 2,442,986
Lake Erie Regulation Board	850,000
Great Lakes Diversions and Consumptive Uses Board	850,000
Roseau River Engineering Board	180,000
Garrison Diversion Board	784,343
Champlain-Richelieu Board	1,122,098
Reference Group on Upper Lakes Pollution	3,984,468
Reference Group on Land Use Activities	7,015,862
Michigan-Ontario Air Pollution Board	<u>b/10,000</u>
Committee on Water Quality in the St. John River	25,000
Souris-Red Rivers Engineering Board	<u>c/74,000</u>
Air Pollution Advisory Board	<u>b/ d/22,500</u>
Poplar River Water Quality Board	<u>35,000</u>
Total	<u>\$17,396,259</u>

- a/ In many cases, funds are not provided for Commission studies, and agencies use their program funds. Records are not maintained to show the funds used; therefore, agencies could only provide estimates of costs incurred on Commission studies.
- b/ These boards perform monitoring activities. The cost shown is for monitoring in fiscal years 1975, 1976, and 1977.
- c/ The cost shown is for the Poplar River task force water apportionment study.
- d/ In 1976, the U.S. portion of this board could not participate in a Commission study because of lack of funds. The Canadian board did conduct their part of the study and the Canadian Board Chairman stated that a comparable U.S. study would have cost \$75,000.

SCHEDULE OF STAFF PROVIDED AND  
FUNDS EXPENDED BY THE CANADIAN  
AND UNITED STATES SECRETARIATS  
IN FISCAL YEARS 1971 THROUGH 1978

<u>Canadian Secretariat</u>			<u>U.S. Secretariat</u>		
<u>Fiscal year</u>	<u>Expenditures</u>	<u>Staff</u>	<u>Fiscal year</u>	<u>Expenditures</u>	<u>Staff</u>
1970-71	\$ 499,000	8	1971	\$1,28,476	4
1971-72	536,000	8	1972	166,034	5
1972-73	451,000	9	1973	256,500	8
1973-74	504,000	11	1974	314,200	9
1974-75	437,820	17	1975	368,869	9
1975-76	1,251,861	18	1976	382,321	9
<u>a/1976-77</u>	744,000	20	1977	409,000	9
<u>a/1977-78</u>	790,000	20	1978	570,400	11

a/ Figures are estimates. Actual figures were not available at the time our review was completed.



## DEPARTMENT OF STATE

Washington, D. C. 20520

January 19, 1978

Mr. William B. Ludwick  
Assistant Director  
United States General Accounting Office  
International Division  
Washington, D. C.

Dear Mr. Ludwick:

The Department of State appreciates the opportunity, provided by Mr. Fasick's letter of January 5, 1978, to comment on the draft GAO report entitled "How The United States Can Better Assist the International Joint Commission."

The report has been reviewed by a number of offices within the Department and I have attached some technical and editorial comments which have been made.

We have provided a copy of the report to the U.S. Section of the International Joint Commission and will forward their comments as soon as they are received.

Addressing the substantive recommendations of the report, it is the view of the Department of State that the proposed reserve fund for beginning new Reference activities given the Commission pursuant to Article IX of the Boundary Waters Treaty of 1909 might have considerable merit, if an appropriate mechanism for administering the fund could be devised, including the necessary fiscal safeguards. Such a fund would avoid the delays now common between the conclusion of negotiations on a Reference and the commencement of study activity. We would propose that funds be released only after the Commission has provided the Governments with plans of study and cost estimates, as is customary in Reference activities. These funds would be allocated to the agencies selected by the Commission to participate on the relevant U.S. Section of the Board, to support their activity until such time as they receive funds directly through the appropriations process.

Regarding staffing, the Department of State perceives no current need for additional positions for staff support in the Washington Office. While the staff of the United States

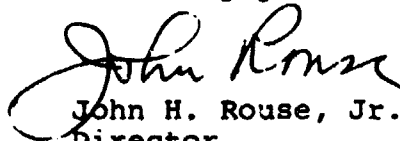
Section will continue to be outnumbered by the staff of the Canadian Section, we feel the two positions authorized for FY 1978, and the four positions requested for FY 1979, if authorized, will eliminate the present staff shortage.

Finally, we see little merit in the recommendation that funds be centralized for all activities of the Commission in one U.S. federal agency. Activities of the Commission frequently involve a number of agencies and, in particular in the case of the U.S. Environmental Protection Agency and the Army Corps of Engineers, are hard to separate from the domestic functions of these agencies. To attempt to centralize funding for these agencies in the Department would entail unnecessary duplication and decreased efficiency.

We support and agree with the comment in the Report regarding the need to give Congress a more clear idea of the total amount of funds involved in IJC activities. We will work with the U.S. Section of the Commission to have them present a good approximation of the funds expended by other agencies in furtherance of IJC activities at the time they defend their budget request within the State Department, before the Office of Management and Budget, and before Congress.

You will appreciate that these represent our early reactions to this report; we look forward to giving the document more studied consideration when it is issued in final form.

Sincerely yours,



John H. Rouse, Jr.  
Director  
Office of Canadian Affairs





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

Honorable Victor L. Lowe  
Director  
United States General  
Accounting Office  
Washington, D.C. 20548

Dear Mr. Lowe:

We appreciate receiving your letter of January 5, 1978, and having an opportunity to comment on your accompanying draft report on the International Joint Commission (IJC). It has given us an opportunity to review IJC operations with relevant OMB staff and with representatives of the Departments of State, Interior, and the Army, and the Environmental Protection Agency and the Commission.

The draft report recommends that all "direct funding of Commission board activities" be included in the Department of State budget. We, however, are not aware of any operational problems resulting from the fact that the Environmental Protection Agency and the Corps of Engineers regularly budget for IJC study and control board work, whereas the State Department budgets for IJC work done by the Geological Survey and the U.S. section. Our discussions with other agency representatives do not indicate that any operational advantages would result from full budgeting of IJC activities by the State Department.

We have, on the other hand, been aware of a problem from time to time of financing the initial costs of study boards because of the lack of a reserve fund, as the draft report points out.

[See GAO note on p. 33.] we and State Department representatives have agreed to explore the advisability of such a fund prior to preparation of the 1980 budget.

We also agree that all costs related to IJC work should be visible for executive and congressional review. Representatives of the Department of State and the Commission have agreed to work with OMB and other appropriate agencies to include overall IJC estimates in the 1980 State Department budget presentation to OMB and the Congress.

We have also been aware of the desires of the U.S. section of the Commission for additional staff. The requirements of the section will be met in 1979 with the addition of four employees, if the Congress enacts the requested appropriations. In spite of an overall employment limit

determined by the President, the State Department has given a priority to IJC activities that will meet its employment needs.

(See GAO note below.)

Thank you again for giving us the opportunity to comment on your draft report.

Sincerely,



Edward G. Sanders  
Deputy Associate Director  
for International Affairs

GAO note: Deleted comments pertain to matters omitted from or revised in the final report.



## United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

Mr. J.K. Fasick, Director  
International Division  
General Accounting Office  
441 G Street, NW.  
Washington, D.C. 20548

Dear Mr. Fasick:

The Department of the Interior endorses the recommendations made by the General Accounting Office that the Department of State increase its support for the U.S. Secretariat of the International Joint Commission and undertake direct funding of the Commission's studies.

The governments of the United States and Canada are becoming more aware that the Commission can, through its studies, anticipate the environmental effects of actions on both sides of the border. As a result, the number of study requests made of the Commission is increasing and the governments are asking that the studies be done more quickly.

The Commission's ability to respond to these requests, in keeping with our commitments under the Boundary Waters Treaty, has been sharply limited by inadequate funding for the U.S. Secretariat and a lack of direct funding for Commission studies.

The U.S. Secretariat has had to turn to a number of U.S. government agencies to supplement funding for its own activities and to finance studies requested by the two governments.

The Department of the Interior and other government agencies, aware of the importance of the Commission's work, have responded to such requests--but with great difficulty.

Because such support can be given quickly only by disrupting domestic programs with which the agencies are charged, there is, understandably, a reluctance on the part of these agencies to become involved in such financial commitments.