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Creation of a Department
of Environmental Protection

Statement of
Harry S. Havens, Assistant Comptroller General
Office of the Comptroller General

Before the Legislation and National Security
Subcommittee
Committee on Government Operations
House of Representatives



Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to appear here today to present GAO's views on the creation of a Department of Environmental Protection.

I would like to emphasize, at the outset, that conferring Cabinet status on the Environmental Protection Agency (EPA) is an important symbolic gesture. By itself, a Department of Environmental Protection will not change the role or the nature of environmental policy within the federal government.

Nonetheless, we believe there is merit to considering elevating EPA to a Cabinet department. Since the agency was created in 1970, the nation's understanding of environmental problems has grown enormously, and with it, EPA's responsibilities. Today, EPA's mission, its size, and the scope of its responsibilities place it on a par with many Cabinet departments. As a result, elevating EPA's position would better assure that environmental policy is given appropriate weight as it cuts across the domestic and foreign policies that are carried out by those other Cabinet departments. It would also assure that the head of the agency is able to deal as an equal with his or her counterparts within the federal government and within the international community as well. And finally, making the head of the organization a member of the Cabinet would, from an institutional standpoint, make clear the organization's direct access to the President on environmental matters.

Let me spend a few minutes on what we see as some of the pertinent considerations in elevating EPA to Cabinet status.

GROWTH OF EPA AND ENVIRONMENTAL ISSUES

The first relates to the growth of EPA and environmental issues. It is important to understand how different the EPA of 1970 was from the EPA of 1990. EPA today administers 11 major environmental statutes. Most of these laws had not yet been enacted when EPA was created; even those that were on the books, such as the Clean Water Act, were completely revamped during the 1970s. From its first-year expenditures of \$384 million, EPA's annual outlays have gone up to around \$5 billion. As a percentage of total federal outlays, EPA's share has more than doubled since 1970.

Of even greater import than federal outlays, however, is the effect of EPA's programs on our national economy. Environmental cleanup has cost the nation well over \$700 billion thus far. Annually, we are spending over \$86 billion, or about 2 percent of our GNP, on pollution control and regulation. A whole new sector of the economy has grown around pollution control. In the early days, federal programs controlled the most visible types of pollutants: what comes out of smokestacks or goes into sewers. Since then, the federal government has assumed responsibility for regulating the less visible but more pervasive aspects of pollution: the toxic chemicals manufactured, the methods and location of hazardous waste disposal, and the cleanup of chemically-contaminated lands and water.

In the future, the federal role in environmental protection is likely to grow even larger, especially as environmental problems become increasingly international in scope. While we have improved our air and water quality in some respects, these problems continue to dog us. The cleanup of hazardous waste sites is clearly going to continue well into the next century, as are efforts to reregister pesticides. And even as we move to try to get a handle on old problems, we discover new ones, like global warming, toxic

air pollutants, and indoor air pollution. Moreover, the solutions to some of these problems, like global warming and the depletion of the stratospheric ozone layer, will require a degree of international cooperation that may be unprecedented. To sum up, the number, scope and persistence of environmental problems are strong arguments in favor of Cabinet status for environmental issues.

RELATIONSHIP OF ENVIRONMENTAL PROTECTION
TO OTHER DEPARTMENTS AND POLICIES

As our awareness of environmental problems has increased, and as EPA's role has increased, environmental policy has steadily come to play a critical role in shaping other domestic and foreign policies. The President's recently proposed amendments to the Clean Air Act, for example, calling for a switch to cleaner fuels and cleaner coal-burning technologies, are directly linked to our energy policies. The United States' participation in the international agreement to phase out the production of chlorofluorocarbons (CFCs) shows how our environmental policy has been integrated into our trade and foreign policies. As we begin to address global climate change, we will have to examine a host of policies, including energy, agriculture, overseas assistance, foreign trade, and national security, among others.

Because it is the federal organization responsible for identifying and representing environmental interests before the rest of the government, EPA interacts regularly with the Departments of Agriculture, Defense, Energy, Interior, State, Transportation, and so on. Compared with many of these departments, EPA's interests and responsibilities are as wide-ranging. Its expenditures are similarly comparable to many: about the same as the Department of the Interior's outlays, larger than both the State Department's and the Energy Department's (excluding

its atomic energy defense activities), and twice those of the Commerce Department.

I believe it is also significant and relevant to your deliberations to mention here the results of numerous GAO reviews, which demonstrate that other federal agencies do not always provide the support and cooperation necessary to further environmental policy goals. The reasons we found included jurisdictional conflicts, organizational structures, and cultures that are not conducive to cooperation with EPA or that place a low priority on environmental protection. In some cases, the outcome of these problems has been severe. We see, for example, that years of ignoring environmental consequences at Defense and Energy Department facilities have jeopardized the health of neighboring communities and are likely to cost the federal government tens of billions of dollars to correct. It is therefore important that we have a vehicle for environmental cooperation at the federal level to ensure that, insofar as possible, agencies will take into consideration and actively support national environmental policy goals as they make decisions about programs for which they are responsible.

CONCLUDING THOUGHTS

In recent years, when other agencies were proposed for Cabinet status, concerns have been expressed that increasing the number of Cabinet members reporting to the President would make the structure more cumbersome and less useful. While such concerns are not without merit, we believe the importance of environmental issues on the national scene, the significant impact of environmental decisions on our economy, the interrelationship of environmental issues with other national issues--many of which are represented by agencies with Cabinet status--and the emerging international aspects of environmental issues are also important considerations.

It is also useful to note that when consideration was being given to creation of a Department of Veterans Affairs in the last Congress, the National Academy of Public Administration (NAPA) developed some criteria for use in evaluating proposals for Cabinet agencies. They included improving program visibility to achieve a broad national goal, facilitating achievement of broad cross-cutting national policy goals, and improving oversight and accountability of the agency. The reasons for elevating EPA to Cabinet status compare favorably, in our view, to these NAPA-suggested criteria.

Let me conclude my remarks by emphasizing that elevating EPA to a Cabinet department is not going to change the federal government's role in environmental protection, nor will it alter the mission or responsibilities that EPA presently has. It will simply acknowledge the importance that environmental protection has come to assume in our overall national and international policies and will place EPA and its head on an equal footing with their counterparts both here and abroad.

Mr. Chairman, this concludes my prepared statement. We will be glad to respond to any questions that you or members of the Subcommittee might have.