



United States  
General Accounting Office  
Washington, D.C. 20548

Resources, Community, and  
Economic Development Division



B-270501

November 16, 1995

The Honorable Lauch Faircloth  
Chairman, Subcommittee on Clean Air,  
Wetlands, Private Property, and Nuclear Safety  
Committee on Environment and Public Works  
United States Senate

Dear Mr. Chairman:

This interim report responds to your request for an assessment of the accuracy and completeness of the information that the Environmental Protection Agency (EPA) provided to you on grants, interagency agreements, and cooperative agreements issued or used by the agency's Office of Mobile Sources. During hearings before your Subcommittee on June 29, 1995, witnesses argued over the fairness of EPA's decision to give states different emissions reduction credits under the Clean Air Act, depending on the type of automobile emissions testing used by the state. The credits are based, among other things, on whether the state has a test-only or a test-and-repair program. Test-only programs require the testing of automobile emissions in facilities that do not repair vehicles, while test-and-repair programs permit the facilities to do both. According to EPA's November 5, 1992, rule, a state having a test-and-repair program would receive, for certain tests, only 50 percent of the emissions reduction credits that it would receive if it had a test-only network.

In a July 20, 1995, letter to EPA's Assistant Administrator for Air and Radiation, you asked EPA a series of questions about its inspection and maintenance programs for automobile emissions testing. Included in the questions, you specifically requested (1) a listing of the date, amount, and purpose of all contracts, grants, interagency agreements, cooperative agreements, or other funding mechanisms issued or used by the Office of Mobile Sources after November 5, 1992, and (2) the same information from November 1989 to the present for 19 organizations that you identified, including environmental groups and business coalitions. EPA replied to your request by letter dated August 18, 1995, and by a follow-up letter dated September 1, 1995. Subsequently, you asked us to (1) determine the completeness of EPA's list, (2) verify the information contained in EPA's responses, (3) describe

GAO/RCED-96-44R, EPA's Grants and Agreements

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the procurement procedures that EPA followed in awarding each procurement, and (4) describe the scope of work for each task issued under the contractual agreements and other funding mechanisms identified.

On October 27, 1995, we reported (GAO/RCED-96-33R) to you on our assessment of the accuracy and completeness of the information EPA provided to you on contracts issued or used by the agency's Office of Mobile Sources. As with our evaluation of EPA's response on contract data, your office asked for an interim report on the completeness of EPA's list as it relates to grants, interagency agreements, and cooperative agreements and verifying the information contained in EPA's responses because of impending congressional oversight of the inspection/maintenance program.<sup>1</sup> As agreed with your office, we will report to you, at a later date, on the results of our review of the procurement procedures followed by EPA in awarding each procurement, and a description of the scope of work for each task issued under the contractual agreements identified.

**DATA PROVIDED BY EPA ON GRANTS  
AND AGREEMENTS WERE NOT COMPLETE**

EPA's response to you on grants issued by its Office of Mobile Sources was incomplete. EPA identified only four of the seven grants issued by the Office of Mobile Sources to the organizations that you identified. In addition, EPA did not identify 33 grants issued by the Office of Mobile Sources after November 5, 1992, and 26 grants that were active as of that date which may have been used. In addition, two grants issued by EPA's Office of Research and Development may have been used to support research on mobile source pollution but were not identified in EPA's responses to you. Additional information on these grants follows.

EPA's August 18, 1995, reply to your Subcommittee indicated that its Office of Mobile Sources had awarded four grants to 2 of the organizations you identified in your request. However, we found that the Office of Mobile Sources awarded seven grants to 4 of the organizations you identified in your request.<sup>2</sup> (The three grants valued at \$1.1 million and not identified by EPA are listed in enc. I.) We found that none of the other organizations identified in your request received an Office of Mobile Source grant during the period from November, 1989, through September 30, 1995. However, we found that after EPA replied to your request for data, its Office of Enforcement and Compliance Assurance issued a grant, on September 18, 1995, to the Coordinating Committee for Auto Repair for \$800,000. The grant was for the

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<sup>1</sup>Throughout this report, we refer to grants, interagency agreements, and cooperative agreements as grants because EPA's database does not distinguish among these funding mechanisms.

<sup>2</sup>Other EPA offices, including the Office of Research and Development, issued 104 additional grants to six of the organizations you identified.

National Automotive Compliance Center to provide multimedia environmental compliance information.

In addition, we found that after November 5, 1992, the Office of Mobile Sources issued 33 grants valued at about \$7.6 million that were not disclosed in EPA's replies to you. (The 33 grants are listed in enc. II.) We also found that the Office of Mobile Sources had issued three additional grants since EPA replied to your request for data valued at over \$1.6 million, including a grant to the West Virginia University Research Corporation for the Alternative Fuel Vehicle Training Program valued at \$1.5 million. In addition, the Office of Mobile Sources had issued 26 grants that were active as of November 5, 1992; however, these grants were not identified in EPA's response to you. The expiration dates of these grants ranged from February 28, 1993, to October 10, 1996, and may have been used after November 5, 1992. We will report to you at a later date the extent to which the Office of Mobile Sources used each of the grants after November 5, 1992.

While you did not ask EPA to report on grants issued by offices other than the Office of Mobile Sources, we identified two grants valued at about \$1.4 million issued by the Office of Research and Development that appear to have supported research on mobile source pollution. These grants were not identified by EPA in its responses to you. (These two grants are listed in enc. III.) In addition, the Office of Research and Development had eight grants active as of November 5, 1992, that appear to have supported research on mobile source pollution. The expiration dates of these grants ranged from May 21, 1993, to June 21, 1995, and may have been used after November 5, 1992. We will also report to you at a later date the extent to which these grants were used after November 5, 1992.

#### AGENCY COMMENTS

We discussed the information contained in this report with the Director, Office of Mobile Sources, who stressed that EPA interpreted Senator Faircloth's July 20, 1995, letter to be requesting only inspection/maintenance expenditures by the Office of Mobile Sources with the 19 organizations identified in the letter. The Director attributed the omission of grants and agreements issued by the Office of Mobile Sources to a different interpretation of Senator Faircloth's request. The Director emphasized that because the agency's staff were furloughed on November 14, 1995, EPA was unable to verify the accuracy of the data contained in this report.

#### SCOPE AND METHODOLOGY

In conducting our work, we obtained documentation and interviewed officials from EPA's Office of Administration and Resources Management to obtain a listing of all grants, interagency agreements, and cooperative agreements awarded by EPA from October 1988 to September 30, 1995. We reviewed the database listings, which does not distinguish among these funding mechanisms, and selected those grants and agreements issued by the Office of Mobile Sources between November 5, 1992, and

September 30, 1995. We also selected grants and agreements issued by the Office of Research and Development for research on mobile source pollution. In addition, we reviewed EPA's awards from October 1988 to September 30, 1995, to determine whether any grants and amendments were awarded to the 19 organizations you identified in your July 20, 1995, letter to EPA. We conducted our work in November 1995 in accordance with generally accepted government auditing standards.

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As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 14 days after the date of this letter. At that time, we will send copies to the Administrator of the Environmental Protection Agency and other interested parties. We will also make copies of the report available to others upon request.

Please call me at (202) 512-6111 if you or your staff have any questions.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Peter F. Guerrero', written over a horizontal line.

Peter F. Guerrero  
Director, Environmental Protection  
Issues

Enclosures - 3

GRANTS AND AGREEMENTS ISSUED BY EPA'S  
OFFICE OF MOBILE SOURCES (FROM NOV. 1, 1989, THROUGH SEPT. 30, 1995)  
TO ANY OF THE 19 ORGANIZATIONS BUT NOT IDENTIFIED BY EPA

Grants and Agreements	Grantee	Project period	Project title	Award value
816733-01-0	American Association or Retired Persons (AARP)	3/2/90 3/1/93	Senior Environmental Employment Program for Clean Air	\$933,860
818718-01-0	American Lung Association	10/1/91 9/30/95	Comprehensive Outreach Campaign Motor Vehicle Emissions Control System Tampering	188,660
992123-01-0	American Lung Association	2/15/95 7/01/95	Education/Media Outreach-Enhanced Inspection/Maintenance	2,000
<b>3 Grants and Agreements</b>				<b>\$1,124,520</b>

Note: During the same time period, other EPA offices, including the Office of Research and Development, issued 104 other grants to one or more of the 19 organizations: 47 additional grants to the American Association of Retired Persons, 34 additional grants to the American Lung Association, 3 grants to Consumer Federation of America, 1 grant to the Coordinating Committee for Auto Repair, 13 grants to the Environmental Defense Fund, and 6 grants to the Natural Resources Defense Council.

**GRANTS AND AGREEMENTS ISSUED BY EPA'S OFFICE OF MOBILE SOURCES  
(FROM NOV. 5, 1992, THROUGH SEPT. 30, 1995) BUT NOT IDENTIFIED BY EPA**

<b>Grants and Agreements</b>	<b>Grantee</b>	<b>Project period</b>	<b>Project title</b>	<b>Award value</b>
820766-01-0	University of Wisconsin	01/01/93 12/31/94	Design, Development, and Testing of a Passenger Car Hydropneumatic Energy Storage System	\$396,270
822533-01-0	National Council of Senior Citizens	12/27/93 12/26/96	Senior Environmental Employment	182,000
822571-01-0	University of Wisconsin	05/01/94 2/06/96	Design, Construction, and Development of a Series Hydrostatic Energy Design, Construction and Development	354,230
822672-01-0	Colorado School of Mines	10/01/93 12/31/95	Measurement of High Altitude Heavy Duty Engine Emissions	500,000
824083-01-0	Michigan State University	5/27/95 5/26/96	Effects of Ambient Conditions on the Emissions of Two and Four-Stroke Air-Cooled Engines	105,940
824093-01-0	Organization for Econ. Coop and Dev.	3/1/95 7/30/95	Sustainable Transport- -The objective of this project is to assist in the completion of a report.	15,000
824252-01-0	Colorado School of Mines	5/22/95 5/21/96	Measurement of High-Altitude Heavy Duty Emissions	294,000
902836-01-0	Colorado State University	9/1/94 8/31/97	Continuing the National Center for Vehicle Emissions Control and Safety	258,720
902838-01-0	West Virginia Univ Research Corp.	10/1/94 9/30/97	Alternative Fuel Vehicle Training Program - Implementation of the natural gas vehicle curriculum.	1,280,000
914049-01-0	Matthew Frank Adler	6/1/93 10/31/93	School of Natural Resources	6,500
914225-01-0	Andrew Wacker	3/10/94 4/28/94	Physics and Astronomy	5,700
914226-01-0	Delano, Raymond, III	3/1/94 9/1/95	Clinical Laboratory Sciences	5,700

Grants and Agreements	Grantee	Project period	Project title	Award value
914320-01-0	Colleen Marie Heflin	5/4/94 12/3/94	Public Policy Studies	6,500
914368-01-0	Michele Richards	4/25/94 8/24/94	Automotive Technology	3,250
914374-01-0	Tonya D. Williams	4/25/94 8/24/94	Automotive Technology	3,250
914676-01-0	Murchie, Peter	6/7/95 10/6/95	Public Health	6,500
914681-01-0	Polovick, Christopher	8/21/95 2/28/96	Resource Development	8,600
914696-01-0	Harris, Churita	6/26/95 9/25/95	Political Science	6,000
935931-01-0	General Services Administration	4/1/93 10/31/93	Computer Software Development and Maintenance Support for the Certification and Fuel Economy Program	792,000
935946-01-0	General Services Administration	4/1/93 9/30/93	Specialized Data Processing Support for the Regulation Development and Support Division	205,000
935963-01-0	General Services Administration	4/1/93 9/30/93	Federal Test Procedures Revision Study Support	283,840
935964-01-0	General Services Administration	4/1/93 9/30/93	Computer Software and Database Development for the Emission Planning and Strategies Division	832,310
935989-01-0	Dept. of Health and Human Services	3/15/93 3/15/94	MTBE and Health Effects in "MTBE-Control City"	82,600
936251-01-0	Dept. of Transportation	3/1/93 9/30/94	National Symposium on Air Quality and Transportation	30,000
936280-01-0	General Services Administration	1/1/94 9/30/95	Specialized Data Processing Support for the Regulation Development and Support Division	189,000

Grants and Agreements	Grantee	Project period	Project title	Award value
936287-01-0	Dept. of Health and Human Services	10/1/93 9/30/96	Employee Counselling Service Program	11,660
936676-01-0	Department of Transportation	9/1/94 9/30/96	Integrating Transportation and Air Quality-Phase II	100,000
936725-01-0	Department of Energy	7/7/94 9/30/98	Development of the Transportation Analysis and Simulation System	1,000,000
936750-01-0	General Services Administration	9/1/94 9/30/95	Specialized Data Processing Support for the Regulation Development and Support Division	180,000
937002-01-0	Office of Personnel Management	10/31/94 9/30/95	Office of Mobile Sources Reinvention Team Services	130,440
937157-01-0	Department of Transportation	5/1/95 9/30/97	Transportation/Air Quality Public Education Campaign-Phase II	50,000
937186-01-0	Department of Energy	5/1/95 9/30/96	Evaluation of Changes to Motor Vehicle Fuel Quality for Emissions Control	225,000
937359-01-0	General Services Administration	10/1/95 11/30/95	Computer Software and Data Base Development for the Emission Planning and Strategies Division	74,700
33 Grants and Agreements				<u>\$7,624,710</u>



GRANTS AND AGREEMENTS ISSUED BY EPA'S  
OFFICE OF RESEARCH AND DEVELOPMENT (FROM NOV. 5, 1992, THROUGH  
SEPT. 30, 1995) FOR SUPPORT OF EPA'S MOBILE SOURCE PROGRAM

Grants and Agreements	Grantee	Project period	Project title	Award value
822840-01-0	The Regents of the Univ. of Michigan	6/1/94 5/31/96	Methods for Remote Sensing -This research is expected to produce information products such as journals.	\$144,780
823020-01-0	Georgia Tech Research Corporation	10/1/94 9/30/99	The Research and Development of Improved Emission Inventory Methodologies for Highway Vehicles	1,247,700
<b>2 Grants and Agreements</b>				<b><u>\$1,392,480</u></b>