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Highlights

Highlights of [GAO-05-450T](#), a testimony before the Subcommittee on Federalism and the Census, Committee on Government Reform, House of Representatives

Why GAO Did This Study

Brownfields are properties whose re-use may be hindered by the threat of contamination. Cleaning up and redeveloping these properties can protect human health and the environment, and provide economic benefits. The Environmental Protection Agency (EPA) provides grants to state and local governments and others for site assessments, job training, revolving loans, cleanups, and for assisting state efforts.

This testimony is based on GAO's report, *Brownfield Redevelopment: Stakeholders Report That EPA's Program Helps to Redevelop Sites, but Additional Measures Could Complement Agency Efforts* (GAO-05-94, December 2, 2004). GAO (1) obtained stakeholders' views on EPA's contribution to brownfield cleanup and redevelopment, (2) determined the extent to which EPA measures program accomplishments, and (3) obtained views on options to improve or complement EPA's program. Stakeholders GAO surveyed included grant recipients, state program officials, interest groups, real estate developers, and others.

What GAO Recommends

GAO's report recommended that EPA develop additional measures of the Brownfields Program's achievements and consider stakeholder suggestions for improving and complementing the program. EPA agreed with the report's recommendations and has begun steps to implement them.

www.gao.gov/cgi-bin/getrpt?GAO-05-450T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact John B. Stephenson at (202) 512-3841 or stephensonj@gao.gov.

BROWNFIELD REDEVELOPMENT

Stakeholders Cite Additional Measures That Could Complement EPA's Efforts to Clean Up and Redevelop Properties

What GAO Found

Stakeholders said that EPA's Brownfields Program supports the initial stages of site redevelopment by funding activities that other lenders often do not, such as identifying contamination and cleaning up sites. While important, the impact of EPA's funding is difficult to isolate because it is often combined with funds from other sources. For example, representatives of a company that combined an EPA loan with city, state, and other federal agency funds to redevelop a brownfield site near Seattle, Washington, said that EPA's loan, while small, provided critical up-front funds for cleanup. Furthermore, while an unknown number of projects rely solely on private and other federal agencies' funding, EPA funds often go to sites with more complex cleanups, less desirable locations, or liability issues. In addition, officials in 10 states reported that EPA's assistance has been crucial to establishing and expanding the scope of their voluntary cleanup programs.

EPA's performance measures have provided information on achievements in some but not all key areas of the Brownfields Program. For example, EPA has not yet begun reporting data on progress toward cleaning up and redeveloping sites or assisting state programs. As a result, the agency's—and the Congress'—ability to determine the extent to which the program is achieving its goals is limited. Furthermore, EPA has not yet developed measures to assess the extent to which the Brownfields Program achieves key outcomes, such as reducing environmental risks. Similarly, EPA's Inspector General found that the agency's performance measures do not demonstrate the program's contribution to reducing or controlling health and environmental risks. After acknowledging the limitations of the program's performance measures, in fiscal year 2004, EPA began collecting additional data—such as the number of acres ready for reuse—about properties under the program and is developing performance measures for state voluntary cleanup programs.

Stakeholders identified three options for improving or complementing EPA's Brownfields Program. First, they suggested eliminating the provision in the Brownfields Act that, in effect, disqualifies from grant eligibility those landowners who purchased a brownfield site before January 2002. Second, they suggested changes to the stringent technical and administrative requirements that they believe have discouraged the use of revolving loan funds. While EPA officials maintain that the act eased administrative burdens, stakeholders believe that technical requirements continue to impede lending. Stakeholders also suggested that EPA give priority to applicants with proven administrative expertise or to coalitions that can consolidate administrative functions. Third, stakeholders believed that a federal tax credit for developers' remediation costs could attract developers to brownfields sites on a broader national basis. Although EPA and other organizations were also generally supportive of a tax credit, we did not analyze the costs and benefits of such a tax credit or any other potential incentives.