

DOCUMENT RESUME

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Testimony before the Senate Committee on Environment and Public Works: Environmental Pollution Subcommittee; by Henry Eschwege, Director, Community and Economic Development Div.

Contact: Community and Economic Development Div.

Organization Concerned: Energy Research and Development Administration; Office of Management and Budget.

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The Environmental Protection Agency's (EPA's) personnel and budgetary resources must increase to keep pace with an increase in its legislated responsibilities. Over the past 3 fiscal years (FYs), the Office of Management and Budget (OMB) has consistently reduced EPA's request for funds an average of about 13%; Congress has appropriated an average of about 4% more than OMB requested but far less than EPA initially estimated it needed. EPA's budget authority increased from \$303 million in FY 1971 to \$848 million in FY 1978, an increase of 180%. During the same period, personnel increased by only 42%. For FY 1979, EPA is requesting from Congress a 32.8% increase in budget authority or \$278.8 million more than appropriated for FY 1978. The number of positions requested for 1979 is 10,840, 290 more than Congress approved for 1978. EPA justifies its budget submissions by media (air, water quality, pesticides, etc.) which are generally directly related to a particular act for which EPA is responsible. From 1976 to 1978, the air and water media comprised about half of the total budget authority, and the energy and management media made up the bulk of the other half. Budget authority for water quality and energy media has decreased, while water supply, solid waste, toxic substances, and interdisciplinary media budget authorities have increased.

(RRS)

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

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STATEMENT OF
HENRY ESCHWEGE, DIRECTOR
COMMUNITY AND ECONOMIC DEVELOPMENT DIVISION

BEFORE THE
SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION
SENATE COMMITTEE ON ENVIRONMENT AND
PUBLIC WORKS

ON

ADEQUACY OF EPA'S BUDGETARY AND MANPOWER
RESOURCES IN CARRYING
OUT ITS MISSION

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

WE ARE HERE TODAY AT YOUR INVITATION TO DISCUSS OUR VIEWS ON THE
ADEQUACY OF EPA'S RESOURCES IN RELATION TO ITS RESPONSIBILITIES.

IN SEPTEMBER 1977, YOU REQUESTED THAT WE REVIEW THE RESPONSIBILITIES
OF EPA AND ASSESS THE ADEQUACY OF THE PERSONNEL AND BUDGETARY RESOURCES
TO CARRY OUT ITS ASSIGNMENTS. AS PART OF THIS REQUEST, YOU ASKED US
TO REVIEW EPA'S ZERO-BASE REVIEW OF ITS MAJOR PROGRAMS FOR FISCAL YEAR
1979. ALTHOUGH WE WERE ABLE TO OBTAIN ACCESS TO ONLY GENERAL 1979 BUDGET
INFORMATION 10 DAYS AGO AND HAVE NOT YET BEEN PROVIDED THE DETAILED JUSTI-
FICATIONS, OR THE ZERO-BASE DOCUMENTS, WE HAVE INCLUDED IN THIS STATEMENT
SOME DATA WHICH EPA PROVIDED TO US.

WE BELIEVE THAT EPA'S RESOURCES MUST INCREASE TO KEEP PACE WITH THE INCREASE IN ITS LEGISLATED RESPONSIBILITIES. DURING THE PAST THREE YEARS, THE CONGRESS HAS PROVIDED EPA WITH NEW EMPHASIS AND DIRECTION BY ENACTING THE TOXIC SUBSTANCES AND THE RESOURCE CONSERVATION AND RECOVERY ACTS AND BY AMENDING EPA'S LARGEST PROGRAMS, AIR AND WATER QUALITY.

THE TWO NEW PROGRAMS, TOXIC SUBSTANCES AND SOLID WASTE, WILL NEED LARGE AMOUNTS OF RESOURCES AS THE PROGRAMS ARE IMPLEMENTED. WE SEE THE NEED FOR CONTINUING HIGH LEVELS OF RESOURCES FOR THE AIR AND WATER QUALITY PROGRAMS. THE SAFE DRINKING WATER PROGRAM COULD BECOME RESOURCE-INTENSIVE IF STATES DO NOT ASSUME PRIMACY BY 1979. AS A MINIMUM, EPA MUST ADMINISTER A PROGRAM IN AT LEAST EIGHT STATES. THIS ALONE REQUIRES A LARGE INCREASE IN RESOURCES. THE PESTICIDES PROGRAM HAS SEVERE RESOURCE PROBLEMS WHICH WILL REQUIRE SUBSTANTIAL INCREASES IN RESOURCES IF THE ACT'S REREGISTRATION AND REGISTRATION REQUIREMENTS ARE TO BE ADEQUATELY CARRIED OUT WITHIN A REASONABLE TIMEFRAME. BOTH THE NOISE AND RADIATION PROGRAMS ARE SPARSELY FUNDED AND RECEIVE VERY LOW PRIORITY IN EPA. THESE PROGRAMS COULD EFFECTIVELY USE SOME ADDITIONAL RESOURCES. THE ENERGY PROGRAM RESOURCES HAVE DECREASED AND THE DEPARTMENT OF ENERGY IS TAKING OVER SOME RESEARCH ACTIVITIES IN FISCAL YEAR 1979.

OVER THE PAST 3 FISCAL YEARS, THE OFFICE OF MANAGEMENT AND BUDGET CONSISTENTLY REDUCED EPA'S REQUESTS FOR FUNDS (ON THE AVERAGE OF ABOUT 13 PERCENT). THE CONGRESS HAS APPROPRIATED AN AVERAGE OF ABOUT 4 PERCENT

MORE THAN OMB REQUESTED BUT STILL FAR LESS THAN WHAT EPA INITIALLY ESTIMATED IT NEEDED.

GIVEN THE CONSTRAINT OF LIMITED RESOURCES AVAILABLE TO ENVIRONMENTAL PROGRAMS, IT BECOMES A REAL PROBLEM IN DECIDING PRIORITIES, TRADE-OFFS, AND EMPHASIS AS ALL EPA PROGRAMS CLAMOR FOR MORE RESOURCES. EPA'S ZERO-BASED-BUDGETING PROCESS HAD TO DEAL WITH THIS PROBLEM FOR THE FISCAL YEAR 1979 BUDGET.

IN KEEPING WITH YOUR REQUEST, OUR COMMENTS THIS MORNING ARE BASED ON EXISTING AND READILY AVAILABLE INFORMATION. THEY ARE A BROAD GENERAL ASSESSMENT OF EPA'S CAPABILITY TO CARRY OUT ITS RESPONSIBILITIES, AND ARE NOT BASED ON A DETAILED EVALUATION OF RESOURCE NEEDS FOR EACH ACT OR MEDIA. OUR VIEWS ARE BASED ON EPA DATA ON RESOURCE LEVELS, DISCUSSIONS OF NEEDS WITH TOP-LEVEL EPA STAFF, AND INFORMATION DEVELOPED AS PART OF PREVIOUSLY ISSUED GAO REPORTS AND ONGOING GAO REVIEWS.

EPA RESOURCES

DURING THE PAST 8 FISCAL YEARS (1971-1978) EPA'S BUDGET AUTHORITY HAS INCREASED SIGNIFICANTLY FROM \$300 MILLION IN FISCAL YEAR 1971 TO \$848 MILLION IN FISCAL YEAR 1978, AN INCREASE OF 180 PERCENT. THIS IS EXCLUSIVE OF THE MULTIBILLION DOLLAR CONSTRUCTION GRANT PROGRAM. POSITIONS HAVE INCREASED AT A MUCH SLOWER RATE: FROM 7,198 IN FISCAL YEAR 1971 TO 10,216 IN FISCAL YEAR 1978, AN INCREASE OF 42 PERCENT. THE CONGRESS INCREASED POSITIONS BY 400 IN 1978, BUT THE OFFICE OF MANAGEMENT AND BUDGET HAS RELEASED ONLY 66 OF THESE POSITIONS. EVEN THOUGH THE BUDGET AUTHORITY HAS CONTINUED TO INCREASE, THERE HAS BEEN NO GROWTH DURING FISCAL YEARS 1975-1978 WHEN THE DOLLARS ARE ADJUSTED

FOR INFLATION. (ATTACHMENT I SHOWS THE GROWTH IN BUDGET AUTHORITY AND POSITIONS FOR FISCAL YEARS 1971 TO 1978.)

FOR FISCAL YEAR 1979, EPA IS REQUESTING FROM THE CONGRESS A LARGE INCREASE, 32.8 PERCENT IN BUDGET AUTHORITY, TO \$1,127.6 MILLION OR \$278.8 MILLION MORE THAN APPROPRIATED FOR FISCAL YEAR 1978. EPA HAS REQUESTED A SUPPLEMENTAL APPROPRIATION OF \$154.8 MILLION FOR FISCAL YEAR 1978. IF THE SUPPLEMENTAL IS APPROVED, THE FISCAL YEAR 1979 REQUEST WOULD BE A 12.4 PERCENT INCREASE OVER 1978. THE NUMBER OF POSITIONS REQUESTED FOR 1979 IS 10,840, 290 MORE THAN THE CONGRESS APPROVED FOR 1978.

EPA JUSTIFIES ITS BUDGET SUBMISSIONS BY MEDIA (AIR, WATER QUALITY, PESTICIDES, ETC.), WHICH GENERALLY CAN BE DIRECTLY RELATED TO A PARTICULAR ACT FOR WHICH EPA IS RESPONSIBLE. FOR EXAMPLE, THE "AIR" MEDIA INCLUDES EPA'S EFFORTS OF STANDARD SETTING, ENFORCEMENT, AND RESEARCH TO CARRY OUT THE CLEAN AIR ACT OF 1970 AS AMENDED.

OUR ANALYSIS WAS DIRECTED TO CHANGES IN BUDGET AUTHORITY AND POSITIONS FOR EACH MEDIA, FOR FISCAL YEARS 1976 TO 1978. DURING THIS PERIOD, THE AIR AND WATER (INCLUDES WATER QUALITY AND WATER SUPPLY) MEDIA COMPRISED ABOUT HALF OF THE TOTAL BUDGET AUTHORITY (55 PERCENT IN FISCAL YEAR 1976 AND 50 PERCENT IN FISCAL YEAR 1978). THE ENERGY AND MANAGEMENT MEDIA MADE UP THE BULK OF THE REMAINDER.

SOME CHANGES IN BUDGET AUTHORITY HAVE TAKEN PLACE AMONG THE MEDIA DURING THE 3-YEAR PERIOD. THE WATER QUALITY MEDIA (THE CLEAN WATER AND CONSTRUCTION GRANTS PROGRAMS) AND THE ENERGY MEDIA HAVE DECREASED ABOUT 8 PERCENT WHILE THE WATER SUPPLY, SOLID WASTE, TOXIC SUBSTANCES, AND INTERDISCIPLINARY (MULTIMEDIA RESEARCH AND PREPARATION OF ENVIRONMENTAL IMPACT STATEMENTS)

MEDIA HAVE INCREASED ABOUT 9 PERCENT. (ATTACHMENT II DETAILS THE CHANGES.)

THE NUMBER OF FULL-TIME POSITIONS INCREASED FROM 9,550 POSITIONS IN FISCAL YEAR 1976 TO 10,216 POSITIONS IN FISCAL YEAR 1978--AN INCREASE OF 666 OR 7 PERCENT. MOST OF THE INCREASE WENT TO THE TOXIC SUBSTANCES, AIR, ENERGY, AND INTERDISCIPLINARY MEDIA (683 POSITIONS) WHILE THE WATER QUALITY MEDIA DECREASED BY 149 POSITIONS. (ATTACHMENT III DETAILS THE POSITIONS BY MEDIA.)

EPA'S BUDGET REQUESTS TO OMB HAVE BEEN SUBSTANTIALLY HIGHER THAN OMB OR THE CONGRESS HAVE APPROVED. IN FISCAL YEAR 1978, FOR EXAMPLE, EPA REQUESTED \$914.8 MILLION FROM OMB; OMB APPROVED \$844.3 MILLION; AND THE CONGRESS APPROVED \$848.8 MILLION. IN TERMS OF POSITIONS, EPA REQUESTED 11,500; OMB APPROVED 10,150; AND THE CONGRESS APPROVED 10,550. EPA REGARDS ITS REQUESTS TO OMB AS "HARD NEEDS" WHICH ASSUMES ONLY MINIMAL INCREASES IN THE HIGHEST PRIORITY AREAS.

EPA RECEIVES FOUR MAJOR ANNUAL APPROPRIATIONS TO CONDUCT ITS PROGRAMS-- ABATEMENT AND CONTROL, RESEARCH AND DEVELOPMENT, AGENCY AND REGIONAL MANAGEMENT, AND ENFORCEMENT. FOR THE 3 FISCAL YEARS, 83 PERCENT OF THE \$2.4 BILLION APPROPRIATED WAS FOR ABATEMENT AND CONTROL (50 PERCENT) AND RESEARCH AND DEVELOPMENT (33 PERCENT) ACTIVITIES. NINE PERCENT WAS FOR AGENCY AND REGIONAL MANAGEMENT AND 8 PERCENT WAS FOR ENFORCEMENT. (DETAILS ARE SHOWN IN APPENDIX IV.)

STATUS AND RESOURCE NEEDS
FOR MAJOR EPA MEDIA

AIR

THE AIR PROGRAM IS EPA'S SECOND LARGEST PROGRAM RECEIVING ABOUT 19 PERCENT OF THE AGENCY'S BUDGET AUTHORITY AND 18 PERCENT OF ITS POSITIONS OVER THE 3-YEAR PERIOD 1976-1978. BUDGET AUTHORITY AVERAGED \$152.4 MILLION AND AUTHORIZED POSITIONS AVERAGED 1,757 FOR THOSE YEARS. FOR THE 3-YEAR PERIOD, EPA REQUESTED A TOTAL OF \$588.3 MILLION IN THE PRESIDENT'S BUDGET FOR THE PROGRAM. OMB APPROVED \$437.4 MILLION--ABOUT 26 PERCENT LESS THAN EPA'S INITIAL REQUESTS, AND THE CONGRESS APPROPRIATED \$457.3 MILLION. POSITIONS AUTHORIZED WERE NEARLY 10 PERCENT LESS THAN EPA REQUESTED OVER THE 3-YEAR PERIOD.

EPA TOLD US THAT THE MAJOR RESOURCE DEFICIENCY HAS BEEN GRANTS TO STATE AND LOCAL AIR POLLUTION CONTROL AGENCIES. THESE AGENCIES MONITOR AMBIENT AIR QUALITY LEVELS, DEVELOP AND REVISE STATE IMPLEMENTATION PLANS (INCLUDING CONTROL REGULATIONS), MONITOR AIR POLLUTION SOURCES, AND TAKE ENFORCEMENT ACTIONS AGAINST VIOLATORS OF AIR QUALITY STANDARDS.

EPA ASKED OMB FOR \$80 MILLION FOR THESE GRANTS IN FISCAL YEAR 1978. OMB REDUCED THAT REQUEST TO \$58 MILLION, OR BY 28 PERCENT; AND THAT WAS THE AMOUNT APPROPRIATED BY THE CONGRESS. BECAUSE SUFFICIENT GRANT FUNDS HAVE NOT BEEN PROVIDED, EPA MUST CARRY OUT ACTIONS WHICH THE STATES COULD BE PERFORMING. THIS PLACES AN ADDITIONAL BURDEN ON EPA'S LIMITED RESOURCES.

THE CLEAN AIR ACT AMENDMENTS OF 1977 PROVIDED NEW EMPHASIS TO ACHIEVE THE ACT'S GOALS AND PLACED NEW DEMANDS ON THE STATE AND LOCAL CONTROL

AGENCIES. THE PRESIDENT'S FISCAL YEAR 1979 BUDGET INCLUDES A REQUEST FOR STATE AND LOCAL GRANT FUNDS OF \$75 MILLION, A SUBSTANTIAL INCREASE OVER 1978.

FOR FISCAL YEARS 1977 AND 1978, EPA SOUGHT \$10 MILLION FOR GRANT FUNDS TO ASSIST A FEW STATES TO ESTABLISH INSPECTION-MAINTENANCE PROGRAMS TO DETERMINE IN-USE MOTOR VEHICLES' COMPLIANCE WITH ESTABLISHED EMISSION LEVELS. EPA BELIEVED THESE PROGRAMS COULD HAVE A MAJOR IMPACT ON IMPROVING AIR QUALITY AND THAT ONCE ESTABLISHED, THEY WOULD BE FINANCED WITH FEES CHARGED TO VEHICLE OWNERS. HOWEVER, OMB DID NOT APPROVE THE REQUESTS FOR FUNDS FOR EITHER YEAR.

IN A FEBRUARY 1977 REPORT, WE DISCUSSED THE MINIMAL FUNDING OF THE INSPECTION-MAINTENANCE PROGRAM SINCE 1967 AND THE RESULTING LIMITED PROGRESS IN CONTROLLING AUTOMOBILE EMISSIONS. WE CURRENTLY ARE REVIEWING--AT YOUR REQUEST, MR. CHAIRMAN--THE STATUS OF COMPLIANCE OF STATIONARY SOURCES WITH EMISSION STANDARDS AND THE MOBILE SOURCE ENFORCEMENT PROGRAM FOR AUTOMOBILES. THESE REVIEWS SHOULD BE COMPLETED IN EARLY SUMMER AND WILL INCLUDE CONSIDERATION OF THE RESOURCES DEVOTED BY EPA TO THESE ACTIVITIES.

THE RECENT AMENDMENTS TO THE CLEAN AIR ACT AUTHORIZED A NATIONAL COMMISSION ON AIR QUALITY--WHICH HAS NOT YET BEEN ESTABLISHED. THE COMMISSION IS REQUIRED TO REPORT TO THE CONGRESS BY AUGUST 1980 ON THE ABILITY OF FEDERAL, STATE, AND LOCAL INSTITUTIONS TO IMPLEMENT THE ACT

AND MUST CONSIDER THE ADEQUACY OF THEIR FINANCIAL RESOURCES, MANPOWER, AND STATUTORY AUTHORITY. ALTHOUGH IT WILL TAKE 2-1/2 YEARS TO COMPLETE, THIS MANDATED STUDY SHOULD BE ABLE TO DETERMINE RESOURCE LEVELS NEEDED TO IMPLEMENT THE ACT.

WATER QUALITY

ALTHOUGH THE WATER QUALITY MEDIA HAS CONSISTENTLY RECEIVED THE LARGEST SHARE OF EPA'S RESOURCES, THIS SHARE HAS BEEN DECLINING IN RECENT YEARS. IN FISCAL YEAR 1978, IT RECEIVED 25 PERCENT OF EPA'S BUDGET AUTHORITY AND 31 PERCENT OF ITS POSITIONS. SINCE FISCAL YEAR 1976, ITS SHARE OF EPA'S BUDGET AUTHORITY DECREASED BY 6 PERCENT. POSITIONS HAVE DECLINED BY 4 PERCENT.

THE CONSTRUCTION GRANT PROGRAM WHICH IS SEPARATELY AUTHORIZED HAS GROWN CONSIDERABLY. AS OF THE END OF FISCAL YEAR 1977, \$25.1 BILLION HAD BEEN OBLIGATED AND \$12.7 OF THIS AMOUNT HAD BEEN EXPENDED. THE NEW CLEAN WATER ACT AUTHORIZED AN ADDITIONAL \$24.5 BILLION TO BE SPENT OVER THE NEXT 5 FISCAL YEARS.

OVER THE PAST 3 FISCAL YEARS, EPA'S INITIAL BUDGET REQUESTS TO OMB FOR WATER QUALITY TOTALED \$708.6 MILLION; OMB APPROVED \$603.1 MILLION; AND THE CONGRESS APPROPRIATED \$678.8 MILLION, OR 4.2 PERCENT LESS THAN EPA INITIALLY REQUESTED FROM OMB.

THE CONGRESS APPROVED DURING THE 3-YEAR PERIOD AN AVERAGE OF 3,233 POSITIONS EACH YEAR, OR 10.7 PERCENT LESS THAN EPA REQUESTED FROM OMB; OMB APPROVED AN AVERAGE OF 3,130 POSITIONS.

WE WERE ADVISED THAT EPA'S GREATEST NEEDS ARE: 1000 MORE POSITIONS FOR MANAGING THE CONSTRUCTION GRANTS PROGRAM; 200 TO 300 POSITIONS

FOR ENFORCING THE PERMIT PROGRAM; \$300 TO \$400 MILLION AND 200 TO 300 POSITIONS FOR THE AREAWIDE WATER QUALITY PLANNING GRANT PROGRAM; AND 50 TO 100 POSITIONS FOR THE OIL AND HAZARDOUS MATERIALS SPILL PROGRAM.

EPA IS ATTEMPTING TO DEAL WITH THE STAFF SHORTAGE PROBLEM ON CONSTRUCTION GRANTS BY USING STAFF FROM THE CORPS OF ENGINEERS TO MANAGE THE CONSTRUCTION PHASE OF THE PROJECTS. THE FISCAL YEAR 1979 BUDGET REQUEST INCLUDES \$24.4 MILLION TO PURCHASE 600 WORK YEARS FROM THE CORPS.

WATER SUPPLY

THE SAFE DRINKING WATER ACT OF 1974 IS RELATIVELY NEW AND ITS RESOURCES HAVE INCREASED EACH YEAR. THE PROGRAM IS FAIRLY SMALL, REQUIRING ABOUT 5 PERCENT OF THE TOTAL EPA BUDGET AUTHORITY AND 3 PERCENT OF THE POSITIONS DURING THE PAST 3 FISCAL YEARS. IT HAS GENERALLY RECEIVED ITS REQUESTED BUDGET AUTHORITY AND POSITIONS.

AN EPA HEADQUARTERS OFFICIAL TOLD US THAT OVERALL, THE RESOURCES FOR THE DRINKING WATER PROGRAM ARE ABOUT ALL THE PROGRAM CAN EFFECTIVELY USE, AND THAT THE RESOURCES CURRENTLY AVAILABLE ARE SUFFICIENT TO DO A REASONABLY CREDITABLE JOB.

FUTURE RESOURCE NEEDS, HOWEVER, WILL BE SUBSTANTIALLY HIGHER. ONE DETERMINANT WILL BE THE NUMBER OF STATES THAT DECIDE NOT TO ASSUME PRIMACY. AT THE PRESENT TIME, EIGHT STATES HAVE DECIDED NOT TO ASSUME PRIMACY AND UNDER THE ACT'S PROVISIONS EPA IS CURRENTLY OPERATING A

COMPLIANCE AND MONITORING PROGRAM IN THOSE STATES.

WE ARE CURRENTLY REVIEWING THE NEW DRINKING WATER PROGRAM. WE HAVE OBTAINED WIDELY VARYING ESTIMATES OF THE STAFFING NEEDED TO IMPLEMENT THE PROGRAM. FOR EXAMPLE, FOR THE STATE OF PENNSYLVANIA --WHICH HAS DECIDED NOT TO ASSUME PRIMACY--THE ESTIMATES OF THE PEOPLE NEEDED BY EPA TO OPERATE THE PROGRAM RANGED FROM 135 TO 343. THE EPA HEADQUARTERS OFFICIAL TOLD US THAT 12 TO 40 PEOPLE WOULD BE REQUIRED TO IMPLEMENT THE PROGRAM IN EACH STATE. BECAUSE OF THESE WIDE DIFFERENCES REGARDING RESOURCE NEEDS, IT IS DIFFICULT TO TELL WHAT IS NEEDED. WE ARE LOOKING INTO THIS MATTER IN OUR REVIEW.

SOLID WASTE

EPA RECEIVED NEW LEGISLATIVE AUTHORITY FOR WASTE MANAGEMENT UNDER THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976. THE NEW ACT MANDATES THAT EPA WORK WITH STATE AND LOCAL ENTITIES TO DEVELOP AND IMPLEMENT HAZARDOUS AND SOLID WASTE PROGRAMS.

RESOURCES PROVIDED TO THE NEW PROGRAM HAVE SOARED SINCE THE NEW ACT PASSED, INCREASING FROM \$16.6 MILLION IN FISCAL YEAR 1976 TO \$40 MILLION IN FISCAL YEAR 1978. THE FISCAL YEAR 1976 APPROPRIATION, HOWEVER, IS FAR BELOW THE \$181 MILLION AUTHORIZED AND REQUESTED BY EPA FROM OMB. EPA REQUESTED THE FULL AMOUNT AUTHORIZED BY THE NEW LEGISLATION FOR GRANTS TO STATE AND LOCAL GOVERNMENTS--\$97.5 MILLION--BUT OMB APPROVED ONLY \$12 MILLION AND THE CONGRESS APPROPRIATED \$14.3 MILLION. EPA TOLD US THAT CONSIDERING EPA'S SOLID WASTE STRATEGY, EPA WAS NOT CERTAIN WHETHER ADDITIONAL FUNDS COULD BE EFFECTIVELY USED.

ONE STUDY WE HAVE CURRENTLY UNDERWAY WILL DISCUSS THE QUESTION OF THE ADEQUACY OF RESOURCES UNDER THE HAZARDOUS WASTE PROGRAM. ALTHOUGH THE NEW ACT AUTHORIZED \$25 MILLION IN GRANTS TO ASSIST STATES IN DEVELOPING AND IMPLEMENTING HAZARDOUS WASTE PROGRAMS, NO FUNDS WERE APPROPRIATED FOR FISCAL YEAR 1978. THE STATES MAY CHOOSE TO TAKE OVER THE PROGRAM BUT IF THEY DO NOT DO SO BY OCTOBER 1978, THEN EPA MUST OPERATE THE PROGRAM. WE HAVE SERIOUS QUESTIONS WHETHER EPA COULD EFFECTIVELY OPERATE THE PROGRAM WITHOUT ADDITIONAL RESOURCES. THE FISCAL YEAR 1979 BUDGET REQUESTS TOTAL GRANT FUNDS OF \$26.2 MILLION, OF WHICH \$8.6 MILLION IS FOR HAZARDOUS WASTE PROGRAMS.

PESTICIDES

THE PESTICIDES PROGRAM IS EPA'S FIFTH LARGEST, WITH AN AVERAGE APPROPRIATION OVER THE PAST 3 FISCAL YEARS OF ABOUT \$43 MILLION, AND AVERAGE POSITIONS OF ABOUT 990. EPA GENERALLY HAS RECEIVED THE BUDGET AUTHORITY AND POSITIONS IT HAS REQUESTED FROM OMB AND THE CONGRESS.

EPA DID NOT MEET A MAJOR PROVISION OF THE PESTICIDE ACT--THE REREGISTRATION OF ABOUT 35,000 PESTICIDES AND THE REGISTRATION OF 5,000 TO 15,000 PESTICIDES SOLD INTRASTATE, BY OCTOBER 1977. NOT ONE OF THESE PESTICIDES HAS BEEN REREGISTERED OR REGISTERED. PERFORMING THIS TASK WILL REQUIRE A SUBSTANTIAL INCREASE IN RESOURCES. WE WERE ADVISED THAT CURRENT RESOURCES WERE GROSSLY INADEQUATE, THAT RESOURCES WOULD HAVE TO AT LEAST DOUBLE OVER THE NEXT 5 YEARS; AND THAT EVEN WITH INCREASED RESOURCES, IT WOULD TAKE 10 YEARS TO COMPLETE THE PROGRAM. WE BROUGHT THIS MATTER TO

EPA'S ATTENTION IN A DECEMBER 1975 REPORT BUT EPA CONTENDED AT THAT TIME THAT IT WOULD MEET OR AT LEAST CLOSELY APPROACH THE DEADLINE. THE FISCAL YEAR 1979 BUDGET REQUESTS AN INCREASE IN BUDGET AUTHORITY OF \$5 MILLION BUT A DECREASE IN POSITIONS OF 59. ALSO, THE CONGRESS IS CURRENTLY CONSIDERING AMENDMENTS TO THE PESTICIDES ACT WHICH COULD REDUCE RESOURCE NEEDS. ONE AMENDMENT WOULD ALLOW EPA TO REGISTER AND REREGISTER THE PESTICIDES ON A CLASS OR GENERIC BASIS RATHER THAN ON AN INDIVIDUAL PRODUCT BASIS; ANOTHER AMENDMENT WOULD ALLOW EPA TO REVIEW ONLY THE TOXICITY OF PESTICIDES RATHER THAN THEIR EFFECTIVENESS AND TOXICITY.

WE HAVE A STUDY CURRENTLY UNDERWAY PURSUANT TO A CONGRESSIONAL REQUEST WHICH WILL INCLUDE AN INQUIRY INTO THE REASONABLENESS OF EPA'S RESOURCES NEEDS IN THE REGISTRATION AND REREGISTRATION AREA.

RADIATION

RADIATION IS EPA'S LEAST FUNDED MEDIA, WITH AN ANNUAL AVERAGE BUDGET AUTHORITY OVER THE PAST 3 YEARS OF ABOUT \$5.7 MILLION, AND AN ANNUAL AVERAGE OF 220 POSITIONS. THERE HAS BEEN A GRADUAL DECREASE IN FUNDING OVER THE YEARS FROM A HIGH OF \$8.8 MILLION IN FISCAL YEAR 1972.

EPA GENERALLY RECEIVED FROM THE CONGRESS THE AMOUNTS REQUESTED FROM OMB IN FISCAL YEARS 1976 AND 1977. IN FISCAL YEAR 1978, HOWEVER, EPA'S \$7.8 MILLION REQUEST TO OMB WAS CUT TO \$5.6 MILLION, AND THE CONGRESS FUNDED THAT AMOUNT.

WE WERE ADVISED THAT EPA CANNOT DEVOTE MORE RESOURCES TO THE RADIATION PROGRAM BECAUSE OTHER EPA PROGRAMS HAVE MORE SPECIFIC MANDATES THAT ALLOW THEM TO BE MORE COMPETITIVE FOR EPA'S LIMITED RESOURCES.

OUR REPORT, ISSUED A FEW DAYS AGO, DETAILS THE INADEQUATE RESOURCES FOR THE PROGRAM IN THE AREAS OF SETTING STANDARDS, PROVIDING GUIDANCE TO FEDERAL AGENCIES, AND OPERATING A NATIONAL MONITORING NETWORK. STAFF MORALE IS LOW AND MOST PEOPLE WE TALKED WITH SAID EPA DOES NOT HAVE ADEQUATE STAFF, DATA, LABORATORY SUPPORT, OR RESEARCH TO DO AN EFFECTIVE JOB. WE RECOMMENDED SEVERAL LEGISLATIVE CHANGES TO MORE CLEARLY DEFINE EPA'S ROLE.

NOISE

THE NOISE PROGRAM HAS RECEIVED RELATIVELY LITTLE RESOURCES DURING THE PAST 3 FISCAL YEARS. THE CONGRESS HAS APPROPRIATED AN AVERAGE OF ABOUT \$10.6 MILLION AND AUTHORIZED AN AVERAGE OF 93 POSITIONS EACH YEAR. THE APPROPRIATIONS ON THE AVERAGE WERE 7 PERCENT ABOVE EPA'S INITIAL REQUEST AND THE AUTHORIZED POSITIONS WERE ABOUT 16 PERCENT BELOW THOSE REQUESTS. OMB APPROVED ANNUAL AVERAGES OF \$10.5 MILLION AND 90 POSITIONS FOR THE PROGRAM.

IN A MARCH 1977 REPORT TO THE CONGRESS ON THE NOISE PROGRAM, WE CONCLUDED THAT ALTHOUGH SOME PROGRESS HAD BEEN MADE, IMPLEMENTATION OF MANY OF THE ACT'S PROVISIONS HAD BEEN SLOW AND IN SOME CASES INEFFECTIVE. IN A NOVEMBER 1977 REPORT WE STATED THAT EPA HAD MADE SOME PROGRESS BY ISSUING A STRATEGY DOCUMENT. THE FISCAL YEAR 1979 BUDGET REQUESTS A SLIGHT REDUCTION IN BUDGET AUTHORITY FROM \$10.9 MILLION IN 1978 TO \$10.6 IN 1979 AND IN POSITIONS FROM 102 TO 95.

TOXIC SUBSTANCES

THE TOXIC SUBSTANCES CONTROL ACT BECAME EFFECTIVE JANUARY 1, 1977, AND PROVIDED EPA WITH THE MAJOR RESPONSIBILITY TO REQUIRE TESTING AND TO RESTRICT THE USE OF CERTAIN CHEMICAL SUBSTANCES. RESOURCES HAVE JUMPED

DRAMATICALLY SINCE THE ACT PASSED. IN FISCAL YEAR 1978, \$29.2 MILLION AND 314 POSITIONS WERE AVAILABLE. WE NOTE THAT THE 1979 BUDGET REQUESTS A BUDGET AUTHORITY OF \$56.7 MILLION AND 573 POSITIONS. THE FORMER ACTING ADMINISTRATOR OF EPA STATED THAT HE ANTICIPATED THAT WITHIN 5 TO 10 YEARS, THE PROGRAM WOULD REACH 6,000 POSITIONS AND \$200 MILLION ANNUALLY.

WHILE RESOURCES HAVE BEEN DIRECTED TO THE PROGRAM, EPA HAS NOT BEEN ABLE TO GET THE PROGRAM MOVING QUICKLY. UNTIL LAST MONTH, FEW TOP LEVEL STAFF HAD BEEN HIRED. A PROGRAM STRATEGY HAS BEEN DRAFTED BUT NOT YET APPROVED. ONLY 112 OF THE POSITIONS HAD BEEN FILLED AS OF SEPTEMBER 30, 1977. WE WERE ADVISED THAT STAFFING HAS BEEN A MAJOR PROBLEM BECAUSE THE STAFF HIRED WAS NOT KNOWLEDGEABLE ABOUT IMPLEMENTING THE PROGRAM, THE SUPPLY OF PERSONNEL IN CERTAIN SKILL AREAS WAS LIMITED, AND GOVERNMENT SALARIES CANNOT COMPETE WITH PRIVATE SECTOR SALARIES.

WE HAVE JUST STARTED A REVIEW OF THE NEW PROGRAM PURSUANT TO A CONGRESSIONAL REQUEST. THIS REVIEW WILL CONSIDER THE AVAILABILITY OF QUALIFIED STAFF.

ENERGY

EPA'S ENERGY PROGRAM WAS STARTED IN FISCAL YEAR 1975 TO REVIEW THE ENVIRONMENTAL IMPLICATIONS AND EFFECTS OF THE NATION'S ENERGY DEVELOPMENT EFFORTS. IN ITS FIRST YEAR, IT WAS FUNDED AT \$134 MILLION WITH NO POSITIONS. FOR FISCAL YEAR 1978, 144 POSITIONS ARE AUTHORIZED BUT FUNDING HAS BEEN REDUCED TO \$96 MILLION. ALMOST ALL THE FUNDS ARE DISTRIBUTED THROUGH CONTRACTS, GRANTS, AND INTERAGENCY AGREEMENTS.

THE ENERGY PROGRAM INVOLVES TWO BROAD AREAS: (1) HEALTH AND ECOLOGICAL EFFECTS OF ENERGY-RELATED POLLUTANTS IN THE ENVIRONMENT, AND (2) THE DEVELOP-

MENT OF MEASURES TO CONTROL POLLUTANTS RELEASED BY ENERGY SUPPLY ACTIVITIES.
IN FISCAL YEAR 1979, THE DEPARTMENT OF ENERGY IS TO ASSUME RESPONSIBILITY
FOR DEVELOPING CONTROL OPTIONS.

EPA ADVISED US THAT FUNDS AND POSITIONS ARE INADEQUATE AND ESTIMATED
THAT ABOUT \$23 MILLION MORE WAS NEEDED IN THE HEALTH AND ECOLOGICAL
EFFECTS AREA, SUCH AS RESEARCH ON SULFUR AND NITROGEN OXIDES. ABOUT \$40
MILLION MORE IS NEEDED FOR RESEARCH ON CONTROLLING POLLUTANTS RESULTING
FROM BURNING COAL.

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THIS CONCLUDES MY PREPARED STATEMENT. WE SHALL BE GLAD TO RESPOND TO
ANY QUESTIONS YOU MAY HAVE.

ENVIRONMENTAL PROTECTION AGENCY
GROWTH IN BUDGET AUTHORITY AND POSITIONS
FISCAL YEARS 1971-1978

<u>Fiscal Year</u>	<u>Budget Authority</u>		<u>Positions</u>	
	<u>(Dollars in millions)</u>	<u>% Increase</u>	<u>Number</u>	<u>% Increase</u>
1971	\$ 303	---	7,198	----
1972	454	49.8	7,835	8.8
1973	477	5.1	8,200	4.7
1974	528	10.7	9,203	12.2
1975	700	32.6	9,203	---
1976	771	10.1	9,550	3.8
1977	784	1.7	10,150	6.3
1978	848	<u>8.2</u>	10,216	<u>.7</u>
Overall percentage		<u>179.9</u>		<u>41.9</u>

ENVIRONMENTAL PROTECTION AGENCY
COMPARISON OF BUDGETARY AUTHORITY
BY MEDIA, FISCAL YEARS 1976-1978
(dollars in millions)

<u>MEDIA</u>	<u>FY 1976</u>	<u>PERCENT OF TOTAL</u>	<u>FY 1977</u>	<u>PERCENT OF TOTAL</u>	<u>FY 1978</u>	<u>PERCENT OF TOTAL</u>
Air	\$ 147.9	19.2	\$ 150.2	19.2	\$ 159.2	18.7
Water Quality	242.4	31.4	222.6	28.4	213.8	25.2
Water Supply	32.3	4.2	44.9	5.7	54.7	6.4
Solid Waste	16.6	2.1	15.7	2.0	40.0	4.7
Pesticides	42.3	5.5	40.5	5.2	46.0	5.4
Radiation	5.8	.8	5.8	.7	5.6	.7
Noise	10.2	1.3	10.6	1.4	10.9	1.3
Interdisciplinary	23.3	3.0	37.7	4.8	41.3	4.9
Toxic Substances	9.1	1.2	8.3	1.1	29.3	3.4
Energy	100.3	13.0	95.0	12.0	96.4	11.4
Management and Support <u>1/</u>	135.2	8.8.	145.3	18.5	147.6	17.4
Buildings and Facilities <u>2/</u>	2.1	.3	2.1	.3	---	---
Scientific Activities Overseas <u>3/</u>	<u>4.0</u>	<u>.5</u>	<u>5.0</u>	<u>.6</u>	<u>4.0</u>	<u>.5</u>
Total	\$ <u>771.5</u>	<u>100.0</u>	\$ <u>783.7</u>	<u>100.0</u>	\$ <u>848.8</u>	<u>100.0</u>

1/ This category includes program and administrative functions together with a variety of overhead costs.

2/ This category covers design and construction of all new EPA-owned facilities as well as necessary repairs and improvements to all Federally-owned installations occupied by EPA.

3/ This category covers overseas research funded from excess foreign currencies.

ENVIRONMENTAL PROTECTION AGENCY
COMPARISON OF POSITIONS 1/
BY MEDIA, FISCAL YEARS 1976-1978

<u>MEDIA</u>	<u>FY 1976</u>	<u>PERCENT OF TOTAL</u>	<u>FY 1977</u>	<u>PERCENT OF TOTAL</u>	<u>FY 1978</u>	<u>PERCENT OF TOT</u>
Air	1,631	17.1	1,829	18.0	1,811	17.7
Water Quality	3,315	34.7	3,217	31.7	3,166	31.0
Water Supply	301	3.2	321	3.2	380	3.7
Solid Waste	185	1.9	230	2.3	230	2.3
Pesticides	969	10.2	991	9.8	1,006	9.8
Radiation	233	2.4	214	2.1	214	2.1
Noise	76	.8	101	1.0	102	1.0
Interdisciplinary	251	2.6	381	3.7	380	3.7
Toxic Substances	44	.5	275	2.7	314	3.1
Energy	40	.4	123	1.2	144	1.4
Management and Support	2,389	25.0	2,354	23.2	2,355	23.1
Advances and Reimbursements <u>2/</u>	<u>116</u>	<u>1.2</u>	<u>114</u>	<u>1.1</u>	<u>114</u>	<u>1.1</u>
TOTAL	<u>9,550</u>	<u>100.0</u>	<u>10,150</u>	<u>100.0</u>	<u>10,216</u>	<u>100.0</u>

1/ This chart reflects OMB personnel ceilings, not end-of-year employment or Congressional authorizations.

2/ These positions are financed by other agencies in return for services; they are counted against EPA's ceiling.

ENVIRONMENTAL PROTECTION AGENCY
COMPARISON OF INITIAL FUNDING REQUESTS AND APPROPRIATIONS
FISCAL YEARS 1976-1978

	<u>Initial requests to</u>			<u>Percent</u>
	<u>OMB</u>	<u>The Congress</u>	<u>Appropriations</u>	
	(in millions)			
Abatement and control	\$ 1,266.9	\$ 1,100.7	\$ 1,194.2	49.7
Research and development	935.1	794.9	799.8	33.3
Agency and regional management	213.2	206.1	209.4	8.7
Enforcement	<u>197.7</u>	<u>181.3</u>	<u>183.4</u>	<u>7.6</u>
subtotal	<u>2,612.8</u>	<u>2,283.0</u>	<u>2,386.8</u>	99.3
Buildings and facilities	15.4	5.3	4.2	.2
Scientific activities overseas	<u>15.0</u>	<u>17.0</u>	<u>13.0</u>	<u>.5</u>
Totals	\$ <u>2,643.2</u>	\$ <u>2,305.3</u>	\$ <u>2,404.0</u>	<u>100.0</u>

Descriptions of appropriations

Abatement and control includes development of standards and regulations, grants and other assistance to States and local governments, monitoring of the status of pollutants in the environment, and other efforts aimed at reducing and controlling pollution.

Research and development provides the scientific and technical data base for standards and regulations, cost effective pollution control technologies, methods to measure and assure quality control, and methodologies for determining environmental management options and strategies.

Agency and regional management covers Agency-wide policy direction and administration carried out at Headquarters and regional offices as well as common services and support functions.

Enforcement includes the enforcement of Federal regulations against air and water pollution, drinking water standards, pesticide registration and product standards, and noise standards and regulations.

Buildings and facilities includes the construction of new EPA-owned facilities and improvements to existing government-owned facilities.

Scientific activities overseas represents the purchase of excess foreign currencies from the Department of the Treasury to finance environmental research projects in other countries.