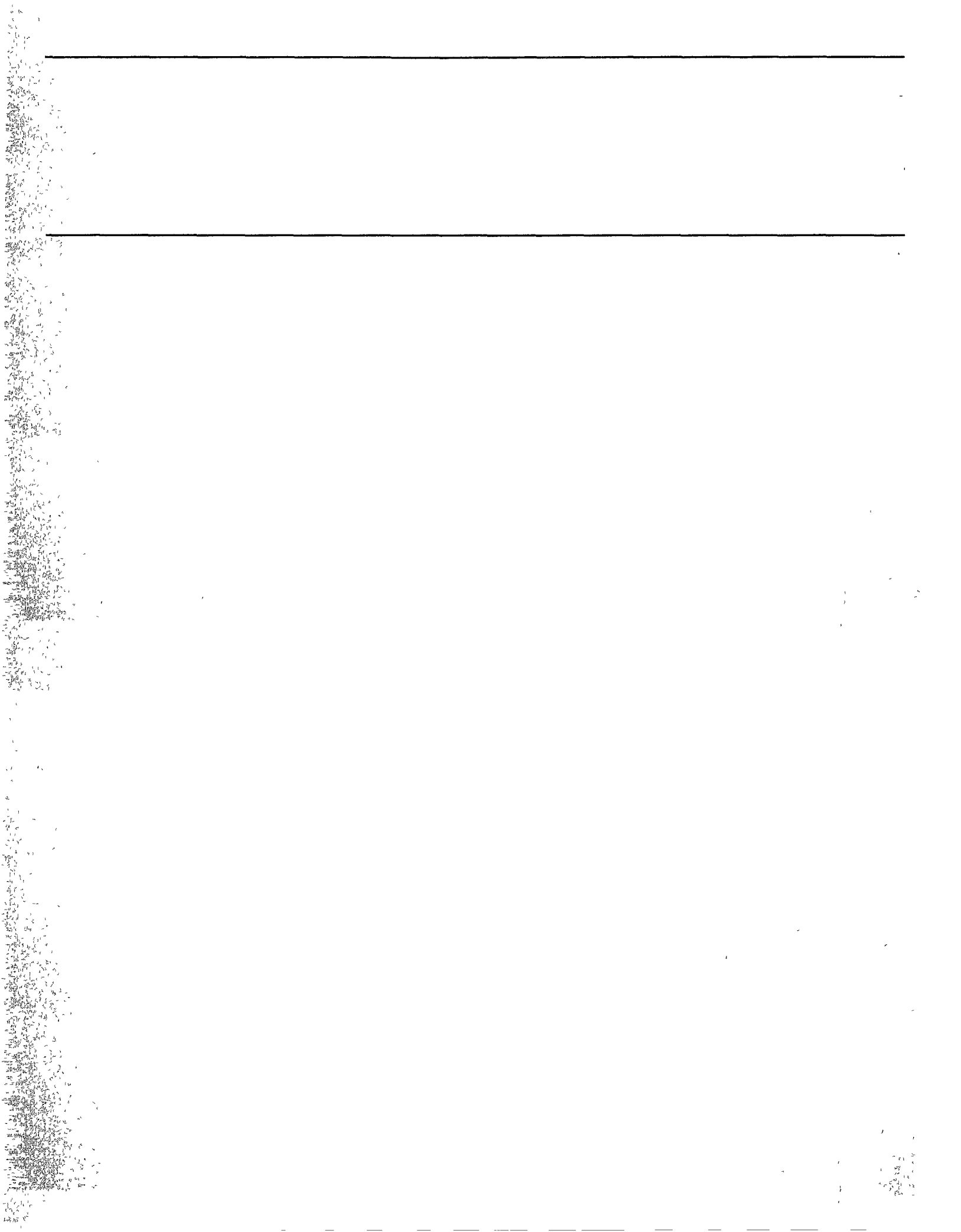


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**GAO****Resources, Community, and Economic  
Development Division**

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**June 1997****Environmental Protection  
Issue Area Plan****Fiscal Years 1998-2000**



# Foreword

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As the investigative arm of the Congress and the nation's auditor, the General Accounting Office is charged with following the federal dollar wherever it goes. Reflecting stringent standards of objectivity and independence, GAO's audits, evaluations, and investigations promote a more efficient and cost-effective government; expose waste, fraud, abuse, and mismanagement in federal programs; help the Congress target budget reductions; assess financial information management; and alert the Congress to developing trends that may have significant fiscal or budgetary consequences. In fulfilling its responsibilities, GAO performs original research and uses hundreds of databases or creates its own to compile and analyze information.

To ensure that GAO's resources are directed toward the most important issues facing the Congress, each of GAO's 33 issue areas develops a strategic plan that describes its key issues and their significance, the objectives and focus of its work, and the planned major job starts. Each issue area relies heavily on input from congressional committees, agency officials, and subject-matter experts in developing its strategic plan.

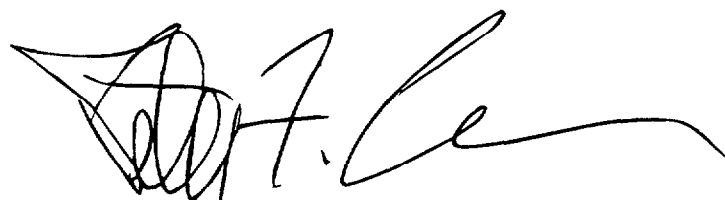
With the nation's annual environmental compliance costs at \$122 billion,<sup>1</sup> GAO's work in the Environmental Protection Issue Area generally focuses on increasing the cost-effectiveness of environmental programs. This emphasis recognizes the high and continuing growth in these costs, while unmet environmental needs remain. Consequently, the limited public and private environmental resources need to be used in ways that best protect human health and the environment. This area covers the Environmental Protection Agency (EPA), the Council of Environmental Quality (CEQ), and other agencies responsible for carrying out environmental laws, policies, and programs. The principal issues addressed are:

- evaluating EPA's management and budget to help ensure that available resources are used efficiently and effectively,
- providing the Congress with the information needed to assist in its oversight and reauthorization of federal environmental statutes, and
- assessing whether the nation's environmental resources are being efficiently and effectively managed and protected.

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<sup>1</sup>U S Department of Commerce, Survey of Current Business, "Pollution Abatement and Control Expenditures, 1972-1994," Sept. 1996, p. 48-67

In the pages that follow, we describe our key planned work on these important issues during our 3-year planning period (fiscal years 1998 through 2000). This year's plan contains a major restructuring of our approach which reflects current congressional interest and available resources. Also, because unanticipated events may significantly affect even the best of plans, our planning process allows for updating this plan during the year as needed to respond quickly to emerging issues. If you have any questions or suggestions about this plan, please call me or Lawrence J. Dyckman, Associate Director, at (202) 512-6111.

A handwritten signature in black ink, appearing to read 'P. F. Guerrero', with a stylized flourish extending to the right.

Peter F. Guerrero  
Director  
Environmental Protection Issues

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# Table I: Key Issues

Issue	Significance
<b>Agency management and budget</b> Do EPA's approaches to environmental protection ensure that agency resources are optimally targeted and spent?	Continued progress in environmental protection will be costly. Increasingly, questions are being raised about the cost-effectiveness of environmental programs and federal agency operations. EPA expends a large portion of its approximately \$7 billion budget through contracts and grants to implement federal laws. Historically, EPA's management of these instruments has been a concern. GAO has designated parts of the Superfund program as high-risk, for example, because of long-standing problems in the agency's management of cleanup contracts. Expectations are high for the use of performance-based measures of progress and sound management in environmental programs.
<b>Environmental reauthorization issues:</b> How are key environmental statutes addressing the problems that they were designed to remedy, and what steps would improve their effectiveness?	Environmental protection has strong public support. To protect the quality of the nation's air, water, and land, a number of federal statutes are implemented by EPA, the states and localities. In 1994 (the most recently available information), the public and private sectors spent about \$122 billion (or almost 3 percent of the nation's GDP) to comply with environmental regulations and standards. While progress has been made, problems remain. The challenge is how to ensure the operation of these laws, standards, and regulations are effective and efficient in safeguarding public health and the environment from the effects of pollution.
<b>Environmental management:</b> Is the government efficiently and cost-effectively protecting the environment?	As annual environmental compliance costs grow, debate is centering on ways to achieve more environmental protection while imposing the least burden. The nation's economy recently experienced its largest single-year increase in real spending for environmental compliance in a decade. The basic approach to addressing pollution problems has been for EPA to develop the standards for federal environmental programs and for the states to implement them with federal oversight. However, the effectiveness of this approach is being questioned. Greater attention is being placed on more flexible, incentive-based regulatory approaches and on more effective partnerships between EPA and the states.

**Table I: Key Issues**

<b>Objective</b>	<b>Focus of work</b>
<ul style="list-style-type: none"> <li>• Identify and recommend spending reductions to decrease the federal deficit and opportunities to reallocate existing resources to higher priority work</li> <li>• Assess ways to enhance the efficiency and effectiveness of EPA's management of its programs and operations</li> <li>• Evaluate EPA's implementation of major efforts aimed at improving its management and operations</li> </ul>	<ul style="list-style-type: none"> <li>• Potential efficiencies and cost savings in EPA's budget</li> <li>• EPA's management of grants and contracts</li> <li>• EPA's implementation of the Government Performance and Results Act</li> </ul>
<ul style="list-style-type: none"> <li>• Provide the Congress with information to aid in its reauthorization of key environmental laws</li> <li>• Assist the Congress in its oversight of EPA and the states' implementation of environmental statutes</li> </ul>	<ul style="list-style-type: none"> <li>• Major issues facing the reauthorization of Superfund, the Resource Conservation and Recovery Act, and the Clean Water Act</li> <li>• The progress of federal, state, and local governments in implementing the Clean Air Act Amendments of 1990, the new Safe Drinking Water Act of 1996, and international agreements</li> </ul>
<ul style="list-style-type: none"> <li>• Evaluate how EPA and the states ensure that they consider the most cost-effective control measures when implementing programs and regulations to improve the quality of the nation's environment</li> <li>• Examine the effectiveness of EPA and the states in reaching compliance with environmental objectives</li> <li>• Assess administrative initiatives and alternative approaches to manage or strengthen environmental programs</li> <li>• Assess federal government's role in addressing climate change</li> </ul>	<ul style="list-style-type: none"> <li>• The adequacy and usefulness of cost-benefit and other analyses that EPA uses to support its regulatory decisions</li> <li>• Opportunities to improve relations between EPA and the states and to evaluate state and federal roles</li> <li>• Effectiveness of EPA's regulatory reform and other reinvention initiatives</li> <li>• Alternatives to current regulatory approaches</li> <li>• The impacts of the federal government's effort to reduce greenhouse gases</li> </ul>

# Table II: Planned Major Work

Issue	Planned major job starts
Management and budget	<ul style="list-style-type: none"> <li>•Review EPA's justification for its fiscal year 1999 budget request</li> <li>•Review EPA's processes for awarding and managing grants and contracts, which comprise a significant portion of the agency's budget</li> <li>•Review the extent and effectiveness of EPA's implementation of the Government Performance and Results Act *</li> </ul>
Environmental reauthorization	<ul style="list-style-type: none"> <li>•Review the effectiveness of administratively adopted changes made in the Superfund program *</li> <li>•Determine the risks posed by sites awaiting a decision about whether they will enter the Superfund program and what factors are delaying these decisions</li> <li>•Assess the effectiveness of EPA's effort to speed up the Superfund cleanup process through its Integrated Site Assessment Initiative *</li> <li>•Identify the issues that the Resource Conservation and Recovery Act presents for managing remediation wastes from hazardous waste cleanups</li> <li>•Assess the progress made by key industries in cleaning up their facilities that handle hazardous wastes *</li> <li>•Review states' progress in implementing the Clean Air Act Amendments of 1990</li> <li>•Review the operations and internal controls for the Montreal Protocol Multilateral Fund *</li> </ul>
Environmental management	<ul style="list-style-type: none"> <li>•Review how benefit-cost analyses are used in developing environmental, health and safety regulations *</li> <li>•Evaluate enforcement strategies being pursued by the states to determine whether such strategies are achieving greater compliance with environmental laws</li> <li>•Explore additional opportunities to use emissions trading as an alternative approach to achieving environmental goals more cost-effectively</li> <li>•Identify the nature and status of EPA's reinvention initiatives as well as aids and barriers to their successful implementation *</li> <li>•Examine the economic impacts associated with U S options to ameliorate global climate change</li> </ul>

\*Work on these jobs has already begun



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