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**REPORT TO THE COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE
UNITED STATES
GENERAL ACCOUNTING OFFICE**

RELEASED



**The Environmental Impact
Statement--It Seldom Causes Long
Project Delays But Could Be More
Useful If Prepared Earlier**

Contrary to the intent of the National Environmental Policy Act, major decisions were being made to start designing or constructing public works projects before environmental impact statements were completed. The act requires Federal agencies to disclose and consider environmental impacts together with economic and technical factors before taking action. To accomplish this and to reduce the risk of project delays, statements should be completed during the earliest stage of an agency's decisionmaking process--the planning stage.

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-170186

The Honorable Jennings Randolph
Chairman, Committee on Environment
and Public Works
United States Senate

Dear Mr. Chairman:

Pursuant to your request, this report evaluates time delays, costs, and other effects of environmental impact statement preparation on public works projects. It also considers comments from each of the four agencies designated for audit and the Council on Environmental Quality.

The report contains a matter for your Committee's consideration regarding environmental impact statements accompanying General Services Administration prospectuses submitted for Committee approval.

The report also contains recommendations to the Secretary of the Army, the Administrators of the General Services Administration and the Environmental Protection Agency, and the Chairman of the Council on Environmental Quality. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We will be in touch with your office in the near future to arrange for copies of this report to be sent to the various agency heads, to the House Committee on Public Works and Transportation, and to the four Committees mentioned above to set in motion the requirements of section 236.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Stotts".

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

THE ENVIRONMENTAL IMPACT
STATEMENT--IT SELDOM CAUSES
LONG PROJECT DELAYS BUT
COULD BE MORE USEFUL IF
PREPARED EARLIER

D I G E S T

Contrary to the intent of the National Environmental Policy Act, the U.S. Army Corps of Engineers, Environmental Protection Agency, and General Services Administration frequently have prepared environmental impact statements late in the decisionmaking process for major proposed actions that will significantly affect the quality of our environment. The Federal Highway Administration's preparation of similar statements, however, has been more timely.

The act does not prohibit departments or agencies from taking whatever action they believe is best, but it does require them to disclose and consider environmental impacts and alternatives as well as economic and technical factors before taking action. In essence the act says: Look before you leap.

Preparing impact statements is time-consuming--averaging 31 months in the 29 cases GAO sampled. (See app. II.) However, if the statements are prepared while projects are being planned, the environmental, economic, and technical factors can be considered together. The impact statements can be completed in time to accompany the project proposals through the agency review process, as intended by the act.

If impact statements are not prepared at the proper time, agency officials may have to choose between delaying a project while completing the statement or advancing a project before statement completion to avoid a project delay. If postponed too long, statement preparation can become a perfunctory task and the document of little use in agency decision-making. (See pp. 5 to 8.)

For all 29 projects sampled, the environmental impact statement was completed after planning was complete. There were two reasons for this, with varying results as follows:

- Many projects were "grandfathered" under the National Environmental Policy Act, i.e., even though design or construction stages had been reached by 1970, when the act became effective, they still required environmental impact statements. This circumstance contributed to delays in three cases sampled--all Federal highway projects. In each case project development time was extended about 12 to 18 months, awaiting statement preparation. However, the delays provided an opportunity to consider environmental impacts before starting construction.
- Procedures or practices in the Corps of Engineers, Environmental Protection Agency, and General Services Administration permitted late statement preparation. Two kinds of situations resulted. First, two Environmental Protection Agency projects--both treatment plants--were delayed about 10 to 17 months to prepare a statement before starting construction. Second, environmental impact statement preparation in 11 cases lagged behind one or more of the three stages of project decisionmaking--planning, design, or construction. While these 11 projects proceeded without delay, decisions were made without the benefits of an environmental impact statement. (See p. 4 and pp. 8 to 10.)

The agencies' procedures or practices which contributed to late statement preparation are described on pages 10 to 23.

GAO also noted that:

- The Environmental Protection Agency, in accordance with Council on Environmental Quality guidelines, prepares environmental impact statements on actions which are likely to have highly controversial impacts. The act does not include "controversy" as a criterion for determining the need for statements. (See pp. 23 and 24.)

- Nationwide, few projects have been delayed because of court suits brought under the act, and none of the 29 projects was delayed. (See pp. 33 and 34.)
- Costs of preparing impact statements have been minor, averaging about one-tenth of one percent of project costs in the 29 selected cases. (See pp. 34 and 35.)
- Some projects have been modified for environmental reasons because of the impact statement process, and the heightened environmental awareness led to better planning decisions on later projects. (See pp. 35 to 37.)

However, GAO believes that even greater benefits would be possible if the statements were prepared during planning.

RECOMMENDATIONS TO AGENCIES

The Secretary of the Army should monitor the Corps of Engineers' practices, and the Administrators of the General Services Administration and the Environmental Protection Agency should revise their procedures so that environmental impact statements are prepared concurrently with project planning and completed in time to accompany proposals through agency review processes for approval. (See p. 27.)

The Secretary of the Army should also direct the Chief, Corps of Engineers, to see to it that impact statements on the Corps' projects planned prior to the act and on major additions to existing Corps projects be completed as early as practicable and whenever possible before reaching any further major decisions, such as starting construction. (See p. 27.)

The Chairman, Council on Environmental Quality, should:

- Eliminate "controversy" as a criterion in its Federal agency guidelines for determining whether environmental impact statements are needed on Federal actions.

- Review Federal agency regulations to be sure they require that environmental impact statements be prepared concurrent with project planning.
- Advise the Congress and the President whenever agencies do not have such requirements. (See p. 28.)

RECOMMENDATION TO THE SENATE COMMITTEE
ON ENVIRONMENT AND PUBLIC WORKS

The Committee should require the Administrator, General Services Administration, to include completed environmental impact statements with that agency's requests (prospectuses) for Committee approval of space-acquisition plans. This will help the agency to reach major decisions after considering the environment and provide the Committee with full environmental information when reviewing the agency's space-acquisition proposals.

The Committee on Public Works and Transportation, House of Representatives, also should adopt this recommendation because the General Services Administration submits prospectuses to it as well. (See p. 28.)

AGENCY COMMENTS

The Council on Environmental Quality and the four agencies generally agreed with the report's basic thrust--integrating environmental impact statement preparation with agency planning. Only the General Services Administration and the Corps of Engineers expressed disagreement with any conclusions or recommendations. (See pp. 28 to 31.)

The General Services Administration favors completing impact statements after requesting congressional committee approval of its space-acquisition plans, to prevent spending funds for preparation of impact statements on unapproved actions. However, GAO believes that the Administration's position fails to recognize a basic purpose of an impact statement--to disclose environmental impacts before decisions are reached on alternative

courses of action. Also, in relation to project costs, only minor cost savings could be achieved by completing the statements after projects are approved.

The Corps of Engineers disagreed that its procedures or practices allow late statement preparation. It contends that proceeding into design and construction without a completed impact statement is a prudent practice for ongoing projects that were planned before the act was passed because it prevents unnecessary project delays. Under these practices, however, GAO believes that impact statement preparation tends to become a mere exercise in complying with the letter of the law, rather than an aid in decisionmaking as intended by the act.

In commenting on GAO's recommendation to eliminate "controversy" as a criterion for impact statement preparation, the Council on Environmental Quality agreed to consider it. The Environmental Protection Agency concurred with it, with some reservations for controversies over violation of environmental thresholds. (See pp. 31 and 32.)

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ABBREVIATIONS

CEQ	Council on Environmental Quality
EIS	environmental impact statement
EPA	Environmental Protection Agency
FHWA	Federal Highway Administration
GSA	General Services Administration
NEPA	National Environmental Policy Act
TARP	Tunnel and Reservoir Plan

CHAPTER 1

INTRODUCTION

The Chairman of the Senate Committee on Public Works, in a letter dated May 5, 1976, (see app. I) expressed concern to us that the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321, et seq.) not become a hindrance to the orderly pursuit of programs for the general public welfare.

He requested that we determine (1) if environmental impact statements (EISs), required by section 102(2)(C) of NEPA, are causing time delays to projects and (2) the cost of preparing such statements, including any extra cost resulting from project delays associated with the statement process. In subsequent meetings with the office of the Committee, we were also requested to determine the amount of preparation time and whether the timing of preparation complies with the intent or spirit of NEPA. The Committee agreed that agency EIS-preparation cost estimates could be accepted without audit verification.

The Committee named four agencies for audit: the U.S. Army Corps of Engineers (Civil Functions), the Environmental Protection Agency (EPA), the Federal Highway Administration (FHWA), and the General Services Administration (GSA). Through July 31, 1976, these four agencies had prepared about 59 percent of the 5,144 final EISs filed by all Federal agencies. FHWA alone had filed about 37 percent (1,881); the Corps, about 19 percent (994); GSA, about 2 percent (101); and EPA, about 1 percent (82).

SCOPE OF REVIEW

To produce substantial compliance with the request in an unbiased manner, we sampled recently completed EISs for the major construction projects of each of the four agencies. All audit objectives had to be met at each agency office selected. The offices selected were ones which would give both a broad geographic audit coverage considering all the agencies audited and as many recently completed EISs on major projects as audit time allowed. Accordingly, we selected 29 EISs completed between January 1, 1975, and July 31, 1976, covering the major construction projects of six selected agency offices. The following is a summary of those selections and associated project construction costs.

<u>Agency and program</u>	<u>Offices</u>	<u>Number of EISs</u>	<u>Project construction costs</u> (millions)
Corps of Engineers, Civil Works	1 of 10 Divisions --North Pacific	11	\$1,028.2
General Services Administration, New Building Construction	2 of 11 Offices-- Washington, D.C., and Atlanta Re- gion	4	225.3
Federal Highway Administration, Major Highway Construction	1 of 52 Operating Divisions--Cali- fornia	9	268.5
Environmental Pro- tection Agency, Construction Grants for Mu- nicipal Waste Treatment Facil- ities	2 of 10 Regions-- Boston and Chi- cago	5	653.2
		---	-----
Total		<u>29</u>	<u>\$2,175.2</u>

The 29 EISs represented about 94 percent of the project construction funds associated with all statements filed by the six offices during the selected period. Appendix II lists each EIS reviewed and other identifying information.

We reviewed pertinent legislation, regulations, and guidelines as well as transaction documents, reports, and records relating to preparation of the 29 EISs. Also, responsible officials were interviewed at agency headquarters in Washington, D.C., and at field offices where the selected EISs were prepared. Certain officials of the Council on Environmental Quality; the California Department of Transportation; the Illinois and New Hampshire State water pollution control agencies; and the City of Chicago, Illinois; were also contacted on some matters.

EIS REQUIREMENT

Section 102(2)(C) of NEPA requires EISs on "* * * every recommendation or report on proposals for legislation and

other major Federal actions significantly affecting the quality of the human environment * * *." The determination of "major" and "significant" is to be made by the Federal agencies themselves. The impact statement is the Congress' assurance that an agency has considered environmental factors and has documented their importance well before major Federal action is taken.

In preparing EISs, agencies are required by the act to consider:

- The environmental impact of the proposed action.
- Any adverse environmental effects which cannot be avoided, should the proposal be implemented.
- Alternatives to the proposed action.
- The relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity.
- Any irreversible and irretrievable commitments of resources involved in the proposed action, should it be implemented.

Under NEPA each agency determines its own procedures for implementing the section 102(2)(C) EIS requirement. Executive Order 11514 authorized the Council on Environmental Quality (CEQ) to issue guidelines to Federal agencies for the preparation of EISs. Under this order CEQ was responsible for overseeing Federal agency implementation of NEPA, but not for enforcing it. By Executive Order 11991, dated May 24, 1977, the President strengthened CEQ by authorizing it to issue regulations to Federal agencies for implementing NEPA. The regulations to be issued by CEQ are to be designed to, among other things, make EISs more useful to decisionmakers by focusing on real environmental issues and alternatives. CEQ must also include, in regulations issued pursuant to this order, procedures that require Federal agencies' preparation of EISs early in their decisionmaking processes.

NEPA does not specifically prohibit Federal agencies from taking whatever action they believe is best, and it provides no penalties for disregard of its terms. In essence it says: Look before you leap!

CHAPTER 2

ENVIRONMENTAL IMPACT STATEMENTS COULD BE

MORE USEFUL IF PREPARED EARLIER

EISs seldom cause long delays in Federal public works projects. On the other hand, EISs frequently are not completed by Federal agencies in time to be effectively utilized in the decisionmaking processes as intended by NEPA. They are often completed late in project development, after major project decisions have been reached, and sometimes after construction has begun.

NEPA requires that EISs accompany project proposals through existing agency review processes for approval. To accomplish this EISs must be completed during the earliest stage of an agency's decisionmaking process--the planning stage. Otherwise, an agency's decisionmaker may face a difficult dilemma--having to choose between delaying projects in order to prepare EISs or letting EIS preparation lag behind project development in order to prevent project delays. This dilemma is frequently being resolved in favor of (1) allowing lags to occur (which tends to make decisions premature), (2) making EIS preparation a perfunctory task, and (3) making the document an appendage to, rather than an aid in, agency decisionmaking.

For all 29 projects sampled, the EIS was completed late in the decisionmaking process, after planning was complete. There were two reasons for late preparation which had varying results:

- Many projects were "grandfathered" under NEPA, i.e., even though location, design, or construction stages had been reached by 1970, when the act became effective, they still required EISs. This circumstance contributed to delays in three cases sampled--all Federal highway projects. In each case project development time was extended about 12 to 18 months, awaiting EIS preparation. However, the delays provided an opportunity for considering environmental impacts before starting construction.
- Procedures or practices in three of the selected agencies--the Corps, GSA, and EPA--permitted late statement preparation. Two kinds of situations resulted. First, two EPA projects--both treatment plants--were delayed about 10 to 17 months, respectively, to prepare an EIS before starting construction. Second, EIS preparation in 11 cases lagged behind one or

more of the three stages of project decisionmaking-- planning, design, or construction. While these 11 projects proceeded without delay, decisions were made without the benefits of an EIS.

Late-statement preparation also occurred in the remaining 13 cases sampled usually because the projects were grandfathered. While this unavoidable circumstance probably also limited the value of these EISs for decisionmaking purposes, further major decisions did not need to be reached before the EISs were complete. Neither project delays nor lags in statement preparation adversely affected any of these cases.

When EIS preparation is integrated with and completed during project planning, it helps ensure that environmental amenities and values are given appropriate consideration along with the economic and technical factors in planning and decisionmaking. At the same time, it reduces the risk of project delays due to lawsuits, public pressure, or other circumstances which can stop projects when a timely EIS has not been prepared. In grandfathered cases completing the EIS as early as practicable after NEPA helps obtain those same results to the maximum extent controllable by the agency. These concepts are explained more fully below because we believe that agencies have frequently misunderstood them.

THE MEANING AND IMPORTANCE OF TIMELY IMPACT STATEMENT PREPARATION

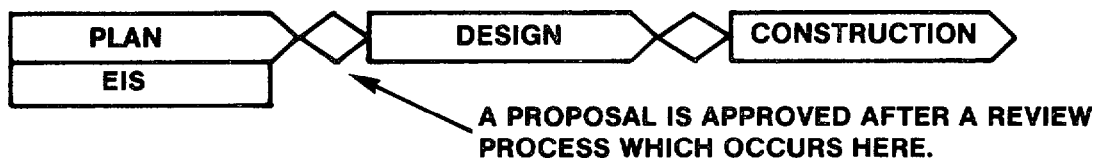
The completion of EISs late in project development can have serious consequences in two respects. First, it tends to impede the document's basic purpose--surfacing environmental impacts and alternatives to proposed Federal actions for consideration along with economic and technical factors when proposals are being planned. In other words a late EIS tends to relegate environmental considerations to lesser importance than economic or technical ones, contrary to NEPA's intent. Second, it risks two types of project delays: (1) those associated with stopping projects to prepare late EISs and (2) those due to replanning projects or portions thereof, should the late EIS identify better alternative plans.

The basic requirement governing the timing of EIS preparation is the last paragraph of section 102(2)(C) of NEPA. Briefly, it requires that an EIS on a proposal, complete with related comments of appropriate Federal, State, and local agencies, be made available to the President, CEQ, and the public, and "* * * accompany the proposal through the existing agency review processes."

In 1972 we reported ^{1/} that, of seven agencies then covered in an audit, most did not fully comply with this requirement because their EISS were not completed in time to accompany proposals through all agency levels of review. This report shows a seemingly worse situation--that EISS are often completed after reviews have been completed and the proposals approved, and, in many cases, after administrative actions to implement approved proposals have been taken. Because of the continuing nature of the problem, the following attempts to clarify and emphasize the meaning and importance of timely EIS preparation, as we understand it.

For an EIS to accompany a project proposal through an agency review process, it must be completed during project planning--the stage of project decisionmaking when a proposal is formulated. Project planning is the earliest stage of project decisionmaking--the stage dealing generally with the questions of (1) whether any Federal project should be undertaken to meet a need or solve a problem, (2) where to locate the project, and (3) alternatives available. The planning stage results in a proposed Federal action being recommended through an agency's review process for approval. Other decisionmaking stages of design and construction follow project approval and deal generally with questions of how and when to implement a project.

The following depicts the appropriate time during the project-decisionmaking process to prepare an EIS.



◇ DECISION TO PROCEED.

The importance of completing an EIS in time to accompany a project proposal through an existing agency review process is twofold. First, it helps ensure that environmental impacts are given appropriate consideration in decisionmaking

^{1/}Report to the Subcommittee on Fisheries and Wildlife Conservation, House Committee on Merchant Marine and Fisheries, entitled "Improvements Needed in Federal Efforts to Implement the National Environmental Policy Act of 1969" (B-170186, May 18, 1972).

along with economic and technical factors, as directed by section 102(2)(B) of NEPA. This, in turn, requires an early start in preparing the statement. Supreme Court Justice Thurgood Marshall, in a dissenting opinion, 1/ explained the importance of an early start as follows:

"* * * [A]n early start on the statement is more than a procedural necessity. Early consideration of environmental consequences through production of an environmental impact statement is the whole point of NEPA, as the Court recognizes. The legislative history of NEPA demonstrates that '[b]y requiring an impact statement Congress intended to assure [environmental] considerations during the development of a proposal * * *' Compliance with this duty allows the decisionmaker to take environmental factors into account when he is making decisions, at a time when he has an open mind and is more likely to be receptive to such considerations."

Second, timely EIS preparation helps reduce the likelihood of project delays. Such delays may not only occur because of late EIS preparation but also because of lawsuits, public pressure, or other constraints against proceeding with a project in the absence of an EIS. Further, replanning of projects may be necessary for adequately considering alternatives or other significant matters revealed for the first time by a late EIS. In addition to unnecessary delays, such replanning can also cause increased administrative costs.

Actually, EIS preparation is a planning process itself which should be natural to perform during the normal process involved in planning the economic and technical aspects of Federal projects. Both processes involve gathering and studying basic data on a problem to be solved or need to be met, identifying and analyzing alternative solutions, conducting public meetings, report drafting and circulation for review and comment, responding to comments received, and preparing a final report on the results. Because of these similarities in purpose and function, it seems logical to prepare an EIS concurrently with other work involved in planning a project--in other words, to integrate EIS preparation with other project-planning processes.

When EIS preparation is not integrated with planning, but is instead postponed until major decisions are impending, agencies can be confronted with a difficult dilemma:

1/Kleppe v. Sierra Club, 417 U.S. 390, 417 (1976).

- If they suspend project development awaiting EIS preparation, a delay will occur that may increase project construction costs, disrupt time schedules, and postpone project benefits.
- If they advance project development without awaiting EIS completion, a project delay may be avoided; but premature decisions will be reached because environmental impacts will be considered later than economic and technical factors. In that event, EIS preparation tends to become a perfunctory task and the document, an appendage to decisions already made.

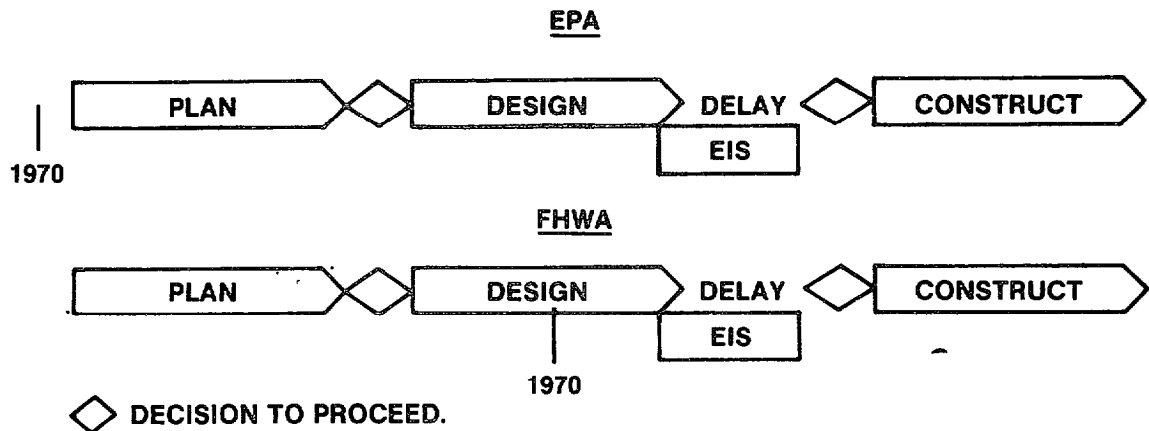
This dilemma could easily occur in grandfathered cases. Grandfathered cases arise because, after NEPA was enacted, one court ruled ^{1/} and CEQ established a guideline that Federal agencies had to apply the impact statement requirement of NEPA to multistage projects, subject to Federal regulation, initiated prior to NEPA's enactment (January 1, 1970). In such cases, the remaining project-processing time after NEPA may be insufficient for preparing an EIS before reaching the next major decisionmaking point. The best approach in these cases is to prepare the EIS as early as practicable. In this way, the dilemma is avoided, and the benefits of EIS preparation are obtained to the maximum extent controllable by an agency.

ACTUAL TIMING OF STATEMENT PREPARATION

The actual timing of EIS preparation in relation to project decisionmaking varied from project to project in the 29 cases sampled but generally followed certain patterns within each agency. Patterns typical of those involved in most of the 29 cases are discussed on the following pages. The effective date of NEPA (January 1, 1970) is also shown to indicate the extent to which planning or other decision-making stages preceded the act, and thus unavoidably precluded earlier EIS preparation due to grandfathering.

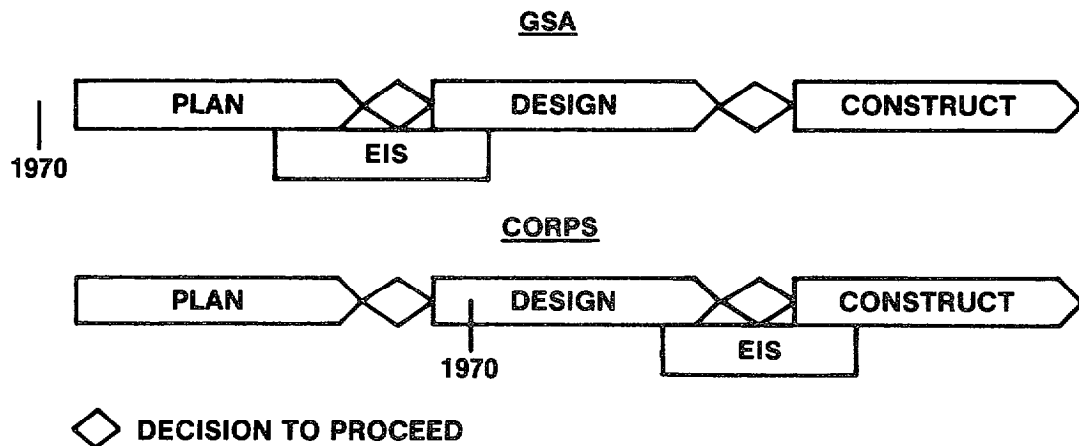
1/Calvert Cliffs Coordinating Committee, Inc. v. Atomic Energy Commission 449 F. 2d 1109 (D.C. Cir. 1971), cert denied 404 U.S. 942 (1972).

The following two patterns are typical of those involved in the five EIS-delayed projects.



As shown in the first pattern, planning and design had been completed after NEPA when EPA prepared the EIS, thus delaying construction. In the second pattern, planning was completed and design was in progress prior to NEPA. Before design was approved after NEPA, FHWA stopped project development to prepare an EIS.

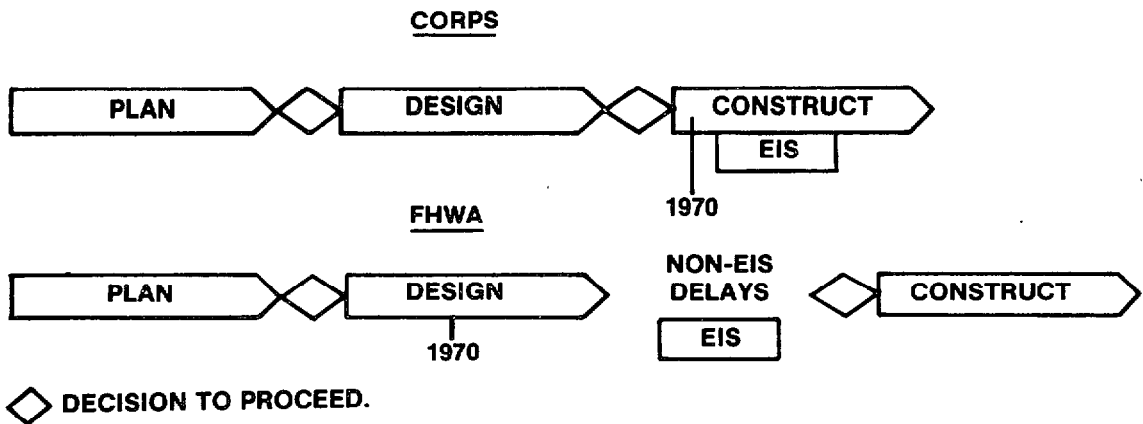
The following patterns are typical of those involved in the cases of EIS-preparation lags. Lags occur when major decisions are reached after NEPA without completing the EIS.



As shown in the first pattern, GSA let EIS preparation lag behind the first decision to proceed, which constituted project approval.

As shown in the second pattern, grandfathering precluded EIS preparation during planning, but the Corps let it lag behind the next decision, to start construction.

The following patterns are typical of those involved in 13 other selected projects where both EIS-caused delays and EIS lags were avoided. In all these cases, grandfathering was a factor in late EIS preparation.



As shown in the first pattern, EIS-caused delays and EIS preparation lags were avoided because construction had already begun before NEPA's effective date; construction continued while the EIS was being prepared. As shown in the second pattern, delays and lags were avoided because projects were already being delayed for other reasons (e.g., awaiting construction funding) when EIS preparation occurred.

ANALYSIS OF AGENCIES' IMPACT STATEMENT PREPARATION PRACTICES

The following sections of this chapter discuss the particular circumstances of late EIS preparation by the four agencies under review. Causes, effects, and possible solutions are included in the discussion. Appendix II lists the 29 selected projects by agency and shows (1) those delayed by EIS preparation, (2) those involved in EIS-preparation lags, and (3) those that were not affected by either situation. It also shows the elapsed time taken for EIS preparation in each case.

Corps of Engineers

None of the 11 selected Corps EISs caused project delays, but 6 of them lagged behind major decisions reached

after NEPA. Each of the 11 sampled projects, except the North Bonneville Town Relocation, was largely planned prior to NEPA's enactment. 1/

Three of the 11 projects (Columbia-Lower Willamette Channel, Dworshak Dam, and lower Willamette Bank Protection) were already under construction at the time of NEPA's enactment, thus precluding any possibility to prepare an EIS as a prelude to reaching major project decisions. Two projects (Libby Additional Units and Re-regulating Dam and Coos Bay Navigation Channel) were designed after NEPA while the EIS was being prepared. The remaining six projects were advanced to the construction stage after NEPA but before an EIS was completed. For these six, the circumstances varied somewhat among projects as follows:

--On one project (Catherine Creek Dam), the Corps obtained construction funds, but construction had not begun before the EIS was completed. Only some site testing had been done when the Corps suspended work, pending resolution of litigation concerning Indian fishing rights.

--On two projects (Little Goose Dam Additional Power Units and Lower Monumental Dam Additional Power Units), the Corps started construction before a final EIS was completed.

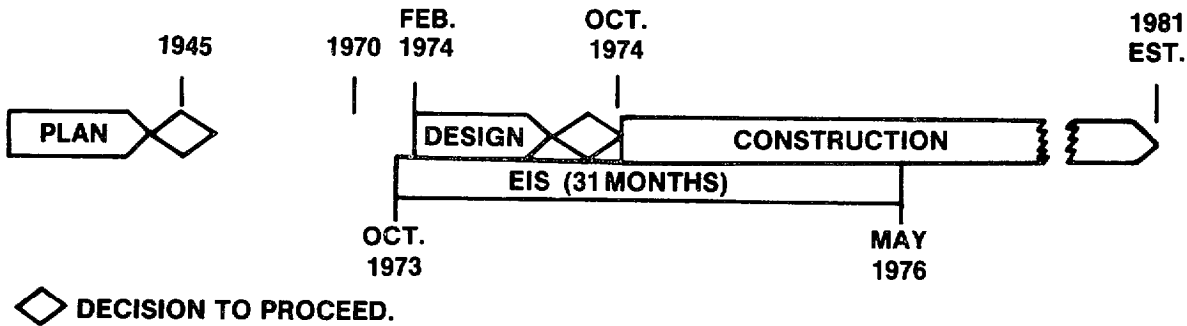
--On three projects (Chief Joseph Dam Additional Power Units, Lower Granite Dam Additional Power Units, and North Bonneville Town Relocation), the Corps started construction before EIS supplements were completed.

Construction initiated
prior to EIS completion

The two cases where the Corps actually started construction before completing a final EIS can be illustrated by the Lower Monumental Additional Units project. It involves the completion of a powerhouse and installation of three power generating units at an existing hydropower plant on the

1/Although each of these projects were in the Corps' North Pacific Division, the Corps' other 9 Divisions were similar in that 52 of 55 EISs filed between January 1, 1975, and July 31, 1976, were on major projects planned prior to NEPA.

Snake River in Washington. The chart below shows the sequence of Corps actions to develop this project.



While the EIS was being prepared, the Corps designed the project, obtained construction funds, signed construction contracts, and gave notice to proceed on powerhouse construction. Powerhouse work had progressed at the project site for about a year prior to EIS completion.

The Corps' regulations, 33 CFR 209.410 (1976), require that impact statements be prepared covering budget requests for the initiation of construction or land acquisition on (1) projects already authorized and (2) projects not yet started. This regulation does not specifically require that the EIS be prepared before such actions are taken.

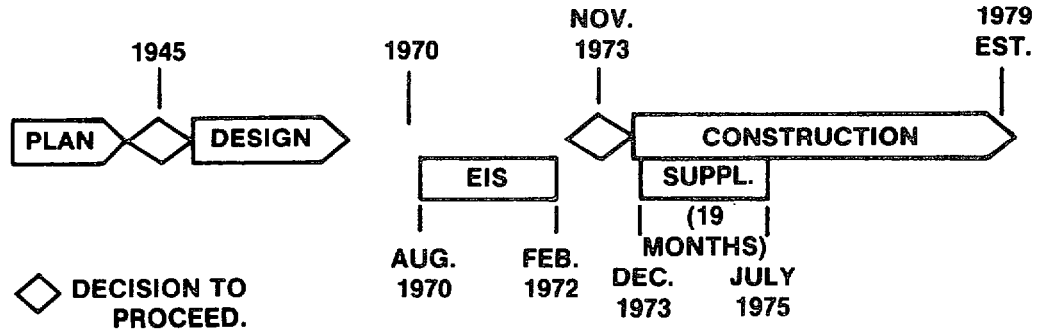
Construction actions before supplemental EISs are completed

Two of the three cases where the Corps actually started construction before supplemental EISs were completed can be illustrated by the Chief Joseph Additional Units project. Its design was completed prior to NEPA, and an EIS was filed with CEQ in February 1972. That EIS was deemed inadequate by the Corps in November 1972 and, in December 1973, a supplemental EIS was begun. The original EIS was determined to be inadequate because:

- CEQ guidelines and general standards of what constitutes an acceptable EIS had changed.
- More was known about the project, and some plans had changed.
- More was known about the existing environment and the probable effects of operation.
- The original EIS was deficient in that it made no mention of land acquisition or of the project's impact on rights of Indians located in the area.

--The original EIS had not been fully circulated for comment outside the Corps.

Before the supplemental EIS for this project was started, the Corps went forward into the construction phase, as illustrated below.



While the supplemental EIS was being prepared, the Corps requested additional construction funds, contracted for construction, and proceeded to construct the intake structure and powerhouse.

The Corps' North Pacific Division guidelines provide that, while a supplemental EIS is being prepared, no significant real estate, procurement, or construction advertisement should take place. These guidelines were developed to clarify the Corps Headquarters' regulations, which are not specific in this regard.

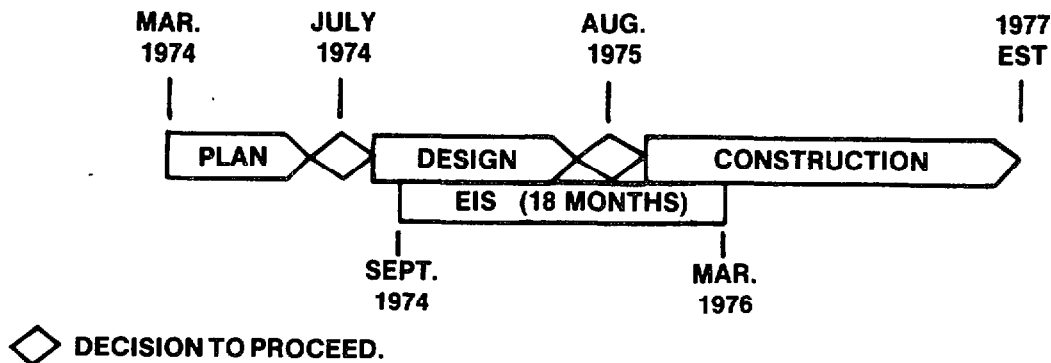
The third case, where the Corps started construction before completing an EIS supplement, the North Bonneville Town Relocation, was different than the other two in that the project was planned after NEPA. Its EIS lagged behind planning as well as the start of construction.

The town relocation was necessitated because of the construction of a second powerhouse at Bonneville Dam on the Columbia River, Oregon/Washington. The Corps filed a final EIS for the powerhouse in April 1972. At that time the Corps was considering either compensating landowners in North Bonneville without relocating the town or relocating the town. In March 1974 the Congress authorized the relocation and told the Corps to cooperate in planning the new town with Federal and non-Federal interests.

In May 1975 the Corps and the citizens of North Bonneville agreed upon the new town site; in July 1975 the Corps began interim housing for citizens being relocated; and in September 1975, the Corps awarded a contract for fill at the new town site. An EIS on the relocation, filed as a

supplement to the 1972 EIS on the second powerhouse, was finalized in April 1976.

The following diagram shows the sequence of major events in relation to the major stages of agency decisionmaking on this project.



The Corps maintained that the area filled at the new town site prior to EIS completion had been identified as an available disposal site in the original EIS prepared for the second powerhouse. It, therefore, concluded that the environmental aspects of filling the area had already been considered. However, we believe that the new town site agreement, interim housing actions, as well as the filling at the new town site constituted advancing a project (town relocation) into the construction stage before an impact statement was completed. This practice dilutes the benefits of environmental studies. Corps regulations, 33 CFR 209.410 (1976), require EIS preparation before construction on projects planned after NEPA.

Corps explanation of lags

Although the Corps' policy generally endorses timely EIS preparation, Corps officials explained that the lags occurred because they were not always aware at the time of construction that the EIS had not been completed. In some cases they said they attempted to prepare the EIS in time, but were caught up in procurement schedules and were not successful. In the case of the Chief Joseph project, officials believed the original EIS to be "procedurally adequate" to proceed with construction without awaiting completion of the EIS supplement.

The Corps also contended that the three Lower Snake River projects--the Lower Monumental, Little Goose, and Lower Granite Dams--and the Chief Joseph project were additions to projects which were in "continuing construction"

status when the additional units' projects were undertaken and, for that reason, construction on the additions could begin before completing an impact statement. (See app. IV.) However, we believed that the additions were actions separable from the original projects, thus requiring impact statements to be completed prior to construction. All the additions were budgeted and funded separately from the original projects, and all were the topics of separate impact statements deemed necessary by the Corps for compliance with NEPA.

Other information also suggested that the additions were separable actions. For example, in the case of Lower Monumental Additional Units, power installation was completed on the original project 4-1/2 years before the additional units were started in October 1974. Only certain work, primarily in recreation, channels, and relocation remained incomplete in October 1974 to justify keeping this project technically classified as "continuing construction." Even the Corps' directives at that time did not approve of giving notice to proceed on construction contracts until the EIS was finalized. Corps officials also told us that, had money for the additional units' projects not become available sooner than expected, the EISs would have been finalized before construction began.

Similarly, in the case of the Chief Joseph project, the Corps completed construction of the original power units in 1958, 15 years before construction on the additional units began in 1973. Also, records indicate that the Corps attempted to expedite completion of the additional units' EIS before onsite construction contracting of those units began, but the EIS was not finalized until July 1975, 1-1/2 years after construction began.

Corps regulations do not provide guidance on the timing of EIS completion for major additions to existing projects.

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We believe these circumstances demonstrate that the Corps should (1) monitor its project planning and decision-making practices to ensure that any required EIS, including supplements, are completed during the planning stage of new proposals and (2) require that EISs prepared on Corps projects planned prior to NEPA be completed as early as practicable and whenever possible before reaching further major decisions, such as the starting of construction. We also believe the Corps should require that this EIS timing criterion be applied to major additions to existing projects, such as additional power units, when such additions are themselves major Federal actions requiring impact statements.

General Services Administration

None of the four sampled EISS of this agency caused project delays, but in each case, completion of the EIS lagged behind plan approval and certain administrative actions. Grandfathering was not a factor affecting these lags because all four projects were substantially planned after NEPA's enactment. Instead, GSA's procedures allowed these lags to occur.

GSA's procedures provide for EISS to be started during project planning but allows them to be completed after plans have been approved and after certain administrative actions have been taken to implement approved plans. The current process is depicted in the flow chart on page 17.

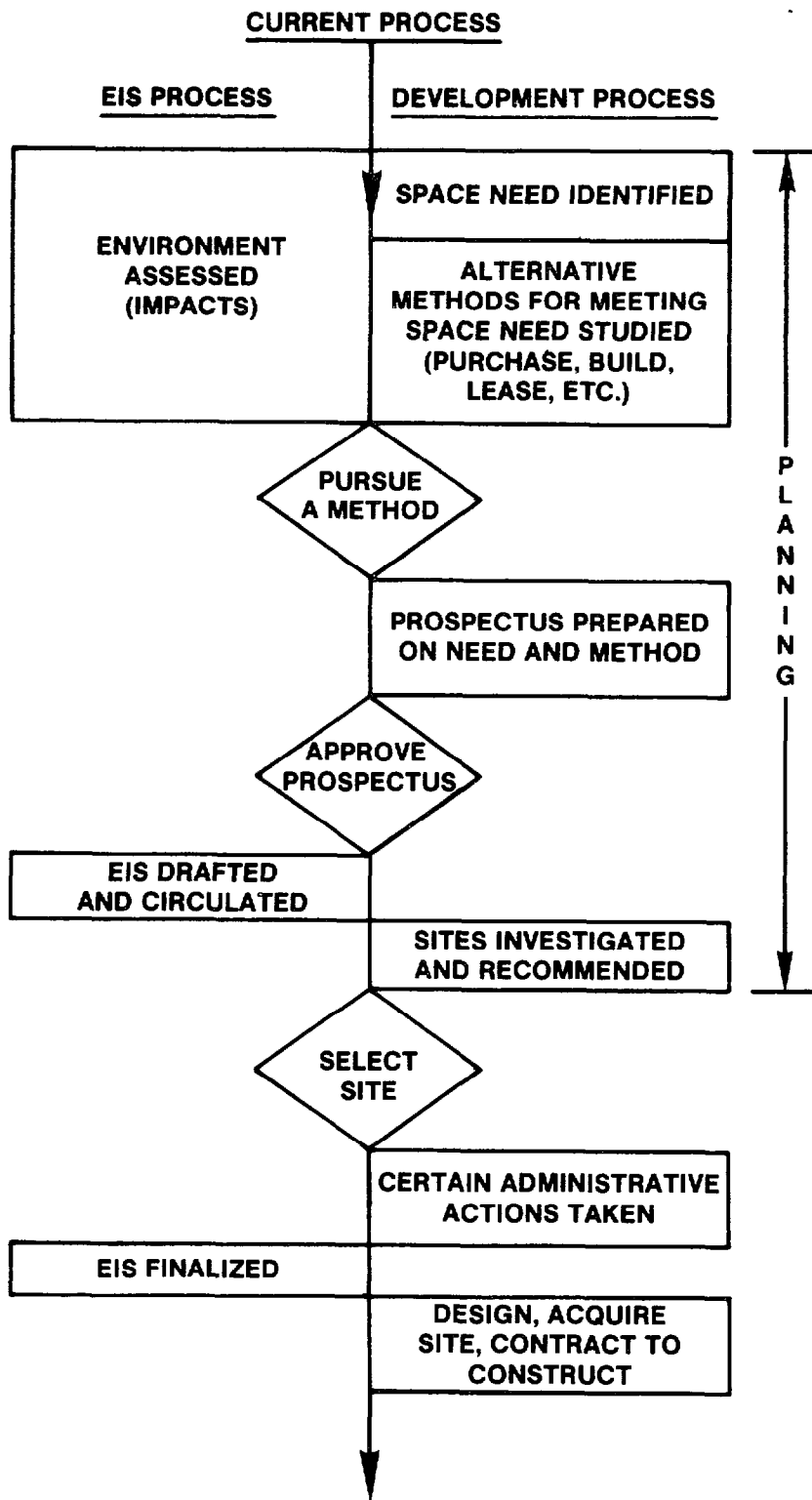
As shown, before completing an EIS, GSA can (1) decide whether building space is needed and the method for acquiring it, (2) obtain approval of its prospectus, ^{1/} (3) select the specific location for the space, and (4) take certain administrative actions to implement the project. This process was followed in three of the selected GSA projects. On these, EIS preparation took an average of 42 months, 6 months of which occurred after a site had been selected.

In the fourth selected case (the Social Security Building project in Maryland), this process was altered; the EIS was started after GSA selected a project site and completed before obtaining congressional committee approval of the project. EIS preparation took 22 months and was completed about 23 months after the site selection date. The site selection decision was made by the Social Security Administration.

In each of the four cases, certain administrative actions were taken to implement the project before the EIS was completed:

--In two cases site surveys and appraisals were completed and title evidence obtained.

^{1/}GSA submits a prospectus for review and approval of the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation. A prospectus is a request to approve a proposal to construct, alter, purchase, or acquire a public building which costs more than \$500,000 or to lease space for public purposes at an average annual rental in excess of \$500,000.



◇ DECISIONMAKING POINTS

--In three cases negotiations were initiated to purchase the site.

--In two cases design contracts were awarded.

GSA procedures authorize such actions to be taken before completing an EIS but prohibit actions which are "irrevocable," such as purchasing property or starting construction.

Under GSA's procedures, a draft EIS delineates the geographic area (e.g., community) in which the project will be located but does not discuss alternative sites. The final EIS, issued after a site has been selected, discusses the impacts of the selected site. GSA officials are concerned that disclosure of alternative project sites in a draft EIS would lead to speculative buying of possible sites and higher costs to the Government in acquiring the site eventually selected.

The flow chart on page 19 depicts our proposed process for completing EISs in time for major decisionmaking on GSA projects.

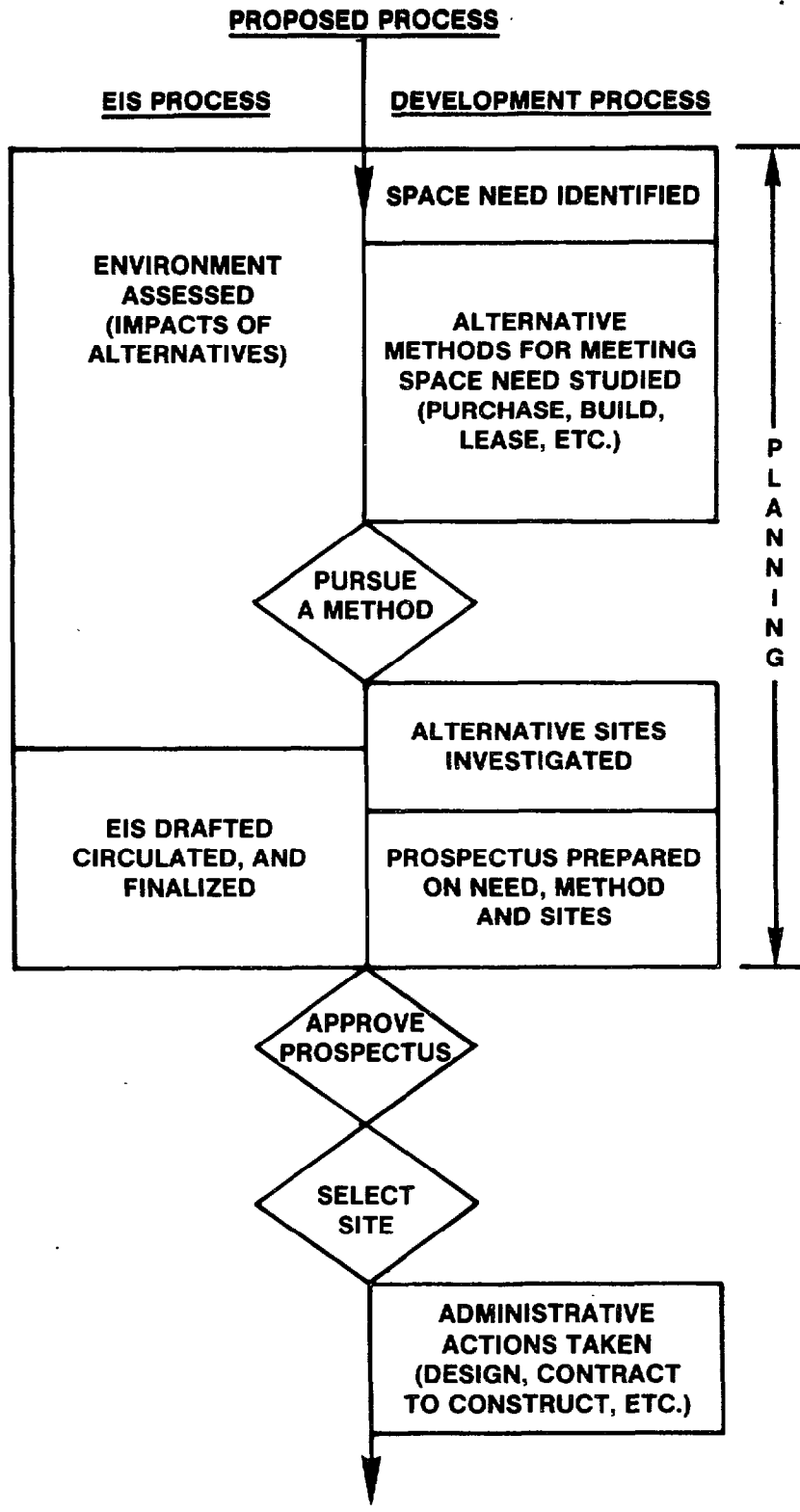
In comparison with GSA's current process, this one would:

--Produce EISs in time to accompany project proposals through the review process used to obtain congressional committee approval of GSA prospectuses.

--Produce EISs which cover the environmental impacts of alternative project sites along with space-acquisition methods.

--Prevent EIS completion from lagging behind site selection decisions and administrative actions to implement approved projects.

Under this proposed process, both the draft and final EIS would discuss alternative sites before a site was selected. To help avoid adversely affecting GSA's ability to purchase a selected site, the EIS would give equal attention to all reasonable, alternative sites, without favoring a particular one. In that way, external sources could comment on the environmental impacts of the alternatives before any particular one is selected, as we believe NEPA intends.



◇ **DECISIONMAKING POINTS**

Environmental Protection Agency

All five sampled EISs for EPA were prepared late (after planning) and in two cases, after design work was completed by the project grantees. This late statement preparation led to:

- Construction delays pending EIS completion on the two projects where design was done.
- EIS completion lagging behind some portions of EPA design approval on one project.

For the other two projects, EISs were prepared while EPA reviewed the grantees' plan and design, and a delay did not result.

The amount of time required to prepare the five selected EISs (an average of about 8 months) was relatively minor compared with the average time required to plan, design, and construct the five projects (about 9 years).

The two delayed projects

Because the two delays occurred on projects where construction was impending, the only way for EPA to prepare an EIS before construction began was to stop project development. One of these, the New Shoreham Waste Treatment Facilities project, Rhode Island, was delayed 17 months--a significant delay considering that the project could have been planned, designed, and constructed in about 5 years, but will now take over 6 years. The delay did not increase construction costs because the contractors held the same price proposed before the delay.

The other delayed project, Tunnel and Reservoir Plan (TARP) Mainstream Tunnel of Greater Chicago, Illinois, was delayed about 10 months for 8 of 21 miles of tunnel construction. In comparison, the expected development period for this project, from start of planning to construction completion, is at least 13 years. State officials believe that construction costs would increase because of this delay but could not estimate the amount.

The lagged project

The case where EIS preparation lagged behind some portions of design approval was the Winnepesaukee River Basin Waste Treatment Facilities project, New Hampshire. EPA awarded grants for some portions of design work on this project before an EIS was completed because it wanted to monitor design closely and reimburse the grantee sooner. An EPA official advised us that this was done according to

EPA's NEPA regulations, 40 CFR 6.504 (1976), which state that when overriding considerations of costs or impaired program effectiveness occur, EPA may issue a negative declaration and award a design contract for a discrete project segment if it is not controversial after consulting with CEQ.

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Late EPA involvement with grantees in project development and use of controversy as a criterion for determining the need for EISS have contributed to late preparation of EISS on EPA projects.

Late EPA involvement in projects

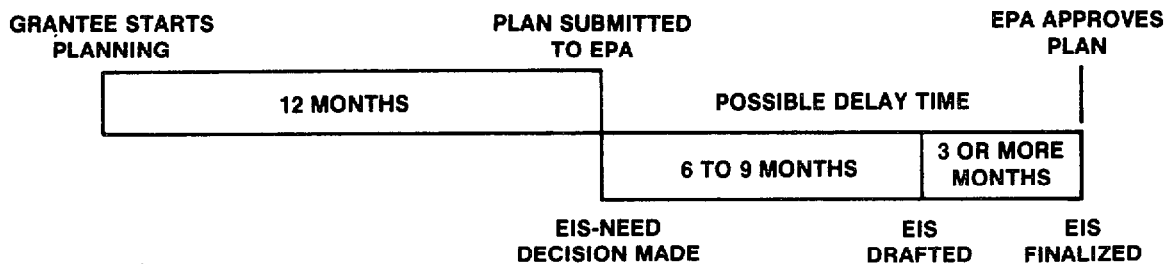
EPA prepared each of the five impact statements late because it was not involved in the projects until after the grantees had completed plans and sometimes designs for the waste treatment facilities involved. The projects were planned under procedures by which EPA awarded a single grant for estimated construction costs, as well as planning and design costs already incurred by a municipality.

Under new procedures EPA awards grants in the following steps: (1) a grant is first awarded for the planning of facilities involved; (2) completed facilities plans are then submitted to EPA for review and approval after which a grant is awarded for design; and (3) upon approval of design, a construction grant is awarded. Municipalities which were in the process of planning or design work when the new procedures were implemented can still enter the program at the design or construction stages. EPA anticipates that by 1978, all projects will be entering the waste water treatment facilities program before the planning stage.

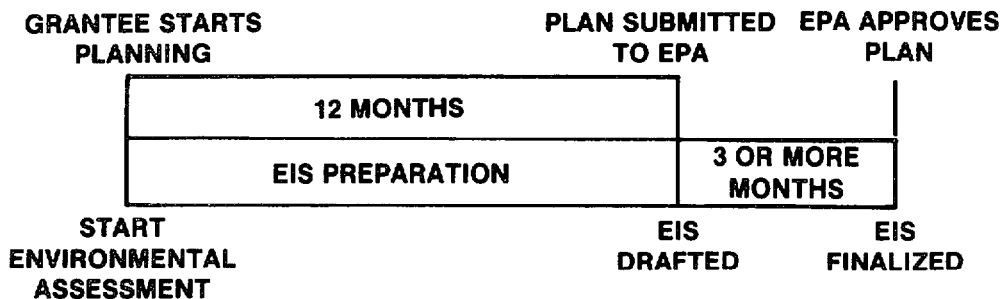
Thus, it appears that the new step-grant procedures will give EPA an opportunity to participate with grantees in planning and, thus, enable it to recognize whether or not an EIS is needed early in a project-development process.

Nevertheless, some projects may continue to be delayed because EPA's standard EIS preparation process does not begin until a grantee completes a facilities plan. By then about 12 months of planning time has usually elapsed. About 6 to 9 months are then added for EPA to (1) review an environmental evaluation included in the grantee's facility plan to determine if significant environmental impacts are likely to result from the proposed action, (2) obtain additional environmental information, and (3) draft an EIS. Public meetings take another month. Three or more additional months are then needed to circulate the draft for comment, evaluate comments received, and finalize and file the document with

CEQ. The existing process and approximate times involved are depicted below.



Most of this additional time could be avoided if EIS-preparation work were integrated with work done during the 12 months spent for grantee planning. The integration process is depicted as follows.



Using this approach, an EIS-need decision must be reached early in planning to allow time to draft the EIS before grantee-planning ends.

In Regions I (Boston) and V (Chicago), where the selected EISs were prepared, EPA officials told us that they often lack enough information about a project until after planning to reach an EIS-need decision. To help solve the problem, Region V sent letters to its six States explaining the importance of identifying potential EIS projects as soon as possible and asking for their cooperation, but only three of the States replied, and none identified any projects.

Region IX (San Francisco) has developed a process known as "piggybacking" which integrates EIS preparation with the planning process. The region has reported to EPA headquarters that delays can be significantly reduced when this process is used. A key part of the process is obtaining enough information to judge whether a project needs an EIS early in planning. If one appears needed, the region signs an agreement with the grantee for the grantee's consultant

to assess jointly the environment and draft the EIS. A draft EIS is issued with the completed facilities plan, and a design grant can be awarded 3 months later. Other EPA regions have begun to use piggybacking.

In summary, EPA's new procedures for awarding grants in steps will give EPA an opportunity to participate in grantee planning and thus recognize the need for EISs in the planning stage of project development. The piggybacking approach used by some EPA regions appears to be a way for (1) identifying early in the planning stage whether a proposed action requires an EIS and (2) integrating EIS preparation with project planning. We are not aware of any compelling reason why such integration could not occur in all EPA regions. As discussed earlier in this chapter, it is an effective way for considering environmental impacts during project development and avoiding project delays resulting from EIS preparation.

EPA's use of controversy

In addition to grant procedures, controversy contributed to late statement preparation on the New Shoreham project. Controversy was used as a criterion for determining the need to prepare an EIS. It is cited as an element by EPA in its regulations and by CEQ in its guidelines for Federal agencies to consider when deciding whether or not an EIS shall be prepared. In contrast, however, controversy is not mentioned as a criterion to be considered in NEPA. The difficulty is that whether a proposal is controversial, appears to be utilized, by itself, as an indicator that the proposed Federal action has significant impacts on the human environment. That is to say, an EIS may be done under present EPA regulations and CEQ guidelines if people object to the project without regard to whether the project may have a significant environmental impact. In this respect, controversy as a criterion is an indicator of what people think of the project and not how significant the project is in terms of its impacts on the environment.

When EPA first approved grants for this project, it decided that an EIS was not required. Subsequently, controversy grew over the project's environmental impacts, including induced community growth. Also, because CEQ had received numerous complaints about the project, it requested EPA to prepare an EIS. EPA felt it was weak in evaluating secondary growth effects and that a judge would rule against it if the EIS issue went to court. On that basis, EPA reversed its earlier decision and prepared an EIS.

While we do not question the need for an EIS in this case, EPA's handling of the matter seems inappropriate. The controversy over the significance of environmental impacts (i.e., secondary growth effects) coupled with EPA's recognition that its evaluation of those impacts was "weak," in our view, should have triggered an adequate environmental evaluation as early as possible in the development of this project. Among other matters such an evaluation was needed to reach a judgment as to whether the impacts were sufficiently significant to warrant EIS preparation. If warranted an EIS could have then been prepared to disclose the significance of the impacts along with any project alternatives to be considered in light thereof.

An EPA internal task force report published in 1974 ^{1/} stated that 7 of 10 regional offices prepared EISs only when there was public controversy. EPA officials advised us that 3 of 7 EISs in process at the time of our audit in Region I and at least 2 of 10 in Region V were initiated due to controversy.

NEPA's criteria for judging whether an EIS is needed on proposed projects are whether they are a "major action" and have "significant impacts." Use of "controversy" in addition to NEPA's criteria could result in preparing EISs on actions with minor impacts, thereby unnecessarily contributing to project delays and adding to administrative costs. Moreover, EISs could be misused under this criterion by serving to quell legitimate concerns about environmental impacts which, if adequately considered, might lead to improved Federal actions as intended by NEPA.

Federal Highway Administration

EIS delays averaging 12 to 18 months occurred on 3 of 9 FHWA projects sampled. Generally, these three were high-priority projects which had been funded prior to the passage of NEPA. The other six projects were also initiated prior to NEPA but were being delayed because of funding problems or other reasons when the EIS was prepared. In none of the nine cases did FHWA let EIS preparation lag behind major project decisionmaking.

Projects delayed by EIS preparation

California State Highway officials informed us that Guadalupe Freeway in San Jose, Interstate 5 between Stockton and Sacramento, and Simi Valley Freeway in Los Angeles were delayed due to EIS preparation. They explained that each

^{1/}"Review of the Municipal Wastewater Treatment Works Program," U.S. Environmental Protection Agency, Nov. 30, 1974.

was high priority and had been funded before NEPA. By the time EIS preparation began, planning was done, design was nearly completed, and construction dates had been programmed.

According to State highway officials, although an average of 41 months elapsed during EIS preparation, it delayed construction only about 12 to 18 months for two reasons:

- The need for an EIS was foreseen many months before the planned start of construction. To the extent EIS preparation occurred during this period, construction was not delayed.
- Once started, EIS preparation was interrupted because of a change in project funding priorities, which lessened the urgency to complete an EIS. Thus, EIS preparation time was stretched, and took longer than would have been required had construction been pending throughout the preparation period.

In comparison with the 12 to 18 months of delay time, an average of about 16 years had elapsed in the various pre-construction stages of these 3 projects as of September 1976. At that time contracts had not yet been awarded for project construction.

State officials told us that the three EIS delays had not increased overall program costs because the project funds were transferred to other projects while the EISs were being prepared.

Projects not delayed

An average of 42 months elapsed during preparation of the other six EISs. This time did not delay construction because project development in all cases was already being delayed for other reasons, including funding problems, during the preparation period. As of September 1976, an average of almost 17 years had elapsed in the development of these six projects, almost 13 years of which occurred prior to passage of NEPA, and only one project was under construction.

In March 1972 we reported ^{1/} that planning for a highway alone is a time-consuming process, taking an average of 8.7 years. For each project then reviewed, additional time was required in the planning process because of delays, disputes, and periods of inactivity of up to 4 years.

^{1/}Report to the Committee on Public Works, United States Senate, entitled "Factors Affecting the Lengthy Process of Planning Highways," (B-164497(3), Mar. 10, 1972).

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While EIS-caused delays occurred in only three of the selected projects, they apparently could have occurred in all nine cases had not other delays taken place. Also, while the EIS delays were only a small portion of total project development time, they nevertheless amounted to as much as 18 months.

EIS preparation was started late on all nine projects due to grandfathering. California Highway officials advised us that by 1980 to 1985, EISs will have been completed on major pre-NEPA planned projects.

For post-NEPA planned projects, FHWA procedures provide for integrating EIS preparation with project planning. Even when integration occurs, EIS preparation can extend average development time about 9 to 12 months if the project has priority. The extended period includes about 2 months for circulating a draft EIS, 5 months for responding to comments and preparing the final EIS, and 2 to 5 months (depending upon the adequacy of Federal-State coordination) for FHWA review and approval and for CEQ filing. The first two processes, or about 7 months, are under the control of the State. Since the entire period can be anticipated, it can be factored into construction target dates. Accordingly, unanticipated delays should not generally result when EIS preparation is integrated with project planning.

CONCLUSIONS

While EIS preparation has seldom caused long delays in the development of public works projects for the four agencies included in this audit, some delays have occurred. They are usually moderate in length, relative to total project development time. Often the projects involved are grandfathered cases, which are expected to become less frequent over time. To the extent grandfathering remains, public works agencies can maximize the usefulness of EIS preparation and reduce the risk of project delays by determining as soon as possible whether an EIS is needed and preparing it before additional major decisions need to be made.

A problem with EIS preparation that is more common than project delays is decisionmaking without a completed EIS. This occurs when impact statement completion lags behind planning, design approval, or the start of construction. When an EIS lags behind planning, premature decisions are reached because environmental impacts are considered later than economic and technical factors. When an EIS lags behind the later stages of design and construction, as well as planning, not only are additional decisions reached prematurely, but EIS preparation tends to become a perfunctory task rather than an aid in decisionmaking.

Such lags may continue unless agencies improve their procedures or practices to ensure that impact statements are prepared during project planning. FHWA's current EIS process provides for impact statement preparation during project planning, but the other three agencies--the Corps, GSA, and EPA--have procedures or practices which allow late EIS preparation as follows:

- The Corps sometimes designs and starts construction of projects before EISs are completed.
- GSA plans projects, obtains congressional approval, and prepares to implement plans before EISs are complete.
- EPA allows grantees to complete project plans before determining whether any EIS needs to be prepared.
- EPA, in accordance with CEQ guidelines, allows controversy to be used as a justification for preparing EISs late in the project development process.

Agency procedures or practices which allow EISs to be completed after planning seem inconsistent with NEPA's requirement that EISs, complete with comments, accompany proposals through existing agency review processes. The way to meet that requirement without risking significant delays is to integrate EIS preparation into agency decisionmaking processes during the project planning stage. Integration, by ensuring that project planning is done concurrently with EIS preparation, facilitates the consideration of environmental impacts along with economic and technical factors in developing major Federal proposals.

RECOMMENDATIONS TO AGENCY HEADS

The Secretary of the Army should monitor the Corps' practices, and the Administrators of GSA and EPA should revise their procedures so that EISs are prepared concurrently with project planning and completed in time to accompany proposals through agency review processes for approval.

The Secretary of the Army should also direct the Chief, Corps of Engineers, to see to it that impact statements prepared on Corps projects planned prior to the act, and on major additions to existing Corps projects, be completed as early as practicable and whenever possible before reaching any further major decisions, such as starting construction.

The Chairman of CEQ should:

- Eliminate controversy as a criterion in its Federal agency guidelines for determining whether EISS are needed on Federal actions.
- Review Federal agency regulations to be sure they require that EISS be prepared concurrent with project planning.
- Advise the Congress and the President whenever agencies do not have such requirements.

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In testimony at public hearings, we suggested that CEQ, in issuing its regulations under Executive Order 11991, require Federal agencies to complete, when feasible, EISS during the planning stages of project development. The hearings were held on June 6, 1977, by CEQ on ways to improve NEPA's implementation, particularly the preparation of EISS.

RECOMMENDATION TO THE SENATE COMMITTEE
ON ENVIRONMENT AND PUBLIC WORKS

The Committee should require the Administrator, GSA, to include completed EISS along with that agency's requests (prospectuses) for Committee approval of space-acquisition plans. This will help the agency reach major decisions after considering the environment and provide the Committee with full environmental information when reviewing the agency's space-acquisition proposals.

The Committee on Public Works and Transportation, House of Representatives, also should adopt this recommendation because GSA submits prospectuses for its approval as well.

COMMENTS BY AGENCY OFFICIALS
AND OUR EVALUATION

All agencies covered in this review furnished written comments on a draft of this report. (See apps. III through VIII.) Comments received concerning the facts have been dealt with, where appropriate, in the report's body. Comments concerning the conclusions and recommendations are discussed below.

For the most part, the agencies agreed with the report's basic thrust--integrating EIS preparation with agency planning. CEQ said that such integration coincides with its policy. It agreed, as recommended, to review agency regulations for

compliance therewith and to inform the President and the Congress of any noncompliance. Only GSA and the Corps disagreed with any of our conclusions and recommendations. In addition, both CEQ and GSA offered different solutions for preparing timely impact statements on GSA projects. Also, EPA expressed some reservations about totally eliminating controversy as a criterion for EIS preparation.

Regarding GSA projects, CEQ basically agreed with our positions but suggested that a better solution than completing an EIS before requesting congressional committee approval of space-acquisition plans would be to (1) submit a circulated draft EIS to the committees--concentrating on GSA's space plans and (2) finalize the EIS later--concentrating on design matters. CEQ said that GSA's analyses of design matters in final EISs have proved to be of great significance to communities throughout the country.

As compared with the solution we are recommending (see flow chart on p. 19), CEQ's proposed solution would allow project plans to be approved before (1) comments on draft EISs are evaluated, (2) GSA responds to those comments, and (3) those responses are published in a final EIS for final public comment. Thus, major alternatives to the approved plan (alternative actions or no action, alternative methods of space acquisition, and alternative locations) could be rejected before environmental impacts are fully disclosed and considered. Although the act of finalizing an EIS before these planning choices are made, as we favor, would preclude the analysis of design matters in the final EIS, which CEQ favors, it would not preclude the analysis itself. We believe that environmental analyses of design matters, like planning matters, are justified regardless of whether or not EISs are prepared. A supplemental or separate EIS could be prepared in the event that design action itself constituted a major action requiring EIS preparation under NEPA.

GSA, while supporting an environmental planning process that begins early in project planning, disagreed with our view that its EISs should be completed before requesting congressional committee approval of its space-acquisition plans. GSA said that, because such requests do not assure that action will be taken, an expenditure of resources for preparing an EIS before the requests are made would not appear prudent or intended by NEPA. A better time for completing an EIS on projects, it contended, would be before resources are committed irreversibly or irretrievably to the approved action.

In our view GSA's position fails to recognize a basic purpose of NEPA's impact-statement-timing requirement--to disclose environmental impacts before decisions are reached on alternative courses of action. Pages 5 through 8 of this report were prepared to explain our understanding of that requirement because we believe it has been frequently misunderstood by Federal agencies.

The requirement is not stated in reference to when "resources are committed irreversibly or irretrievably," but rather to an earlier time in the process of developing Federal actions. Essentially, the requirement is for agencies to complete an EIS in time to accompany a proposal through the existing agency review process. In applying that requirement to GSA, its space-acquisition plan is a proposal, and its review process is the various levels of decision-making through which that plan must pass, including congressional committee review. Since the purpose of any review process is to reach positions on proposals, it follows that if some environmental information is to be obtained after positions thereon are reached, that information is less apt to be considered objectively. Objectivity would be lessened because the decisionmaker has (1) probably formed a bias in reaching that position, (2) defended it under review and approval by superiors and others, and (3) advanced the proposal beyond the logical point of considering new data.

The costs which GSA would save by completing EISs after congressional committees have approved its plans would apparently be minor: the cost of EIS preparation has been minor in relation to total project cost (see pp. 34 and 35), and the committees have seldom rejected GSA's plans (only one of nine requests between January 1, 1974, and September 23, 1976, was rejected). Moreover, the value of incurring these costs is, in our opinion, considerably lessened when the completed EIS is not available until after plans are approved.

Recently, GSA began developing program-type EISs, which could partially satisfy our objections to its present procedures in some cases. Such program EISs would assess the environmental impacts of all space needs in major metropolitan areas over a 3- to 5- year period. Since this EIS could be completed at the same time plans are being made to meet space needs, the procedure could facilitate the consideration of some environmental impacts during program planning, before individual projects are proposed. GSA anticipates that this new procedure, when implemented, could reduce the number of EISs prepared on specific projects. As with the project-type EIS, we believe that these program statements should also be completed in time to accompany the proposal (i.e. the program plan) through the existing agency review process, including any congressional committee review.

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The Corps, while supporting the preparation of EISs during planning, disagreed with our conclusion that it sometimes allows design and construction to start prior to filing an EIS. On grandfathered projects the Corps' position and its practice is to proceed with design and construction rather than delay ongoing projects while preparing the environmental statement. It believes this clearly complies with NEPA and is a prudent course of action to prevent significant delays and resultant increased construction costs.

As explained on pages 7 and 8, we believe that EISs should be completed on grandfathered projects before any further major decisions are reached. If the EIS is to be appropriately used as a part of the decisionmaking process, it must be completed as early as practicable and whenever possible before the next major decisionmaking point is reached. This practice was followed by FHWA in all three cases covered in this report of highway delays due to EIS preparation, and grandfathering was involved in each of them. We believe that such a practice is essential in order to minimize adverse environmental effects and to make EIS preparation as meaningful as possible for decisionmakers rather than a mere exercise in complying with the letter of the law.

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In response to our recommendation to eliminate controversy as a criterion for EIS preparation, CEQ said it would take it into careful account during a current review of its guidelines. EPA expressed general agreement with the recommendation. However, it indicated that controversies which are based on violation of environmental thresholds could be used to trigger an EIS in order to protect the public's right to question an agency's decision on environmental grounds. By "environmental thresholds," EPA was referring to the point at which environmental impacts of proposed actions are judged, in accordance with established criteria, to be sufficiently significant to warrant EIS preparation.

We concur in the need to protect this public right but do not believe it can be effectively accomplished by letting a controversy directly trigger an EIS. An objective assessment of environmental impacts should trigger an EIS. Controversies over violations of environmental thresholds should be resolved through these assessments because, in this manner, objective determinations can be reached on the need for impact statements and the information needed for full public disclosure can be generated in the event the

statement should be prepared. Our objections to letting controversy directly trigger an EIS are discussed more fully on pages 23 and 24 in relation to the sampled project in which a controversy led directly to statement preparation.

CHAPTER 3

OTHER ASPECTS OF

IMPACT STATEMENT PREPARATION

In addition to influencing project timing as discussed in chapter 2, the EIS requirement of NEPA has other effects on Federal programs, such as:

- Its use by the public as a basis for bringing court suits against agencies. Some of the 29 selected projects were involved in NEPA-related suits, although the suits had not delayed the projects. In other cases, NEPA suits have delayed projects.
- Its cost of implementation. In all 29 cases, the cost of EIS preparation was minor in relation to project costs.
- Its results in terms of modifying projects. Some modifications did result even though EIS completion occurred late in all 29 cases. Such benefits could be greater in the future if EISs are prepared when projects are planned as discussed in chapter 2.

Each of these three aspects of impact statement preparation are discussed below.

NEPA COURT CASES

Courts can issue injunctions stopping projects for failure to prepare an EIS or for failure to prepare an adequate EIS. While none of the 29 selected projects was delayed by such injunctions, 8 of them had been involved in NEPA-related court suits:

- The Corps' North Bonneville Relocation project was involved in a suit for failure to file an EIS on the relocation. Before the suit was settled, the Corps prepared the EIS to prevent a threatened construction halt.
- The Corps' Catherine Creek project was involved in a five-claim suit, one of which--failure to file a timely EIS--related to NEPA.
- The Corps' Lower Monumental, Little Goose, and Lower Granite Dams were included in a suit partly relating to NEPA which claimed that environmental studies were inadequate.

--EPA's O'Hare Water Reclamation Plant and its Wastewater Conveyance System projects were cited in a suit which claimed that both EISs were inadequate.

--GSA's Federal Building, Jackson, Mississippi, was the subject of a suit alleging that GSA violated NEPA by not presenting an EIS to congressional committees.

Nationwide, very few projects have been delayed due to NEPA-related court suits. CEQ surveyed agency experience on NEPA litigation and reported ^{1/} that through June 30, 1975, no more than 60 completed court cases resulted in temporary injunctions. The injunctions ranged from a few weeks to the time required to prepare an adequate EIS. Only four were "permanent" injunctions, although in no case was the agency precluded from proceeding with its project or program after it complied with NEPA.

In comparison with the 60 injunctions, CEQ reported that through June 30, 1975, 332 NEPA court cases had been completed, 322 cases were still pending, and in fiscal year 1975 alone, more than 30,000 actions were assessed by Federal agencies to determine whether they would cause significant environmental effects.

COSTS

The estimated cost of EIS preparation for each of the 29 selected projects is shown in appendix II. The average is about \$97,000, or about one-tenth of 1 percent of project construction costs. The following chart shows EIS cost estimates and their percentage of project construction costs by agency.

<u>Agency</u>	<u>Number of EISs</u>	<u>Average estimated EIS costs</u>	<u>Percent of construction costs</u>
Corps	11	\$ 86,000	0.09
EPA	5	80,000	0.06
FHWA	9	106,000	0.36
GSA	4	125,000	0.22

1/Environmental Impact Statements, Analysis of Six Years' Experience by Seventy Federal Agencies. Report of the Council on Environmental Quality, March 1976.

In all 29 cases except one 1/, estimated EIS preparation costs were less than 1 percent of estimated or actual project construction costs. They were about 6 percent of planning costs in FHWA, the only agency where a comparison with planning costs was drawn.

The four agencies do not account separately for EIS preparation costs. They reconstructed the costs at our request from available records and a combination of other sources, including contract amounts, personal diaries, empirical data, judgments, and recollections. We did not ask them to include costs incurred by other agencies and the public in reviewing and commenting on the EISs.

Frequently, environmental assessments were the most costly element in EIS preparation. Costs were also incurred to (1) draft the EIS, (2) reproduce and circulate it and the final EIS, (3) provide legal defense, (4) conduct internal reviews of both documents, (5) hold public meetings, and (6) evaluate comments received.

These estimates were generally the specific cost of EIS preparation activities. General EIS preparation costs were also incurred but these could not be reconstructed on a project basis. These are costs of an overall NEPA program nature, incurred for such matters as training, preparation of guidelines, responding to internal and external requests for information, and monitoring of statement preparation activities. Estimates furnished by GSA indicate that general costs have been about 60 percent of direct EIS preparation costs in that agency.

MODIFICATIONS

The frequent preparation of impact statements late in the project planning and decisionmaking process (see ch. 2) raises a question of the benefits accruing from statement preparation. That is, what is the utility of preparing impact statements after projects have been substantially planned? To help answer this question, we inquired into one measure of benefits--project modifications which result from EIS preparation.

Discussions with agency officials showed that 10 of the 29 selected projects were modified as a direct result

1/EIS preparation costs on EPA's New Shoreham Waste Treatment Facilities project were about 2 percent of construction costs.

of the EIS process, including projects of each of the 4 agencies. Additionally, five projects were modified as an indirect result of EIS preparation.

Modifications resulting directly from the EIS process included the following:

- Three of the 11 Corps projects were modified to either change dredge spoil dumping sites or to construct perforated pipe and permeable gravel blankets to aid fish migration (Coos Bay Navigation Channel, Oregon; Columbia-Lower Willamette River 40' Navigation Channel, Oregon; and North Bonneville Town Relocation project, Washington).
- Two of the five EPA projects were modified to either maintain adequate lake access or to protect beaches from effluent discharges (Winnipisaukee River Basin Waste Treatment Facilities project, New Hampshire; and the New Shoreham Waste Treatment Facilities project, Rhode Island).
- Three of the nine FHWA projects were modified to either preserve an archeological site, reduce visual and noise pollution, or provide bicycle access to roadways (Antioch Bridge--State route 84, Penn Valley to Grass Valley--State route 20, and Simi Valley-San Fernando Valley Freeway--State route 118, California).
- Two of the five GSA projects were modified to prevent either earth erosion or basement flooding (Social Security Administration Administrative Headquarters Expansion, Maryland; and Federal Building, Mississippi).

Examples of modifications resulting indirectly from EIS preparation included:

- Levee beautification, aesthetic improvements and tree preservation on river banks, and traveling screens to aid fish passage in four Corps projects (Lower Granite Dam Additional Power Units, Little Goose Dam Additional Power Units, Lower Monumental Dam Additional Power Units, Washington; and Lower Willamette River Bank Protection, Oregon).
- Construction of two buildings instead of one in a GSA project (Social Security Administration Administrative Headquarters Expansion, Maryland).

Agency officials explained that such results were indirect in that earlier experience in the EIS process had heightened environmental awareness on these projects. As a more general example, highway planners are now aware through past EISs that separation structures to facilitate deer crossings are environmentally preferable, and would plan accordingly for such structures on future projects.

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 BAILEY GUARD, MINORITY CLERK

United States Senate

COMMITTEE ON PUBLIC WORKS
 WASHINGTON, D.C. 20510

May 5, 1976

The Honorable Elmer B. Staats
 Comptroller General of the United States
 General Accounting Office
 Washington, D.C. 20548

Dear Mr. Comptroller General:

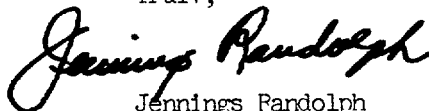
The National Environmental Policy Act formalized the commitment of the government to give proper consideration to the environmental consequences of Federal programs. While the implementation of this Act has been beneficial, it has imposed new requirements on State and local governments as well as the Federal establishment. Accordingly, adjustments in procedures have been necessary and we are informed that these sometimes result in project delays and increased costs.

While the Committee on Public Works believes that environmental considerations are and should continue to be an integral part of Federal programs, I am concerned that the National Environmental Policy Act not become a hindrance to the orderly pursuit of programs for the general public welfare. It would be valuable, therefore, to know the results of seven years of experience with the Act.

I request, therefore, that the General Accounting Office prepare for the Committee a report on the cost to both government and the private sector of preparing environmental impact statements required by the Act. This report should include both the dollar cost of preparing impact statements and the cost in time delays to projects and agency decisions.

This information will be helpful to the Committee in assessing the environmental aspects of programs under its jurisdiction and how they might more effectively comply with the requirements of the National Environmental Policy Act.

Truly,



Jennings Randolph
 Chairman

ENVIRONMENTAL IMPACT STATEMENTSSELECTED FOR DETAILED REVIEWCORPS OF ENGINEERS
North Pacific Division

<u>Project name</u>	<u>Project location</u>	Status at 9-30-76 and estimated construction costs (millions)	<u>Estimated EIS costs</u>	<u>EIS filing date and preparation time (note a)</u>
<u>PROJECTS FOR WHICH EIS LAGGED BEHIND</u>				
Chief Joseph Dam Additional Power Units	Columbia River, Washington	Under con- struction-- \$295.7	\$ 46,000	July 1975-- 19 months
Lower Granite Dam Additional Power Units	Snake River, Washington	Under con- struction-- \$49.2	61,000	July 1975-- 58 months
Lower Monumental Dam Additional Power Units	Snake River, Washington	Under con- struction-- \$53.8	62,000	May 1976-- 31 months
Catherine Creek Dam	Catherine Creek, Oregon	Construction pending-- \$33.0	40,000	January 1975-- 43 months
Little Goose Dam Additional Power Units	Snake River, Washington	Under con- struction-- \$55.1	36,000	January 1975-- 29 months
North Bonneville Town Relocation	North Bonneville, Washington	Under con- struction-- \$16.4	247,000	March 1976-- 18 months
<u>OTHER PROJECTS</u>				
Columbia-Lower Willamette River 40' Navigation Channel	Portland, Oregon to Pacific Ocean	Complete-- \$25.1	123,000	September 1975-- 27 months
Coos Bay Navigation Channel	Coos Bay, Oregon	Under con- struction-- \$21.3	132,000	December 1975-- 33 months
Dworshak Dam and Reservoir	North Fork, Clear water River, Idaho	Under con- struction-- \$281.4	58,000	December 1975-- 47 months
Willamette River Bank Protection	Willamette River and Tributaries, Oregon	Under con- struction-- \$16.5	66,000	July 1975-- 22 months
Libby Dam Additional Power Units and a Re-regulating Dam	Kootenai River, Montana	Design com- pleted-- \$180.7	76,000	January 1976-- 25 months
Average--11 projects				<u>32 months</u>

GENERAL SERVICES ADMINISTRATION

Region IV and Headquarters Project Management Office

PROJECTS FOR WHICH EISs LAGGED BEHIND PLAN APPROVAL

Social Security Admin- istration Administra- tive Headquarters Ex- pansion	Baltimore and Woodlawn, Maryland	Under con- struction-- \$158.7	\$444,000	January 1975-- 22 months
Federal Building	Jackson, Mississippi	Under con- struction-- \$24.8	26,000	August 1975-- 46 months
Federal Building and Courthouse	Fort Lauderdale, Florida	Under con- struction-- \$18.0	17,000	August 1975-- 45 months
Federal Building and Courthouse	Columbia, South Carolina	Under con- struction-- \$23.8	14,000	March 1975-- 35 months
Average--4 projects				<u>37 months</u>

ENVIRONMENTAL PROTECTION AGENCY
Regions I and V

<u>Project name</u>	<u>Project location</u>	<u>Status at 9-30-76 and estimated construction costs</u> (millions)	<u>Estimated EIS costs</u>	<u>EIS filing date and preparation time (note a)</u>
<u>PROJECTS DELAYED BY EIS PREPARATION</u>				
New Shoreham Waste Treatment Facilities	Rhode Island	Under construction-- \$4.2	\$ 82,000	October 1975-- 12 months
TARP Mainstream Tunnel System	Chicago, Illinois	Design completed-- \$407.4	82,000	May 1976-- 6 months
<u>PROJECT FOR WHICH EIS LAGGED BEHIND DESIGN APPROVAL</u>				
Winnepesaukee River Basin Waste Treatment Facilities	New Hampshire	Under construction-- \$53.3	149,000	April 1976-- 9 months
<u>OTHER PROJECTS</u>				
O'Hare Water Reclamation Plant	Chicago, Illinois	Under construction-- \$120.0	45,000	May 1975-- 6.5 months
O'Hare Waste Water Conveyance System	Chicago, Illinois	Under construction-- \$68.3	40,000	May 1975-- 6.5 months
Average--5 projects				<u>8 months</u>

FEDERAL HIGHWAY ADMINISTRATION
California Division

<u>PROJECTS DELAYED BY EIS PREPARATION</u>				
Guadalupe Freeway (Route 87)	San Jose, California	Under design-- \$21.5	\$ 72,000	September 1975-- 35 months
Interstate 5 between Stockton and Sacramento	Sacramento County, California	Under design-- \$12.0	57,000	April 1975-- 47 months
Simi Valley Freeway (Route 118)	Los Angeles County, California	Under design-- \$58.2	477,000	April 1976-- 40 months
<u>OTHER PROJECTS</u>				
State Route 99	Sacramento and Sutter Counties, California	Under design-- \$19.8	30,000	August 1975-- 38 months
Manteca By-pass (Route 120)	San Joaquin County, California	Under design-- \$23.1	87,000	April 1976-- 30 months
Antioch Bridge (Route 84)	Contra Costa and Sacramento Counties, California	Under construction-- \$36.5	39,000	May 1975-- 50 months
Penn Valley to Grass Valley (Route 20)	Nevada County, California	Under design-- \$13.2	76,000	May 1975-- 39 months
Interstate 5 at Shasta	Shasta County, California	Under design-- \$26.2	51,000	May 1975-- 37 months
San Diego, 40th Street	San Diego, California	Under design-- \$58.0	68,000	October 1975-- 56 months
Average--9 projects				<u>41 months</u>
Total (Average--29 projects)				<u>31 months</u>

a/Represents elapsed time. Periods of inactivity or little activity occurred during EIS preparation.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

April 28, 1977

Dear Mr. Staats:

The Council on Environmental Quality has reviewed the draft report of the General Accounting Office entitled "The Environmental Impact Statement -- It Seldom Causes Long Delays but Could be More Useful if Prepared Earlier." We commend you and your staff for the quality of this report and for its constructive criticism of certain existing practices under the National Environmental Policy Act.

The recommendations of the report that are directed to the Council on Environmental Quality have been very useful to us. The first is that we should eliminate "controversy" from our guidelines as a criterion for agencies to determine the need for an impact statement. We are aware of the importance of this question and shall take GAO's recommendation into careful account in the course of our current review of our EIS guidelines.

The second recommendation, that CEQ should review federal agency regulations to determine whether EISs are prepared concurrently with project planning, coincides with our EIS policy as stated in our current guidelines. While staff constraints have prevented the Council from conducting the kind of detailed and time-consuming agency review that may be necessary in certain cases, we continue to believe that this recommendation is important to help agencies use NEPA to benefit their programs and projects. Some agencies have already sought our assistance in this area, but we will take further steps over the next year to build this approach into all agency regulations.

Finally, we agree that the Council should bring to the attention of the Congress, the President, and, we would add, the public, information on agencies that have not sought to integrate EISs with project planning.

Regarding the other aspects of GAO's report, we have some additional comments on your recommendations to the General Services Administration. Specifically, GAO recommended that Congressional committees in the House and Senate require GSA to submit a completed EIS along with GSA's request that the committee approve its prospectus for space acquisition and use. Although we recognize the timing and financial difficulties that GSA may have in complying with this recommendation, we believe that it is basically sound. The committees, the public and other federal agencies would benefit from an analysis of the impact of alternative plans and architectural programs prior to approval of the prospectus.

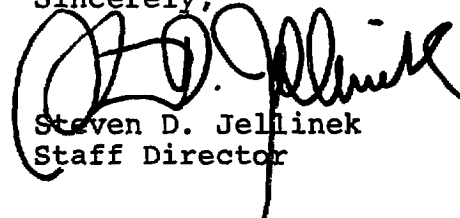
We understand that GSA seeks to provide this kind of information now through the submission to the committees of a preliminary draft environmental impact statement. A better solution, we believe, would be for the GSA to submit to the committees a draft environmental impact statement combining in a single document the necessary descriptions of the prospectus and the analysis of its environmental impacts and the impacts of alternatives. Such early circulation of the draft is consistent with regulations GSA is developing to comply with the Public Buildings Cooperative Use Act, which will require a survey of available buildings of architectural, cultural, or historic value prior to submission of a prospectus, in order to give full consideration to the use of such buildings for federal office space. Comments received by GSA on this draft EIS/prospectus can then be readily made available to the committees. Any additional material that might be prejudicial to the proposal if publicly disclosed can be made available by GSA to the committees under cover letters or by other means, as appropriate.

Once the committees have approved the prospectus, or have approved a new or changed proposal, we believe that GSA should then prepare its final environmental impact statement. This document should concentrate its environmental analysis on the environmentally significant design issues and alternatives raised by any approved space purchase or building construction proposal that the draft EIS was unable to address. The final statement would reflect and analyze any changes made as a result of the EIS review by the committees and would respond to all comments received on the draft EIS. If these changes are significant, it may be necessary for GSA to prepare a revised draft, but in most cases a final EIS would suffice.

By permitting the draft EIS to be prepared and circulated before committee approval of a prospectus, and a final EIS to follow such approval, we believe that the NEPA process achieves a number of important policy goals: it provides Congress and the public with the necessary information and the time to weigh the significant environmental impacts and program alternatives; it permits GSA to modify the final EIS, as appropriate, following Congressional committee action; and it permits GSA to concentrate its analysis in the final EIS on the design issues that, in many cases, have proved to be of great significance to communities throughout the country.

We appreciate this opportunity to review your report and look forward to its publication.

Sincerely,

A handwritten signature in black ink, appearing to read "S.D. Jellinek", written over the typed name and title.

Steven D. Jellinek
Staff Director

Honorable Elmer B. Staats
Comptroller General
General Accounting Office
Washington, D.C. 20548



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, D.C. 20310

27 MAY 1977

Mr. Henry Eschwege
Director, Community and Economic
Development Division
General Accounting Office
Washington, D. C. 20548

Dear Mr. Eschwege:

This is in reply to your letter to the Secretary of Defense regarding your draft report dated 2 March 1977, on "The Environmental Impact Statement--It Seldom Causes Long Delays But Could Be More Useful If Prepared Earlier," OSD Case #4563, Assignment Code 08792.

We concur in the statement that environmental impact statements (EIS's) should be prepared early in the development of a project, normally during the planning phase. By preparing the statement at that time, the greatest value can be obtained from the statement by providing information on environmental aspects prior to reaching decisions which will cause irreversible impacts to the environment. However, we do not agree with your conclusion that Corps of Engineers procedures and practices allow design and construction to commence prior to filing of EIS's and should be revised.

It is the practice of the Corps to file Environmental Impact Statements prior to the start of design and construction. As discussed in your report, however, many projects had already been planned and were in various stages of design or construction when NEPA was enacted. Therefore, the Corps proceeded with design and construction, rather than delay on-going projects while preparing the environmental statements. We believe this clearly complied with NEPA, as interpreted by the courts, and was the prudent course of action for the Corps to follow. We note that of the 11 Corps projects surveyed by GAO, 9 fall into this category. On page 16 of your report, it is stated that project decisions were made on 6 of the 11 Corps projects prior to the completion of the EIS. A discussion of these projects and the circumstances surrounding the decision to proceed is presented at the inclosure.

[See GAO note 1, p. 47.]



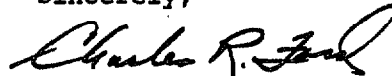
Your report indicates that, even if the above grandfathered projects were disregarded, Corps procedures still permit design and construction of new projects to commence prior to the completion of the EIS. The Corps present regulation ER 1105-2-507, primarily at paragraphs 10 and 13, requires preparation before design and construction.

[See GAO note 2, p. 47.]

Two other findings in your report warrant comment. The report concludes that EIS's are not costly and do not cause significant delay. As your report examined many projects which were already in some stage of design or construction when NEPA was enacted, the opportunity for delay was certainly present. I believe that, had the agencies not taken a reasonable and prudent approach in proceeding with many activities while concurrently drafting the EIS, then delays would have been significant. Furthermore, the cost of preparation of the EIS document itself does not evaluate the cost effect of the requirement for an EIS. The major effect in cost of EIS preparation is the increase in the construction cost of the project if it is delayed. This can be significant, and could easily increase construction costs several million dollars.

The opportunity to review the draft report is appreciated.

Sincerely,



Charles R. Ford
Acting Assistant Secretary of the Army
(Civil Works)

1 Incl
As stated

PROJECT DISCUSSION

The following discusses the six projects noted on pages 16 through 21 of the subject report.

1. Catherine Creek, Oregon

The draft report in the first paragraph on page 17 states that construction has been initiated at the Catherine Creek Dam and Lake Project. This is incorrect. The project was planned and authorized prior to NEPA. Therefore, the Draft EIS was prepared during the design stage and filed with CEQ in August 1972. Funding for construction became available in FY 74 and, accordingly, the project was placed in the construction category for budgetary purposes. However, no construction has commenced, nor has land acquisition been started. Although the final EIS was completed and filed with CEQ on 15 Jan 1975, no construction activity is planned due to current litigation.

2. Little Goose Additional Power Units

3. Lower Monumental Dam Additional Power Units

4. Lower Granite Dam Additional Power Units

The first two paragraphs on page 17 give the impression that Lower Monumental, Little Goose and Lower Granite Dams were completed projects and that funding of the additional power units for each project resulted in the initiation of new construction activities. In actuality, these additional units are not projects but additions to existing projects that were still in a continuing construction category. They were budgeted separately only for convenience and identification. At each project the original design provided bays for future installation of power units for production of power when needed. Although the additional units were not scheduled for installation until sometime in the future, Congress, because of the concern to meet increasing energy demands, provided funding for the additional units earlier than planned. With respect to scheduling preparation of environmental statements, we considered that activities for the additional units were in the continuing construction category and within the intent of NEPA and our agency guidelines. Therefore, activities continued concurrently with preparation of the environmental statements.

5. Chief Joseph Additional Power Units

This project is similar to those authorized projects discussed above in that the additional units are not considered as separate projects but additions to an existing project in a continuing construction category. The original project constructed in the 1950's provided bays for future installation of power units for production of power when needed. The draft EIS supplement for the additional units was circulated in July 1974 and finalized in February 1975. It did not reveal any controversial actions that involved significant impacts not covered by the original final EIS filed in February 1972. Because of the long lead time required to obtain electrical items, equipment supply contracts were awarded prior to filing the final EIS. In addition, a contract to fabricate the penstock was awarded in September 1974. However, the first construction contract was not awarded until 3 June 1975. This did precede the filing of the final EIS supplement by approximately one month. Even though the supplement had been completed in February 1975, administrative delays resulted in the actual filing to occur in July 1975, later than anticipated when award of the powerhouse contract had been scheduled.

6. North Bonneville Town Relocation

This is a portion of the Bonneville Second Powerhouse project for which advance engineering and design funds were appropriated in FY 1967 and construction funds in FY 1974. The Water Resources Development Act of March 1974 authorized the North Bonneville Town relocation. Environmental studies began and, in March 1975, after a series of meetings with consultants and with the Corps, the citizens agreed on a new town site. The draft EIS supplement was then completed which identified the selected town site along with other alternative sites. It was filed with CEQ in September 1975. A small portion of the total land fill for the North Bonneville town relocation proceeded prior to filing the final EIS supplement in March 1976. However, the area filled had been identified as an available disposal site in the EIS prepared for the Second Powerhouse. Therefore, the environmental aspects of filling the area had already been considered. To have delayed preparing the land fill until March 1976 would have served no environmental purposes but would have delayed the entire project, including the power on line date for the Second Powerhouse.

GAO note 1: Page references in this appendix refer to our draft report and may not correspond to the pages of this final report.

GAO note 2: Material deleted from this appendix concerns matters in the draft report that have been deleted from the final report.

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, DC 20405



April 6, 1977

Honorable Elmer B. Staats
Comptroller General of
the United States
General Accounting Office
Washington, DC 20548

Dear Mr. Staats:

The General Services Administration (GSA) appreciates the opportunity to comment upon the draft of a proposed report (GAO assignment code number 08792) "The Environmental Impact Statement--It Seldom Causes Long Delays But Could Be More Useful If Prepared Earlier."

As it relates to GSA, the audit report concentrates on the issue of precisely when an environmental impact statement (EIS) should be prepared and the entire EIS process completed. GSA is firmly committed to timely compliance with the letter and spirit of the National Environmental Policy Act (NEPA) and we believe that our current procedure is in keeping with this commitment. Our environmental planning process begins in the early planning stages of the project and preliminary draft statements are completed, subject to revisions, prior to submission of the prospectus to the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation. Approval of the prospectus by the committees triggers the filing of the draft EIS. A prospectus is the document which identifies the need for a project, and approval of it by the Office of Management and Budget (OMB) and the committees constitutes certification of the need for a project. Submission of a prospectus to OMB and the committees does not in any way assure what, if any, action will be taken.

The expenditure of resources for preparing and circulating an EIS on a prospectus that may not be approved or that may be delayed for a number of years does not, in our view, appear prudent or called for by NEPA or the Council on Environmental Quality (CEQ) guidelines. Decisions leading to the irreversible and irretrievable commitment of resources are made subsequent to certification of the need (approval of the prospectus) for the project and, in turn, subsequent to the draft and final impact statements.

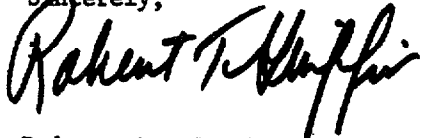
For these reasons, we believe that the proposed report recommendations to publish the draft EIS before certification of need for a project are unwise and could cause unnecessary expenditures of Government

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resources. While we defer to the committees as to the adequacy of the preliminary draft EIS in assisting them in the prospectus approval process, this process is consistent with our understanding with the committees and OMB.

Although discussed with Mr. Edmondson of your staff, the report does not indicate the procedure the Public Buildings Service has started for preparing program EIS's on master plans and proposed long-term lease activities. Prior to the submission of this report to the U.S. Senate, it is requested that GAO revise the report to reflect these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert T. Griffin". The signature is written in a cursive, flowing style.

Robert T. Griffin
Acting Administrator



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUN 3 1977

OFFICE OF
PLANNING AND MANAGEMENT

Mr. Henry Eschwege
Director, Community & Economic Development Division
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Eschwege:

On March 2, 1977, you transmitted copies of the draft report concerning environmental impact statements (EIS) to the Environmental Protection Agency for review and comment.

On April 12th, EPA's staff members and the GAO auditors who prepared the report met and agreed to some language and technical changes in the draft report. Additional comments were submitted on May 20th.

We are in general agreement with GAO regarding the use of controversy as a criterion for preparing an EIS. However, some further clarifications are in order. The type of controversy which triggers an EIS should be defined. If the public thinks an EIS or negative declaration does not adequately address all environmental impacts, it has a right to question these decision documents. A controversy which is not based on violation of environmental thresholds in Federal NEPA compliance regulations should not be used to question the adequacy of an EIS or to reverse a negative declaration. We feel the GAO report should state clearly that non-environmental controversy should be eliminated as a criterion for writing an EIS. The report should also state that removing this type of controversy from the CEQ guidelines and Federal regulations does not abridge the public's right to question an agency's decision on environmental grounds.

We appreciate the opportunity to review the report prior to its submission to Congress.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Richard D. Redenius".

Richard D. Redenius
Acting Assistant Administrator
for Planning and Management



ASSISTANT SECRETARY
FOR ADMINISTRATION

OFFICE OF THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

April 1, 1977

Mr. Henry Eschwege
Director
Community and Economic Development Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Eschwege:

This is in response to your letter of March 2, 1977, requesting comments on the General Accounting Office draft report entitled, "The Environmental Impact Statement--It Seldom Causes Long Delays But Could Be More Useful If Prepared Earlier." We have reviewed the report in detail and prepared a Department of Transportation reply.

Two copies of the reply are enclosed.

Sincerely,

A handwritten signature in black ink, appearing to read "William S. Heffelfinger".

William S. Heffelfinger

Enclosures

DEPARTMENT OF TRANSPORTATION REPLYTOGAO DRAFT REPORTONTHE ENVIRONMENTAL IMPACT STATEMENT--IT SELDOM CAUSES
DELAYS BUT COULD BE MORE USEFUL IF PREPARED EARLIERSUMMARY OF GAO FINDINGS AND RECOMMENDATIONS

Environmental impact statements (EIS) for the nine projects reviewed by GAO were prepared late in the decisionmaking process. The reason for the apparent late preparation was "grandfathering" under the National Environmental Policy Act (NEPA). The projects had reached advanced stages of development when NEPA was passed but EIS's were still required. This contributed to delays of 12 to 18 months for three projects. The remaining six projects were not delayed by the preparation of an EIS because of other project delays.

The average EIS preparation time for the nine projects reviewed was 41 months. This included actual preparation time as well as review and processing time and in some cases periods of little or no preparation activity.

The Federal Highway Administration's current process and procedures provide for timely preparation of EIS's by integrating EIS preparation with project planning. The EIS preparation may add 9 to 12 months to project development time but should not cause unanticipated delays because the preparation period can be factored into construction target dates.

The average estimated cost associated with EIS preparation for the nine projects reviewed is \$106,000. This is approximately 0.36 percent of estimated construction cost and approximately 6 percent of estimated project planning cost.

The GAO draft report does not contain any recommendations for changes to FHWA procedures and practices.

POSITION STATEMENT

The GAO findings indicate that the current FHWA process and procedures comply with NEPA and that no corrective action by FHWA is necessary. We concur in the GAO findings.

The opening statement on page i indicates that the four agencies reviewed by GAO for this study frequently prepare EIS's late in the decisionmaking process. This statement does not apply to FHWA except for pre-NEPA planned projects and is not consistent with the remainder of the report which indicates that FHWA processes and procedures provide for EIS preparation at an early stage of project development. We feel that this inconsistency should be corrected.



L. P. Lamm
Acting Federal Highway Administrator

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