

GAO

Resources, Community, and Economic
Development Division

September 1995

Environmental Protection Issue Area Plan

Fiscal Years 1995-97



Foreword

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

To focus GAO's resources on the most important issues facing Congress, each of GAO's 35 issue areas develops a strategic plan that describes its key issues and their significance, how those issues influence audit objectives and the focus of its work, and the planned major job starts. Each issue area relies heavily on input from congressional committees, agency officials, and subject-matter experts in developing its strategic plan.

With annual environmental compliance costs reaching \$115 billion, federal facility cleanup costs projected at \$1 trillion, and environmental issues permeating almost every facet of our lives, interest in environmental protection programs remains at the forefront of the public and congressional agenda. In light of these huge costs, GAO's evaluations in this issue area generally focus on increasing the cost-effectiveness of environmental programs. By doing so, scarce public and private resources can be best used to protect human health and the environment. The principal issues in the environmental protection area are

- the generation and management of hazardous and solid waste;
- air quality measures required by the 1990 Clean Air Act Amendments;
- regulations for pesticides and other toxic substances;
- surface water, groundwater, and drinking water protection;
- the Environmental Protection Agency's (EPA) organization, management, and budget; and
- hazardous waste cleanups at federal facilities.

In the following pages, we describe our key planned work on these nationally significant issues. Because events may significantly affect this plan, our planning process calls for updating this plan and responding quickly to emerging issues. If you have any questions or suggestions about

Foreword

this plan, please call me at (202) 512-6111 or Larry Dyckman, Associate Director, at (202) 512-3645.

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

Peter F. Guerrero
Director
Environmental Protection Issues

Contents

Foreword	1
Table I: Key Issues	4
Table II: Planned Major Work	8

Table 1: Key Issues

Issue	Significance
Hazardous and solid waste: Is the government managing hazardous and solid waste programs cost-effectively?	Although EPA acknowledges that it is far more cost-effective to minimize the generation of waste rather than treat and dispose it, Resource Conservation and Recovery Act (RCRA) regulations are primarily directed at treatment and disposal. Further, these regulations do not necessarily address those wastes that present the greatest risk to human health and the environment. Finally, the Superfund program is a high priority for reform legislation. Specific concerns center around the public and private sectors' liability, the role of risk in decision-making, and the appropriate responsibility of states in cleanup efforts.
Air quality: Is the government adopting cost-effective air quality control measures?	With annual implementation costs exceeding \$25 billion for clean air rules already issued and more rules mandated for fiscal years 1995 to 1997, many current and projected regulations are likely to be scrutinized to help ensure that the most cost-effective approaches to controlling air pollution are used, including alternatives to traditional approaches, such as emissions trading, pollution prevention, and increased regulatory flexibility.
Pesticides and toxic substances: Is the federal government appropriately protecting the public from pesticides and other toxic substances?	The process for regulating pesticides and other toxic substances has become costly, slow, and of questionable benefit. While some believe the programs are overly protective, others believe they do not adequately protect infants, children, and/or workers. Because of the general dissatisfaction with these programs and the increased attention paid to regulatory costs and benefits, totally new approaches will likely be considered as pesticide and toxic statutes are reauthorized.
Water quality: Is the government cost-effectively protecting surface water, groundwater, and drinking water?	Significant progress has been made in cleaning up the nation's surface water and drinking water supplies. However, the costs of complying with current and projected requirements (estimated at over \$4 billion annually for cities alone) have led to water programs being labeled as "unfunded mandates." As the two major water quality statutes go through reauthorization, attention will be focused on whether compliance costs bring commensurate benefits.
Management and budget: Do EPA's management and budget systems effectively target its resources and expend them for their intended purposes?	Alternatives to traditional regulatory approaches are increasingly being pursued to help meet environmental objectives more cost-effectively. However, EPA's organization and management systems, for the most part, continue to reflect traditional regulatory approaches. In addition, although EPA needs to target and use its resources effectively, the agency has long been hindered by problems in its contracting, financial, and management control systems. Similarly, the United States needs assurances that funds it dedicates to implementing international environmental agreements are spent in a cost-effective manner.

Table 1: Key Issues

Objectives	Focus of work
<ul style="list-style-type: none"> •Provide Congress with information to aid in its reauthorizing RCRA and Superfund and in allocating funds to these programs. •Recommend ways to improve the design and management of waste programs so they are more cost-efficient, reduce waste, increase recycling and reuse, and promote safer waste management. 	<ul style="list-style-type: none"> •Appropriateness of regulations' coverage and definitions of wastes •Opportunities for government and industry to reduce waste generation, increase recycling, and reduce risks associated with waste management •Opportunities to streamline and improve the cost-effectiveness of RCRA •Federal budget implications of completing cleanups •Appropriateness of federal and state responsibilities for cleanups •Role of risk in determining cleanup goals and priorities •Financial impacts on parties responsible for cleaning up sites
<ul style="list-style-type: none"> •Provide Congress with information to aid in its planned oversight of control measures adopted under the Clean Air Act Amendments of 1990. •Assess states' progress in implementing the Clean Air Act Amendments of 1990. 	<ul style="list-style-type: none"> •Adequacy of EPA's cost-benefit and regulatory impact analyses used to support selected clean air rules •Progress made in adopting flexible regulatory approaches provided under the 1990 act •The pace of EPA's implementation of the Clean Air Act Amendments of 1990, the problems associated with the approaches chosen, and the opportunities to achieve program goals more cost-effectively
<ul style="list-style-type: none"> •Provide Congress with information to aid in its reauthorizing legislation on pesticides and toxic substances. •Identify alternative approaches to control pesticides and toxic substances. 	<ul style="list-style-type: none"> •Progress in protecting the public from the adverse effects of pesticides and toxic chemicals •Adequacy of EPA's chemical exposure data collection and analysis efforts •Opportunities to reduce risks more cost-effectively by setting better testing and regulatory priorities
<ul style="list-style-type: none"> •Identify ways to reduce the public and private sectors' cost of complying with water quality requirements. •Provide Congress with information and options to assess in reauthorizing the Clean Water and Safe Drinking Water acts. 	<ul style="list-style-type: none"> •Barriers to the use of existing regulatory flexibility to reduce compliance costs •Legislative and regulatory options to achieve water quality goals more cost-effectively
<ul style="list-style-type: none"> •Identify ways EPA could improve the use of alternatives to traditional regulatory approaches. •Assess how EPA uses tools, such as risk analysis and cost-benefit analysis, to provide adequate protection to human health and the environment at an affordable cost. •Assess the adequacy of EPA's budget requests, procedures, and practices. •Determine if EPA's controls are adequate to guard against fraud, waste, and abuse. •Examine how U.S. funds are spent to support U.S. international environmental obligations. 	<ul style="list-style-type: none"> •EPA, state, and industry experiments with integrated environmental management as a way to reduce compliance costs •EPA's process for estimating costs and benefits of environmental regulations •EPA's budget and financial management practices •EPA's progress in implementing the Chief Financial Officers Act, the Government Performance and Results Act, and the Federal Managers' Financial Integrity Act •Funds that are being spent to support U.S. obligations under international environmental treaties

Table 1: Key Issues

Issues	Significance
Federal facilities: Is the cleanup of federally owned hazardous waste sites well-managed and cost-effective?	With costs of up to \$1 trillion, the cleanup of hazardous waste sites at federal facilities is expected to be the largest public works project the government has ever undertaken. Although federal agencies have already spent tens of billions of dollars, cleanup progress has been slow and virtually none of the sites have been fully remediated. Budget pressures are now making it impossible for the program to meet its original expectations and are forcing a reassessment of how it should be organized and run.

Table 1: Key Issues

Objectives

- Provide Congress with information to help in its budget decisions affecting efforts to clean up federal facilities. This information includes ways to improve the cleanup process through better (1) priority setting, (2) contract management, and (3) development and use of cost-saving technologies.
- Advise the Office of Management and Budget and EPA on ways to better coordinate cleanup efforts across agency lines.

Focus of work

- Priority setting based on risk
 - Efficiency and cost-effectiveness of the cleanup process
 - Federal contracting for hazardous waste cleanup services
 - Research and development for new cost-saving technologies
 - Roles and responsibilities of agencies for various cleanup functions
-

Table II: Planned Major Work

Issue	Planned major job starts
Hazardous and solid waste	<ul style="list-style-type: none"> •Review hazardous waste regulations to determine if they address waste that present the greatest risk to human health and the environment. •Assess the opportunities for government and industry to reduce waste, increase recycling, and reduce risks related to waste management. •Review federal and state responsibilities in the Superfund program. •Review the role of risk in allocating cleanup resources. •Assess the potential financial impact of proposed changes to the Superfund liability system.
Air quality	<ul style="list-style-type: none"> •Conduct mandated studies on costs and benefits of the Clean Air Act Amendments. •Assess EPA's progress in developing rules that promote regulatory flexibility, including market-based approaches. •Review states' implementation of Clean Air Act provisions.
Pesticides and toxic substances	<ul style="list-style-type: none"> •Assess progress made in protecting infants, children, workers, and other highly exposed individuals from the adverse effects of harmful chemicals. •Evaluate federal efforts to obtain and analyze toxic chemical exposure data. •Assess cost-effectiveness of alternative approaches to controlling toxic substances.
Water quality	<ul style="list-style-type: none"> •Assess the flexibility EPA has provided to the states in implementing the Safe Drinking Water Act. •Evaluate state implementation of and capacity to run Clean Water Act programs. •Evaluate alternative methods to reduce the costs of protecting water quality.
Management and budget	<ul style="list-style-type: none"> •Review EPA, state, and industry experiences with integrated environmental management. •Assess EPA's process for estimating costs and benefits of environmental regulations. •Review EPA's budget to identify potential savings. •Evaluate EPA's progress in implementing the Chief Financial Officers Act, the Government Performance Act, and the Federal Managers' Financial Integrity Act. •Review progress made in implementing environmental requirements of the North American Free Trade Agreement (NAFTA).
Federal facilities	<ul style="list-style-type: none"> •Assess cost-effectiveness of priority setting, program procedures, and cleanup strategies. •Evaluate federal agencies' contracting to clean up hazardous waste. •Review effectiveness and coordination of agency research and development programs for cleanup technology. •Assess and compare federal and private sector management of site cleanup programs.

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000
or by using fax number (301) 258-4066, or TDD (301) 413-0006.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (301) 258-4097 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested

