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TO THE

1981 MID-WINTER MEETING
ASSOCIATION OF STATE AND INTERSTATE POLLUTION
CONTROL ADMINISTRATORS

DLG 06285

JANUARY 14, 1981

[WHAT'S AHEAD FOR THE NATION'S WATER QUALITY PROGRAM]

I WELCOME THE OPPORTUNITY TO ADDRESS THIS MEETING ON THE NATION'S WATER QUALITY PROGRAM AND WHAT LIES AHEAD. I UNDERSTAND YOU HAVE BEEN DELIBERATING SINCE SUNDAY AND I AM SURE YOU HAVE COVERED A LOT OF GROUND. HOPEFULLY, AT THIS LATE STAGE OF YOUR MEETING, I WILL NEVERTHELESS PROVIDE A DIFFERENT PERSPECTIVE BASED ON THE GENERAL ACCOUNTING OFFICE'S (GAO)

[NUMEROUS REVIEWS AND EVALUATIONS OF THE WATER QUALITY PROGRAM.]

THE CONSTRUCTION GRANTS PORTION OF THE PROGRAM HAS GROWN TO BE ONE OF THE LARGEST PUBLIC WORKS PROGRAMS IN THE HISTORY OF THIS NATION. TO DATE OVER \$25 BILLION IN FEDERAL FUNDS AND SEVERAL BILLION MORE IN STATE AND LOCAL MONIES HAVE BEEN SPENT TO CONSTRUCT NEW WASTEWATER TREATMENT FACILITIES OR TO SIGNIFICANTLY MODIFY EXISTING PLANTS. THE ENVIRONMENTAL PROTECTION AGENCY (EPA) ESTIMATES THAT THROUGH THE YEAR 2000, ANOTHER \$35.6 BILLION IN FEDERAL FUNDS WILL BE NEEDED TO CONSTRUCT ADDITIONAL TREATMENT PLANTS.

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THE SHEER MAGNITUDE OF THE CURRENT AND PROJECTED COSTS OF THE WATER QUALITY PROGRAM JUSTIFIES A CRITICAL EVALUATION OF WHERE THE PROGRAM HAS BEEN, WHERE IT IS NOW, WHERE IT IS HEADED, WHAT ITS ACCOMPLISHMENTS AND SHORTCOMINGS HAVE BEEN, AND WHETHER IT SHOULD BE REDIRECTED OR ITS GROWTH ALTERED. WITH A CHANGE IN ADMINISTRATIONS, THE SIGNIFICANT SHIFT OF POWER IN THE CONGRESS, AND INCREASED EMPHASIS ON THE NEED TO CONTROL INFLATION AND REDUCE THE FEDERAL BUDGET, SUCH AN EVALUATION TAKES ON EVEN MORE IMPORTANCE.

VERY FEW WOULD ARGUE AGAINST THE CONTINUING NEED FOR ENVIRONMENTAL PROTECTION IN GENERAL AND CLEAN WATER IN PARTICULAR. FOR THE (WATER QUALITY PROGRAM) TO CONTINUE, HOWEVER, IT WILL NEED TO COMPETE WITH OTHER FEDERAL PROGRAMS FOR LIMITED FUNDS AND THE FUNDS THAT ARE PROVIDED WILL NEED TO BE TARGETED TOWARD THOSE ACTIVITIES WHERE THEY WILL ACHIEVE THE GREATEST IMPACT. IT IS IN THESE AREAS--INSURING THAT THE WATER QUALITY PROGRAM EFFECTIVELY COMPETES FOR SCARCE RESOURCES AND INSURING THE RESOURCES PROVIDED ARE SPENT WISELY--THAT YOU, AS STATE AND INTERSTATE POLLUTION CONTROL ADMINISTRATORS, CAN AND SHOULD HAVE A LEADING ROLE.

BEFORE I GET TOO FAR INTO THIS SUBJECT, LET ME BRIEFLY DISCUSS THE ROLE AND OBJECTIVES OF THE GENERAL ACCOUNTING OFFICE IN MONITORING WATER POLLUTION CONTROL ACTIVITIES.

THE ROLE AND OBJECTIVES OF
THE GENERAL ACCOUNTING OFFICE

GAO, UNDER THE LEADERSHIP OF THE COMPTROLLER GENERAL, IS AN ARM OF THE CONGRESS WHICH REVIEWS THE PROGRAMS AND

POLICIES OF THE FEDERAL GOVERNMENT AND MAKES RECOMMENDATIONS FOR IMPROVEMENTS. ALTHOUGH WE DO NOT HAVE THE AUTHORITY TO FORCE IMPLEMENTATION OF OUR RECOMMENDATIONS AND VERY OFTEN WE ARE NOT THE MOST POPULAR GOVERNMENT AGENCY, WE BELIEVE THAT CONSTRUCTIVE OVERSIGHT AND PROGRAM EVALUATION BY THE CONGRESS AND ITS SUPPORT AGENCIES CAN HELP INSURE THAT THE FEDERAL GOVERNMENT BETTER SERVES THE AMERICAN PEOPLE.

BROADLY SPEAKING, GAO'S OBJECTIVES CANNOT BE SEPARATED FROM THE NEEDS OF THE CONGRESS FOR INFORMATION AND ADVICE AS IT CARRIES OUT ITS LEGISLATIVE AND OVERSIGHT OR REVIEW RESPONSIBILITIES. TO DO THIS, THE CONGRESS REQUIRES RELIABLE DATA WHICH OUR OFFICE STRIVES TO PROVIDE.

MUCH INFORMATION IS MADE AVAILABLE TO THE CONGRESS THROUGH HEARINGS AND REPORTS, PARTICULARLY FROM THE OPERATING AGENCIES. HOWEVER, MANY QUESTIONS ALWAYS REMAIN. GAO ATTEMPTS TO PROVIDE THE CONGRESS WITH ANSWERS TO QUESTIONS SUCH AS:

- IS IT POSSIBLE TO ELIMINATE WASTE AND THE INEFFICIENT USE OF PUBLIC MONEY?
- ARE FEDERAL PROGRAMS ACHIEVING THEIR OBJECTIVES, WHETHER ADMINISTERED DIRECTLY BY THE FEDERAL GOVERNMENT OR THROUGH OTHER ORGANIZATIONS SUCH AS STATE AND LOCAL GOVERNMENTS?
- ARE THERE OTHER WAYS OF ACCOMPLISHING THE OBJECTIVES OF THESE PROGRAMS AT LOWER COSTS?

--ARE FUNDS BEING SPENT LEGALLY? IS THE
ACCOUNTING SYSTEM FOR THEM ADEQUATE?
AUDITS OF ENVIRONMENTAL PROTECTION PROGRAMS

CURRENTLY, ABOUT 35 PERCENT OF GAO'S WORK IS IN RESPONSE TO SPECIFIC REQUESTS FOR ASSISTANCE FROM THE CONGRESS. CONGRESSIONAL COMMITTEES AND INDIVIDUAL MEMBERS REQUEST US TO LOOK INTO A GREAT VARIETY OF FEDERAL OPERATIONS OF PARTICULAR CONCERN TO THEM.

THE MAJORITY OF OUR WORK, HOWEVER, IS PERFORMED THROUGH THE APPLICATION OF OUR DISCRETIONARY RESOURCES. WE HAVE WIDE DISCRETION AS TO THE KINDS AND MIX OF AUDITS AND EVALUATIONS WE UNDERTAKE. IN DECIDING WHAT AUDIT WORK TO PERFORM, WE EMPHASIZE FEDERAL PROGRAMS AND AGENCY OPERATIONS IN WHICH STRONG PRESENT OR POTENTIAL CONGRESSIONAL INTEREST EXISTS, PROGRAMS OR ISSUES OF GREAT NATIONAL INTEREST, AND PROGRAMS WHERE THERE ARE MAJOR OPPORTUNITIES FOR IMPROVEMENT AND DOLLAR SAVINGS. OBVIOUSLY, ENVIRONMENTAL PROTECTION IS AN AREA WHICH MERITS OUR CONTINUED ATTENTION.

AUDITS OF WATER POLLUTION PROGRAMS

OVER THE YEARS GAO HAS TESTIFIED AT NUMEROUS CONGRESSIONAL HEARINGS AND ISSUED MANY REPORTS TO THE CONGRESS AND EPA ON PROGRAM IMPLEMENTATION, POLICIES, PROCEDURES, AND PROBLEMS. AS A RESULT OF OUR WORK WE ARE VERY MUCH AWARE OF THE PROBLEMS AND CONTROVERSIES ASSOCIATED WITH ENVIRONMENTAL CONTROL PROGRAMS, PARTICULARLY THE WATER POLLUTION PROGRAM. THE WIDE RANGE OF WATER POLLUTION ISSUES WE HAVE TRIED TO TACKLE INCLUDE:

- EFFECTIVENESS OF COMPREHENSIVE WATER POLLUTION CONTROL PLANNING
- JUSTIFICATION FOR ADVANCED WASTE TREATMENT FACILITIES
- NEED FOR SECONDARY TREATMENT OF MUNICIPAL WASTEWATER
- NEED FOR MORE ATTENTION TO NONPOINT SOURCES OF WATER POLLUTION
- USE OF SEPTIC SYSTEMS AS VIABLE ALTERNATIVES TO TREATMENT PLANTS
- OPERATION AND MAINTENANCE OF TREATMENT PLANTS
- ASSISTING SMALL COMMUNITIES IN COPING WITH POLLUTION CONTROL REQUIREMENTS AND
- STATE PERSPECTIVES ON FEDERAL-STATE ENVIRONMENTAL PROGRAMS.

OUR CURRENT EFFORTS IN THE WATER POLLUTION AREA INCLUDE REVIEWS AND EVALUATIONS OF WATER QUALITY MONITORING ACTIVITIES, THE INDUSTRIAL PRETREATMENT PROGRAM, AND THE ADMINISTRATION OF THE OCEAN DISCHARGE WAIVER PROVISION OF THE CLEAN WATER ACT. I SHOULD ADD AT THIS POINT THAT YOUR ASSOCIATION PROVIDED US WITH SIGNIFICANT ASSISTANCE DURING OUR REVIEW OF STATE PERSPECTIVES ON THE FEDERAL-STATE ENVIRONMENTAL PARTNERSHIP AND IS CONTINUING TO BE OF ASSISTANCE TO US DURING OUR REVIEW OF THE INDUSTRIAL PRETREATMENT PROGRAM.

ISSUES FACING THE

WATER QUALITY PROGRAM

OUR PAST AND CURRENT EFFORTS HAVE LED US TO THE CONCLUSION THAT DESPITE NOTICEABLE IMPROVEMENTS IN THE OVERALL QUALITY OF THE NATION'S WATERS, THE WATER QUALITY PROGRAM FACES A VARIETY OF CHALLENGES IN THE FUTURE. LET'S EXAMINE SEVERAL OF THESE ISSUES IN MORE DETAIL.

IMPROVING THE BASIS FOR
ENVIRONMENTAL DECISIONS

TO INSURE THAT PROPER ENVIRONMENTAL CONTROL STRATEGIES AND ACTIVITIES ARE IMPLEMENTED WHERE NECESSARY, A STRONG SCIENTIFIC AND TECHNICAL INFORMATION BASE, ACCURATE, RELIABLE INFORMATION ON THE ACTUAL STATE OF THE ENVIRONMENT, AND COMPREHENSIVE AND REALISTIC PLANNING ARE NEEDED. THE IMPORTANCE OF THESE MATTERS SHOULD NOT BE UNDERESTIMATED. OUR REVIEWS HAVE CONFIRMED THAT VITAL HEALTH AND ECONOMIC DECISIONS ARE STILL BEING BASED ON RESEARCH THAT IS NOT CONCLUSIVE, DATA THAT IS CURRENTLY OBTAINED FROM INADEQUATE ENVIRONMENTAL MONITORING SYSTEMS, AND WATER QUALITY PLANNING THAT IS FAR FROM BEING COMPLETE AND COMPREHENSIVE.

ALTHOUGH JUDGMENT WILL MOST LIKELY ALWAYS PLAY A KEY ROLE IN ENVIRONMENTAL DECISIONMAKING, SUCH JUDGMENTS MUST BE BASED ON SCIENTIFIC AND TECHNICAL INFORMATION. UNFORTUNATELY THE CURRENT ENVIRONMENTAL SCIENTIFIC BASES ARE OFTEN LACKING. FOR EXAMPLE, IN A 1980 REPORT ON WATER QUALITY STANDARD VIOLATIONS WE REPORTED THAT THE OPINIONS OF COMPETENT

SCIENTISTS CONFLICT ON THE DEGREE TO WHICH VARIOUS POLLUTANTS AFFECT AQUATIC LIFE; TEST RESULTS VARY WIDELY FOR THE SAME FISH SPECIES, SIMILAR CONDITIONS, AND THE SAME TOXIC MATERIAL. EVEN RELATIVELY COMMON WATER QUALITY CHARACTERISTICS, SUCH AS DISSOLVED OXYGEN AND AMMONIA, LACK FIRM SCIENTIFIC BASES AND ARE OFTEN SHROUDED IN CONTROVERSY.

INCREASING FLEXIBILITY

AS YOU ARE AWARE, THE CLEAN WATER ACT IS A PRIME EXAMPLE OF TECHNOLOGY BASED REGULATION, WHERE UNIFORM STANDARDS APPLICABLE TO EVERYONE ARE SET BASED ON AVAILABLE CONTROL TECHNOLOGY. A TECHNOLOGY BASED APPROACH MAY BE EASIER TO ADMINISTER, BUT IT IS A VERY RIGID FORM OF REGULATION WHICH ALLOWS LITTLE FLEXIBILITY AND DOES NOT REQUIRE A COST/BENEFIT TEST. SEVERAL OF OUR REPORTS HAVE ADDRESSED THE INFLEXIBILITY IN EXISTING ENVIRONMENTAL REGULATION AND THE NEED FOR A COST/BENEFIT APPROACH. FOR EXAMPLE,

--A MINIMUM OF SECONDARY WASTEWATER TREATMENT IS MANDATED BY THE CLEAN WATER ACT. THE ACT DOES NOT CONSIDER THE COSTS VERSUS THE BENEFITS OF SUCH TREATMENT OR THE ASSIMILATIVE CAPACITY OF CERTAIN BODIES OF WATER. WE ESTIMATED THAT IN THE ST. LOUIS AREA ABOUT \$160 MILLION IN FEDERAL FUNDS COULD BE SAVED IF THE MANDATORY SECONDARY TREATMENT REQUIREMENT WAS ELIMINATED. OUR WORK ALSO SHOWED THAT SECONDARY TREATMENT IN THE AREA WOULD HAVE MINIMAL IMPACT ON THE QUALITY OF THE MISSISSIPPI RIVER.

--SIMILARLY, WE REPORTED THAT ACCORDING TO EPA ABOUT \$10 BILLION WILL BE NEEDED THROUGH THE YEAR 2000 TO CONSTRUCT ADVANCED WASTE TREATMENT FACILITIES, TO PREVENT VIOLATIONS OF WATER QUALITY STANDARDS. HOWEVER, THE STANDARD SETTING PROCESS IS IMPRECISE, ANTICIPATED VIOLATIONS MAY BE NEITHER SIGNIFICANT OR CERTAIN, AND ADVANCED WASTE TREATMENT MAY RESULT IN LITTLE IMPROVEMENT IN WATER QUALITY AND THE PUBLIC HEALTH.

INFLEXIBILITY IS NOT ONLY EVIDENCED BY MANDATED LEVELS OF TREATMENT AND WATER QUALITY STANDARDS. WE NOTED THAT LITTLE ATTENTION HAD BEEN DIRECTED TO CONTROLLING NONPOINT SOURCES, ALTHOUGH IN SOME AREAS THEY COMPRISED OVER 50 PERCENT OF THE WATER POLLUTION LOAD. OUR REPORT POINTED OUT THAT THE CONSTRUCTION OF ADDITIONAL POINT SOURCE CONTROL PROJECTS MAY NOT IMPROVE WATER QUALITY AS MUCH AS IMPLEMENTING PRACTICES TO CONTROL NONPOINT POLLUTION. YET COMPARED TO THE CONSTRUCTION GRANTS PROGRAM, VERY LITTLE FUNDING IS PROVIDED FOR NONPOINT SOURCES.

IT CERTAINLY SEEMS APPROPRIATE THAT ENVIRONMENTAL LAWS AND REGULATIONS SHOULD PROVIDE THE FLEXIBILITY TO DEAL WITH THESE PROBLEMS.

USING LESS COSTLY ALTERNATIVES

OUR WORK ON ENVIRONMENTAL MATTERS HAS SHOWN THAT WE HAVE NOT ALWAYS USED LESS COSTLY BUT VIABLE ALTERNATIVES. FOR EXAMPLE, WE REPORTED THAT A VERY OLD TREATMENT TECHNOLOGY--THE

SEPTIC SYSTEM, WHEN PROPERLY DESIGNED, INSTALLED, AND MAINTAINED--IS AN ACCEPTABLE ALTERNATIVE TO COSTLY CENTRAL TREATMENT PROCESSES. HOWEVER, A LACK OF ENCOURAGEMENT BY FEDERAL AGENCIES IN BUILDING SEPTIC SYSTEMS TO PERMANENTLY SOLVE WASTEWATER TREATMENT PROBLEMS, THE LACK OF FINANCIAL INCENTIVES, AND THE RELUCTANCE OF STATES AND COMMUNITIES TO DEVELOP MORE EFFECTIVE TECHNIQUES TO MANAGE AND CONTROL SEPTIC SYSTEMS ACTIVITIES, HAVE CONTRIBUTED TO OUR FAILURE TO USE THIS VIABLE ALTERNATIVE.

ALSO, STEMMING POLLUTION AND FLOODING CAUSED BY COMBINED STORM SEWER AND SEWAGE SYSTEMS WILL PRESENT A CHALLENGE TO OUR INNOVATIVE ABILITIES BECAUSE OF THE ENORMOUS COSTS ASSOCIATED WITH THE TRADITIONAL LARGE CONSTRUCTION PROJECTS USED TO CONTROL SUCH POLLUTION. FOR EXAMPLE, IN A 1979 REPORT WE ESTIMATED THAT THE TOTAL COST OF CHICAGO'S TUNNEL AND RESERVOIR PROJECT, WITH ITS 131 MILES OF UNDERGROUND TUNNELS, THREE OPEN PIT STORAGE RESERVOIRS, TREATMENT PLANT UPGRADING, LOCAL SEWER UPGRADING, AND VARIOUS OTHER PROJECTS, WOULD APPROACH \$11 BILLION.

ALTERNATIVE TECHNIQUES TO CONTROL COMBINED SEWER PROBLEMS, INCLUDING MEASURES TO REDUCE THE FLOW OF RAIN OR POLLUTANTS INTO THE SYSTEM, DEVICES TO INCREASE THE FLOW OF SEWAGE THROUGH THE SYSTEM, AND DEVICES TO REGULATE AND TREAT SEWAGE AT OVERFLOW POINTS, HAVE PROVEN THEIR VALUE AND CAN PROVIDE RELIEF AT FAR LESS COST. YET SUCH TECHNIQUES HAVE NOT BEEN WIDELY USED BECAUSE OF INFLEXIBLE WATER QUALITY GOALS,

EPA'S POSITION IS THAT THE CLEAN WATER ACT PROVIDES GRANT FUNDS ONLY FOR CONSTRUCTION TYPE PROJECTS, AND THAT IT MUST GIVE LOWER PRIORITY TO COMBINED SEWER OVERFLOW ABATEMENT, COMPARED TO TREATMENT PLANTS.

GIVEN THE EXTENSIVE DEMANDS OF VARIOUS PROGRAMS FOR LIMITED FEDERAL DOLLARS, LOWER COST SOLUTIONS TO POLLUTION PROBLEMS ARE CLEARLY NEEDED.

IMPROVING TREATMENT PLANT OPERATIONS

DESPITE A FEDERAL INVESTMENT OF \$25 BILLION, PLUS SEVERAL BILLION MORE IN STATE AND LOCAL FUNDS TO CONSTRUCT NEW WASTE-WATER TREATMENT PLANTS OR TO MODIFY AND EXPAND EXISTING PLANTS, MANY ARE NOT TREATING WASTEWATER AT THE EFFICIENCY LEVELS THEY WERE DESIGNED TO ACHIEVE. EPA REPORTS THAT AT ANY GIVEN POINT IN TIME 50 TO 75 PERCENT OF THE PLANTS ARE IN VIOLATION OF THEIR PERMITS. OUR NOVEMBER 1980 REPORT PORTRAYED AN EVEN MORE ALARMING PICTURE. OF 242 PLANTS SAMPLED IN 10 STATES, 87 PERCENT WERE IN VIOLATION OF THEIR PERMIT AND 31 PERCENT WERE, IN OUR OPINION, IN SERIOUS VIOLATION.

THIS HAS BEEN A CONTINUING PROBLEM. BUT WHY? WHAT ARE THE CAUSES? WE FOUND THAT A COMBINATION OF FACTORS--DESIGN AND EQUIPMENT DEFICIENCIES, INFILTRATION/INFLOW OVERLOADS, INDUSTRIAL WASTE OVERLOADS, AND OPERATION AND MAINTENANCE DEFICIENCIES--CONTRIBUTE TO THE PROBLEM. BUT MORE IMPORTANTLY, VIRTUALLY NO ONE WILL ACCEPT ACCOUNTABILITY OR RESPONSIBILITY FOR THE FAILURE OF TREATMENT PLANTS TO MEET PERMIT CONDITIONS.

THE QUESTION OF ACCOUNTABILITY AND/OR RESPONSIBILITY FOR TREATMENT PLANTS THAT HAVE SELDOM OR NEVER PERFORMED AS EFFICIENTLY AS THEY WERE DESIGNED TO PERFORM IS A TANGLED WEB OF CHARGES, COUNTERCHARGES, INNUENDOS, AND FINGER POINTING BY THE VARIOUS PARTIES INVOLVED IN PLANT CONSTRUCTION. THESE PARTIES INCLUDE EPA, STATE, AND LOCAL OFFICIALS; DESIGN ENGINEERS; EQUIPMENT MANUFACTURERS; AND CONSTRUCTION CONTRACTORS AND SUBCONTRACTORS. EVEN WHEN THE POTENTIAL EXISTS TO LEGALLY RESOLVE THE ACCOUNTABILITY AND/OR RESPONSIBILITY ISSUE, EPA HAS NOT ENCOURAGED GRANTEES TO TAKE ACTION OR BECOME LEGALLY INVOLVED. THE BOTTOM LINE LITERALLY READS: FEDERAL, STATE, AND LOCAL GOVERNMENTS SPEND MILLIONS TO FIX THE SAME TREATMENT PLANTS FOR WHICH THEY ORIGINALLY, OFTEN RECENTLY, SPENT MILLIONS TO CONSTRUCT.

WHAT IS THE ANSWER? WE SEE NO SIMPLE SOLUTION TO THIS MULTIBILLION DOLLAR PROBLEM. WE HAVE SUGGESTED VARIOUS ALTERNATIVES, SUCH AS THE TURNKEY CONCEPT, OR THAT EPA AND THE STATES BECOME A PARTY TO THE VARIOUS CONTRACTS NEGOTIATED FOR THE PLANNING, DESIGN, AND CONSTRUCTION PHASES. CLEAR LINES OF ACCOUNTABILITY MUST BE ESTABLISHED IN CONTRACTS AND CHANGES AND MODIFICATIONS TO SYSTEMS DURING ANY OF THE PHASES MUST BE CLEARLY DOCUMENTED. STATE AND EPA TECHNICAL ASSISTANCE PROGRAMS MAY NEED TO BE REINSTITUTED OR STRENGTHENED TO HELP GRANTEES TO IDENTIFY, EVALUATE AND SOLVE TREATMENT PLANT OPERATIONAL PROBLEMS.

SIMPLY CONTINUING TO FUND CONSTRUCTION GRANTS IN THE PRESENT FASHION WILL ONLY PERPETUATE A MAJOR PROBLEM WHICH IS PAYING FOR THE CONSTRUCTION OF HIGH PRICED TREATMENT PLANTS WITH NO ASSURANCE THEY WILL DO THE JOB.

INCREASING STATE AND LOCAL INVOLVEMENT

SINCE THE EARLY 1970s THE FEDERAL GOVERNMENT HAS INCREASINGLY RELIED ON THE STATES TO CARRY OUT FEDERALLY MANDATED ENVIRONMENTAL PROGRAMS AND MOST STATES HAVE ASSUMED THAT RESPONSIBILITY. HOWEVER, IN AUGUST 1980 WE REPORTED THAT THE STATES BELIEVE MANY OBSTACLES IMPEDE THEIR IMPLEMENTATION OF ENVIRONMENTAL PROGRAMS AND THE STATES ARE BEGINNING TO CONSIDER THESE OBSTACLES WHEN DECIDING WHETHER TO ASSUME MORE PROGRAM RESPONSIBILITIES.

I AM SURE THAT MOST OF YOU, AS STATE AND INTERSTATE ADMINISTRATORS, CAN RELATE TO THE OBSTACLES IDENTIFIED IN OUR REPORT:

- DELAYED AND INFLEXIBLE REGULATIONS;
- EXCESSIVE EPA CONTROL OVER STATE PROGRAMS;
- INABILITY TO FILL STATE STAFFING VACANCIES; AND
- DELAYED AND UNCERTAIN FEDERAL FUNDING.

THE OVERWHELMING PERCEPTION AMONG STATES WAS THAT EPA IGNORES THEIR COMMENTS ON MATTERS DIRECTLY AFFECTING THEIR PROGRAMS.

THE STATES MUST HAVE A GREATER ROLE IN FORMULATING AND DEVELOPING ENVIRONMENTAL POLICY AND REGULATIONS, IF

THE EPA/STATE PARTNERSHIP ENVISIONED BY THE CONGRESS IS TO BE REALIZED.

CONSIDER ALSO THE THIRD MEMBER OF THE ENVIRONMENTAL PARTNERSHIP, THE LOCAL COMMUNITIES. THEY HAVE A SIGNIFICANT RESPONSIBILITY FOR ADMINISTERING ENVIRONMENTAL PROGRAMS. IN THE WATER QUALITY PROGRAM, THE LOCAL COMMUNITIES ARE GENERALLY RESPONSIBLE FOR UP TO 25 PERCENT OF THE ELIGIBLE COSTS OF CONSTRUCTING THE TREATMENT PLANTS, ALL OF THE DEBT SERVICE TO FINANCE THE LOCAL SHARE, AND ALL OF THE OPERATIONS AND MAINTENANCE COSTS. WE HAVE FOUND THAT OVER THE LIFETIME OF A TREATMENT PLANT, THE COSTS BORNE BY THE LOCAL COMMUNITIES CAN EASILY BE GREATER THAN THE 75 PERCENT SHARE OF THE CONSTRUCTION COSTS PROVIDED BY THE FEDERAL GOVERNMENT.

ALTHOUGH ALL COMMUNITIES ARE AFFECTED TO SOME EXTENT BY POLLUTION CONTROL COSTS, WE REPORTED LAST MAY THAT THE COST TO SMALL COMMUNITIES--THOSE UNDER 10,000 POPULATION--EXACTS A MUCH HIGHER ECONOMIC AND SOCIAL PRICE BECAUSE THE COSTS MUST BE SHARED BY FEWER TAXPAYERS, SOMETIMES PLACING SEVERE BURDENS ON LOW-INCOME RESIDENTS. THE REPORT DISCUSSES ACTUAL CASES WHERE RESIDENTS:

- SOLD THEIR HOMES AND MOVED TO LOW-INCOME HOUSES,
GOT ON WELFARE ROLLS, OR MOVED INTO PUBLIC HOUSING,
BECAUSE THEY COULD NOT AFFORD THE SEWER RATES RESULTING
FROM WASTEWATER TREATMENT PROJECTS,
- HAD NOT PAID THEIR SEWER BILLS BECAUSE THEY SAID
THEY NEEDED THE MONEY FOR FOOD AND LIVING EXPENSES, AND

--DELAYED RECOMMENDED MEDICAL TREATMENT SO THE SEWER
BILL COULD BE PAID.

EFFECTIVE IMPLEMENTATION OF ENVIRONMENTAL PROGRAMS,
INCLUDING THE WATER QUALITY PROGRAM, REQUIRES A THREE WAY--
FEDERAL, STATE, AND LOCAL--PARTNERSHIP. EACH PARTY HAS
IMPORTANT RESPONSIBILITIES AND AN IMPORTANT ROLE TO PLAY.
IMPROVED COOPERATION IS A MUST IF ENVIRONMENTAL PROGRAMS ARE
TO BE SUCCESSFUL. NEW WAYS MUST BE SOUGHT TO INSURE GREATER
STATE AND LOCAL INVOLVEMENT IN THE OVERALL ENVIRONMENTAL
PROCESS.

CONCLUSIONS

IN CLOSING, LET ME REPEAT THAT THE NATION'S WATER
QUALITY PROGRAM FACES SIGNIFICANT CHALLENGES IN THE FUTURE.
IT IS IMPERATIVE THAT OUR LIMITED DOLLARS BE USED AS
EFFICIENTLY AS POSSIBLE. TO DO SO, THE WATER QUALITY PROGRAM
MUST BE CHANGED TO PROVIDE FOR:

- AN IMPROVED BASIS FOR ENVIRONMENTAL DECISIONS,
- INCREASED FLEXIBILITY,
- LESS COSTLY ALTERNATIVES,
- IMPROVED TREATMENT PLANT OPERATIONS, AND
- AN INCREASED STATE AND LOCAL INVOLVEMENT IN THE
OVERALL WATER QUALITY PLANNING AND MANAGEMENT
PROCESS.

STATE AND INTERSTATE POLLUTION CONTROL ADMINISTRATORS
CAN AND SHOULD PLAY AN IMPORTANT PART IN FORMULATING NEW
WATER QUALITY PROGRAM LEGISLATION AND POLICIES. YOU WILL

NEED TO BE INVOLVED EARLY WITH THE FEDERAL GOVERNMENT AS IT CONSIDERS PROGRAM CHANGES. I SUGGEST THAT YOU BE INNOVATIVE AND FLEXIBLE AND WILLING TO TRY ALTERNATIVE APPROACHES, BUT THAT YOU BE WARY OF APPROACHES WHICH REQUIRE UNREALISTIC STATE AND LOCAL FINANCIAL CONTRIBUTIONS. YOU SHOULD PRESENT YOUR VIEWS TO EPA AND AT CONGRESSIONAL HEARINGS. FINALLY, YOU SHOULD DEMAND THAT THE WATER QUALITY PROGRAM BE THE PARTNERSHIP THAT THE CONGRESS ENVISIONED.

WE IN THE GENERAL ACCOUNTING OFFICE WILL CONTINUE IN OUR EFFORTS TO EVALUATE THE EFFECTIVENESS OF WATER QUALITY PROGRAMS. WE CAN'T POSSIBLY LOOK AT EACH AND EVERY INDIVIDUAL POLLUTION CONTROL PROJECT. WE DO INTEND, HOWEVER, TO FOCUS ON BROAD ISSUES OF NATIONAL INTEREST. IN THIS EFFORT WE WELCOME YOUR VIEWS AND WE LOOK FORWARD TO HEARING FROM YOU.

THANK YOU.