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BY THE COMPTROLLER GENERAL

Report To The Chairman, Joint Economic Committee

OF THE UNITED STATES



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The Environmental Protection Agency Needs To Better Control Its Growing Paperwork Burden On The Public

EPA's burgeoning requirements for information have greatly increased the paperwork burden on the public. GAO found that EPA program managers routinely collected information without OMB approval. In other cases, EPA did not use or need all of the information on tens of thousands of forms provided by the public as required. Moreover, EPA's official estimates of the actual burden of its approved requirements were based primarily on the agency's judgment.



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Management controls need to be supported and strengthened in several ways if EPA is to achieve the goals of the Paperwork Reduction Act of 1980. A better measurement of the impact of a paperwork requirement can be obtained. In addition, other benefits such as more useful data can be realized if requirements are first pretested with potential respondents.



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

B-158552

The Honorable Henry S. Reuss
Chairman, Joint Economic Committee
Congress of the United States

Dear Mr. Chairman:

This report, prepared in response to your predecessor's request of January 22, 1979, examines the effectiveness of the Environmental Protection Agency's paperwork management program and policies.

Our report includes recommendations for improving management controls over paperwork imposed on the public, reducing unnecessary reporting and improving both the usefulness of information collected and the measurement of paperwork burdens. This report is the third in a series of reviews requested.

As arranged with your office, we are sending a copy of this report to Senator Lloyd M. Bentsen, prior Committee chairman. Unless you publicly announce its contents earlier, no further distribution of this report will be made until 7 days after its issue date. At that time we will send copies of this report to the Director, Office of Management and Budget; the Secretary, Department of the Treasury; the Acting Administrator, Environmental Protection Agency; interested congressional committees; and other parties.

Sincerely yours,

A handwritten signature in black ink that reads "Milton J. Fowler".

Acting Comptroller General
of the United States

REPORT BY THE
COMPTROLLER GENERAL
TO THE CHAIRMAN,
JOINT ECONOMIC COMMITTEE

THE ENVIRONMENTAL PROTECTION
AGENCY NEEDS TO BETTER CONTROL
ITS GROWING PAPERWORK BURDEN
ON THE PUBLIC

D I G E S T

This report, the third in a series requested by the Joint Economic Committee, examines the effectiveness of the Environmental Protection Agency's (EPA's) paperwork management program and policies. Because of recent environmental legislation and program changes, EPA's requirements for information from the public are expected to increase dramatically. In the past, EPA has lacked a strong system of internal controls supported by top management. Such a system is needed to reduce the paperwork burden on the public to the minimum necessary for the agency to carry out its responsibilities.

Until the Paperwork Reduction Act of 1980, the Federal Reports Act of 1942 provided the foundation for controlling the Federal Government's paperwork burden on the public. The Office of Management and Budget (OMB) must clear the reporting requirements proposed by most agencies including EPA. In response to increasing complaints, a November 1979 executive order directed Federal agencies to improve control of the paperwork burden on the public and established an annual Information Collection Budget for each agency.

EPA MANAGEMENT DID NOT
SUPPORT PAPERWORK CONTROLS

EPA management has not supported its own paperwork control system. Moreover, EPA interpreted the Federal Reports Act as exempting some reporting requirements mandated by law from OMB control. As a result, the reports clearance unit, which was responsible for assuring that the act was properly implemented, was constrained by organizational and operational weaknesses and was only marginally effective. Ultimately, businesses were subject to numerous reporting requirements that OMB had never approved. After EPA was informed that GAO disagreed with its interpretation of the act, it

modified its position and agreed that OMB had the authority to review all proposed reporting requirements for burden and duplication. (See pp. 5 to 9.)

The actual number of EPA's unapproved reporting requirements and their burden on businesses are unknown. However, the number was at least double the 64 reporting requirements that OMB had approved as of August 1979. At EPA's request, State agencies also collected information for EPA's use. Such requests were not cleared by OMB. (See pp. 9 to 14.)

In one case, EPA sent about 18,000 questionnaires to businesses to collect technical and economic data before obtaining OMB approval. The questionnaires were part of an extensive information gathering effort for its program to limit discharges of toxic pollutants in wastewater. The two technical survey questionnaires GAO reviewed in detail were unnecessarily burdensome for businesses and resulted in inconsistent responses that have little value. Although legal, the special type of clearance OMB eventually granted restricted its opportunity to exercise independent judgment on the burden and other features of the reporting requirement. (See pp. 15 to 19.)

SOME EPA REPORTING CAN BE REDUCED

Every business or other facility with an EPA permit for discharging wastewater is required periodically to submit a Discharge Monitoring Report to EPA. EPA was to use this report to check whether the permit holder stayed within approved pollutant limits. As of February 1980, EPA received about 213,300 reports a year from its 26,600 permittees. EPA classified about 22,000 of its permittees as "minor" dischargers. The others were classified as "major" dischargers.

Two of the three regional offices GAO visited generally did not review or use the monitoring reports of minor dischargers because EPA's policy was to emphasize enforcement of major dischargers' permits and because the offices lacked sufficient staff.

The one regional office that reviewed all reports used an automated system that was unique to that regional office. (See pp. 22 to 24.)

EPA agreed that minor dischargers could report less often without adversely affecting the permit program. (See p. 26.)

Thousands of declaration forms not needed

Under the Clean Air Act regulations, importers of motor vehicles or motor vehicle engines must file an EPA declaration form on which they declare whether or not the import meets Federal emission requirements or is exempt. Annually, about 1,600 importers, mostly individuals, declare that their imports do not conform, which requires both EPA and the U.S. Customs Service to take followup action. (See pp. 26 to 29.)

EPA receives annually about 120,000 declaration forms representing some 2.6 million imports. About 2.5 million of the imports are new vehicles and EPA allows one declaration form, with appropriate backup documentation, to cover an entire shipment. Individuals account for most of the other imports. EPA was considering the possibility of eliminating the requirement for individuals importing a vehicle for personal use to file a form if a proposed change to the Clean Air Act regulations was adopted.

EPA officials conceded that they are not concerned about imports of new vehicles by manufacturers and do not need the 3,000 declaration forms filed by those importers. They claimed, however, that the other declaration forms were needed primarily by Customs to provide documentation in support of investigations and prosecutions of those found to have filed a false declaration. Also, the requirement to file a declaration coupled with successful prosecutions acted as a deterrent to others who might consider making a false declaration. (See pp. 29 and 30.)

However, in fiscal year 1980 Customs investigated only 30 cases of alleged falsified information involving 62 vehicles. Customs considered that

to be a typical caseload, a small fraction of the 140,000 imports declared to be in conformity by individuals and commercial importers other than new car manufacturers. GAO believes that the filing of a declaration form to the extent required now is not essential to EPA's mission of protecting air quality and the requirement could be changed. (See pp. 30 and 31.)

BETTER BURDEN ESTIMATES ARE NEEDED

Burden hour estimates are an essential element in OMB's system for controlling paperwork. OMB uses the estimates to gauge the impact of a proposed requirement and, conversely, to measure progress in reducing paperwork. However, most of EPA's estimates are based on judgment, particularly those for complex requirements. The clearance packages for 33 of the 51 repetitive reporting requirements approved for EPA as of August 31, 1979, did not contain adequate explanations of the basis of the burden estimates. (See pp. 34 and 35.)

The 19 firms GAO visited said that actual time required to report to EPA varied widely from EPA's estimated burden. (See pp. 35 to 37.)

GAO recognizes that EPA is faced with practical limitations in obtaining data needed to make statistically valid projections of burden for its requirements. Nevertheless, EPA could improve the basis of its estimates and possibly reduce actual burden by pretesting its proposed forms and questionnaires. Pretests can yield several benefits and are a feasible alternative to statistical sampling. However, OMB guidelines for clearing reporting requirements neither require nor encourage pretests. (See pp. 37 and 38.)

RECOMMENDATIONS

The Administrator of EPA should:

- Provide the support necessary to maintain EPA's information collection activities under

effective centralized control; assure that clearance requests are properly prepared for any requirement covered by OMB regulations; and evaluate the technical quality of proposed information collection plans and related questionnaires.

- Direct the Office of Inspector General to periodically evaluate the efficacy of paperwork controls throughout the agency.
- Direct the clearance officer to periodically validate the practical utility of EPA's reporting requirements.
- Change wastewater discharge permits for minor dischargers so that reporting schedules are consistent with EPA's capability to use the information.
- Change EPA regulations to require the motor vehicle import declaration form only on an exception basis, or when a Customs Service inspection reveals a possible violation of applicable emission requirements. (See pp. 20 and 31.)

The Director of OMB should revise OMB Circular A-40 to encourage the use of pretests, especially for complex reporting requirements. (See p. 39.)

AGENCY COMMENTS AND OUR EVALUATION

EPA did not respond to GAO's observations on the weaknesses in its controls over paperwork requirements or to GAO's recommendations for improvement. Regarding the Discharge Monitoring Report, EPA said only that it would consider allowing minor dischargers to report on an exception basis. GAO believes that further delay in changing the requirement is not justified. (See pp. 20 and 31.)

The only reduction in reporting EPA was actively considering was for individuals importing a vehicle for personal use. However, because that change was linked to an EPA proposed revision to the Clean Air Act regulations which was in final rulemaking, there was no certainty that the declaration form requirements would be eased. Moreover, the reporting by commercial importers

would apparently not be reduced. Thus, GAO believes that its recommendation to reduce reporting for all importers still applies. (See pp. 32 and 33.)

OMB supported GAO's recommendations to EPA. OMB said that, although EPA had made some improvements, more needed to be accomplished. OMB also agreed that EPA's burden estimates were unrealistic and could be improved. However, OMB said it was reluctant to prescribe the use of pretests in all cases. GAO still believes that OMB should encourage agencies to use pretests as a matter of policy, especially for complex, highly burdensome requirements. (See pp. 21 and 33.)

The Department of the Treasury said it supported GAO's recommendation for reducing the number of motor vehicle declaration forms currently required. Conversely, GAO concurs in the Department's suggestion that the forms also be requested when a Customs Service inspection reveals a possible violation of the air emission requirements. The Department also related the serious concern of Customs Service over the potential paperwork burden on the Customs Service associated with EPA's proposed change to the regulations for imports by individuals. (See pp. 32 and 33.)

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ABBREVIATIONS

| | |
|-------|---|
| APER | Air Pollution Emissions Report |
| DMR | Discharge Monitoring Report |
| EPA | Environmental Protection Agency |
| GAO | General Accounting Office |
| NPDES | National Pollutant Discharge Elimination System |
| OMB | Office of Management and Budget |
| PSD | Prevention of significant deterioration of air quality |

G L O S S A R Y

| | |
|----------------------|--|
| Burden | The estimated time taken by respondents to gather and compile data, as well as the time needed to complete a Federal report or form. Usually measured in hours. |
| Clearance | Approval of a reporting requirement. |
| Clearance officer | Individual at the agency, department, or central clearance office who reviews, approves, or denies proposed reporting requirements. |
| Clearance process | Centralized process established under the Federal Reports Act for reviewing and approving reporting requirements used to collect information from 10 or more persons outside the Federal Government. |
| Effluent limitations | Restrictions established on quantities, rates, and concentrations in wastewater discharges. |
| Paperwork | Recordkeeping and filing of reports by businesses, individuals, and organizations regarding Federal programs and regulations. |
| pH | A measure of the acidity or alkalinity of a material. The pH is represented on a scale of 0 to 14 with 7 representing a neutral state, 0 representing the most acid, and 14 the most alkaline. |

Practical utility

An agency's ability to use and timely process the information it collects.

Practical utility review

Process of verifying the actual use made of information collected.

Reporting requirement

Generally any collection of information from 10 or more non-Federal respondents through the use of forms, statistical surveys, and recordkeeping.

Respondents

Individuals, groups, and organizations from whom information is collected.

CHAPTER 1

INTRODUCTION

This report discusses some of the reporting requirements imposed on the public by the Environmental Protection Agency (EPA). It is the third in a series of reports about paperwork requested by the Joint Economic Committee (see app. I). ^{1/} We reviewed four reporting requirements which accounted for 1.5 million (71 percent) of the total 2.1 million hours of EPA's paperwork burden for the repetitive-type reports the Office of Management and Budget (OMB) had approved as of August 31, 1979. The four were:

- The Discharge Monitoring Report (DMR) - a periodic report required of permittees under the Clean Water Act to show the extent of compliance with the effluent limitations in their discharge permits.

- The Section 308 Data Collection Plan - an extensive technical and economic survey program conducted by EPA under Section 308 of the Clean Water Act for the purpose of establishing industrywide controls for toxics in wastewater.

- The Air Pollution Emissions Report (APER) - a periodic report required of a wide variety of commercial and industrial sources to show operational and emissions data.

- The Importation of Motor Vehicles and Motor Vehicle Engines. Subject to Federal Air Pollution Control Regulations - a checkoff-type declaration form required of anyone importing a motor vehicle or engine on which the importer declares, in effect, whether the import conforms to U.S. air emissions standards.

EPA was established in December 1970 to manage Federal programs to control pollution in the areas of air, water, solid waste, noise, radiation, and toxic substances. To further its mission and to enforce the environmental laws, EPA collects

^{1/}First issued in the series was "Department of Agriculture: Actions Needed to Enhance Paperwork Management and Reduce Burden" (GGD 79-97, March 26, 1980). The second was "The Trucking Industry's Paperwork Burden Should Be Reduced" (GGD 81-32, March 3, 1981).

information from the public through various types of paperwork, such as applications for permits, questionnaires, and pollution monitoring reports.

FEDERAL ATTEMPTS
TO CONTROL PAPERWORK

The purpose of the Federal Reports Act of 1942 was to reduce the burden imposed on the public by Federal Government reporting requirements. The act required Federal agencies to collect information with a minimum of burden on respondents, especially small businesses. It also required that unnecessary duplication in reporting be eliminated and that the information gathered be used as much as possible. It was superseded by the Paperwork Reduction Act of 1980, approved December 11, 1980, which retained these requirements.

OMB has been the agency mainly responsible for controlling the paperwork. The 1942 Act required OMB periodically to investigate agencies' need for the information they collect from the public and their methods of collection, and to coordinate agencies' data-gathering services to reduce the burden on respondents. OMB Circular A-40 contains the requirements agencies must adhere to under the Federal Reports Act. With few exceptions, requests by most agencies of the executive branch for identical information from 10 or more persons outside the Federal Government and proposed recordkeeping requirements must be cleared by OMB. Each request for clearance submitted to OMB must include an explanation of why the information is needed and how the information will be used.

Agencies must provide an estimate of the time it will take a respondent to collect the data and prepare a single response; the number of responses to be filed annually; and the number of respondents. Together, these factors form the paperwork burden estimate. Also, the agencies must present the basis for each estimate. The burden estimate is to help clearance officers gauge the impact of the proposed paperwork.

In recent years public resentment of regulation by Washington has fastened on the time-consuming, costly, and irritating paperwork as a symbol of Government intrusion. Both the Congress and the Administration have expressed renewed interest in minimizing the burden of Federal regulation. The Congress created the Commission on Federal Paperwork which, before it went out of existence in February 1978, made 520 recommendations to the executive branch on ways to reduce needless paperwork and improve Government information. In 1980 we

reported to the Congress on progress made in implementing the recommendations. 1/

Executive Order 12174, "Federal Paperwork Reduction," issued November 30, 1979, tells Federal agencies to take new steps to cut down the paperwork load on the public. Each agency must designate an official to be responsible for minimizing paperwork and submit to OMB an annual Information Collection Budget to include an estimate of the burden hours of an agency's reporting requirements. Once OMB has approved an agency's budget, only OMB may approve an increase if the head of the agency so requests.

DRAMATIC GROWTH OF EPA PAPERWORK REQUIREMENTS

In spite of the goal of reducing paperwork, the prospect is that recent environmental laws--the Resource Conservation and Recovery Act and the Toxic Substances Control Act--together with changes to EPA regulations for other laws will cause the EPA paperwork burden to skyrocket. According to OMB, EPA imposed 8.4 million hours of burden during fiscal year 1980 which is estimated to climb to 9.6 million hours for fiscal year 1981. 2/

OBJECTIVES, SCOPE, AND METHODOLOGY

We reviewed EPA's management controls over its paperwork requirements to see whether certain requirements were consistent with the laws they related to and whether EPA was adhering to the Federal Reports Act and related regulations, which call for avoiding the requirement of duplicate reporting, making good use of the information collected, and using burden estimates that were reasonably reliable indicators of the true burden being imposed on the public.

We pursued most of these objectives by reviewing EPA activities relative to the four reporting requirements identified on page 1. We selected those four mainly because they were among EPA's most burdensome repetitive-type requirements or, as in the case of the motor vehicle declaration form, required a relatively high number of responses. Also, EPA had been using the four for several years.

1/"Program To Follow Up Federal Paperwork Commission Recommendations Is In Trouble" (GGD-80-36, March 14, 1980).

2/"Information Collection Budget of the United States Government, Fiscal Year 1981" (Executive Office of the President, Office of Management and Budget).

We interviewed various officials and reviewed pertinent documents at EPA Headquarters and at 3 of the 10 EPA regional offices: Region 2, New York, New York; Region 3, Philadelphia, Pennsylvania; and Region 6, Dallas, Texas. We selected these regional offices because respondents in these regions reported directly to EPA rather than to State agencies. Additionally, we interviewed officials of the Business Advisory Council on Federal Reports, the U.S. Chamber of Commerce, the Council on Environmental Quality, the Small Business Administration, and the U.S. Customs Service. Officials of pollution control agencies in the States of Arkansas, Louisiana, New Mexico, New York, Texas, and West Virginia were also contacted. We also ascertained whether the EPA Office of Audit (now the Office of the Inspector General) had reviewed the agency's paperwork management system before we started our work. It had not.

In order to obtain information on the basis of EPA's burden estimates, we reviewed the adequacy of the support for the estimates for each of the 51 repetitive-type reports in the inventory of OMB-approved requirements for EPA as of August 31, 1979. Our criteria were the instructions for completing a clearance request promulgated by OMB. Additionally, we used a case study approach and visited 19 firms to obtain information on the burden they experienced with two of the four requirements we reviewed in detail. Ten firms were visited regarding one of the requirements and nine firms regarding the other. The firms, mostly small businesses, represented several different industrial categories and were located in several States. We selected them at random from EPA records and without having prior knowledge of any complaints they may have made to EPA about the reporting requirements. However, the information we obtained may not be representative of the experience of others. We did not develop more scientific information through a random statistical sample because of the size of the sample that would have been required.

At the 19 firms, we interviewed the persons responsible for filling out the EPA form (see app. V). Although it was impractical for us to verify the statements we received, we used an interview guide designed to ensure coverage of all sections of the forms to disclose the steps and time needed to obtain and report the information required. We also inquired about any problems experienced in understanding specific questions.

Because of the unique aspects of the Section 308 Data Collection Plan, we also reviewed the legal basis for the OMB clearance. Additionally, we evaluated both the survey methodology and the adequacy of the design for two of the technical survey questionnaires used by EPA to collect data. Our evaluation was based on generally recognized standards for statistical sampling and for designing questionnaires.

CHAPTER 2

EPA TOP MANAGEMENT SHOULD BETTER

SUPPORT PAPERWORK CONTROLS

EPA established a reports clearance unit charged with ensuring that EPA complied with the Federal Reports Act and related OMB requirements. But the mission of the clearance unit was seriously undermined by a lack of support for paperwork controls within the agency. Also, a narrow interpretation of the Federal Reports Act resulted in some paperwork requirements not being submitted for clearance.

As a result of these conditions there was, in effect, no meaningful centralized control exercised over the agency's information collection activities. Consequently, EPA managers often ignored clearance requirements and businesses were burdened with numerous forms and reports on their operations that OMB had not approved.

We could not identify the full extent of these uncleared reporting requirements, but indications are that they were sizable. A 1978 internal study of various EPA regulations disclosed at least 126 different reporting requirements, none of which had been submitted for clearance. At three regional offices we found 16 others, variations of which possibly are used in all other regional offices. In contrast, only 51 repetitive- and 13 nonrepetitive-type EPA reporting requirements had OMB approval as of August 31, 1979.

LACK OF SUPPORT CURTAILED THE EFFECTIVENESS OF THE CLEARANCE UNIT

On paper, the authority of the clearance unit was appropriate. Its guidelines for operation were modeled after OMB's requirements. EPA's Reports Management Manual stated that the clearance unit was responsible for assuring that EPA met all legally imposed requirements for obtaining OMB clearance for all public reporting and recordkeeping required by EPA. Program offices had primary responsibility for complying with the requirements for clearances spelled out in OMB Circular A-40. The EPA clearance officer was responsible for reviewing proposed requirements including the program office justification and forwarding to OMB only those clearance requests which met OMB standards.

The actual operations of the clearance unit did not represent effective management control. Although it tried to do more, the clearance unit functioned basically as a service organization responding only to those requirements that program offices elected to submit for its review. Its attempts to monitor information collection activities were limited and unsuccessful. The operations of EPA regional offices, for example, went unchecked even though they had extensive program responsibilities and interaction with those regulated by agency. Thus, the use of unauthorized forms was allowed to continue and practical utility reviews of authorized requirements were not made.

Responsibility for administering reports clearance was assigned to a branch within the Program Reporting Division at EPA Headquarters until January 1980 when it was transferred to the Standards and Regulations Division. The Deputy Assistant Administrator responsible for the clearance function before the transfer said that the clearance unit had not been very effective because it had lacked proper leadership and it was part of a group that was primarily concerned with budgets and financial management matters.

We believe, however, that the problems we observed were due to more than a lack of leadership in the clearance unit. Prior to the organizational change, the clearance unit was authorized a staff of eight, but actually operated with four persons because of budgetary restrictions. After the change, the authorized staff remained the same. However, the actual staffing level increased to the equivalent of six full-time positions. The staff told us that one of the principal factors inhibiting their work, beyond the attitude of EPA program management officials towards paperwork controls, was that they did not have enough resources to do the job right. In this regard, in a work plan prepared in conjunction with the January 1980 organizational change, the clearance unit said it hoped to do the following tasks not done in the past for a lack of resources.

1. Assure that standards for clearance were routinely met.
2. Work with program offices to define and evaluate reporting alternatives and analyze cost or impact data.
3. Analyze program office objectives and evaluate needs for information.
4. Meet the objectives of Executive Order 12044, (later replaced by Executive Order 12291) to minimize reporting burdens through activities such as analyses of the cost-effectiveness of data collection.

The January 1980 reorganization placed the clearance function in a section of the EPA division responsible for the review and analysis of EPA regulations, called for in Executive Order 12044. EPA believed that the change was necessary because the review of information requirements was an integral part of the regulatory analysis process.

Although the change was a step in the right direction and additional personnel were authorized for the unit, the operational plan of the clearance unit was still being developed when we completed our work. Thus, we are unable to say whether the effectiveness of the unit will be improved. There were, however, indications that organizational and management problems still persisted. For example, the clearance staff participated in the review of reporting requirements in proposed regulations only upon request and came in too late to have any effect on the requirements, according to a responsible EPA official. Also, the OMB reports clearance staff found it necessary to discuss requested clearances directly with various program offices in EPA because the EPA clearance staff was not functioning as an effective centralized control point. The head of the EPA clearance staff confirmed this but said the situation would change as soon as the unit was fully staffed and its operational plans and procedures finally approved.

We believe that the following examples further illustrate how EPA management failed to provide the support the clearance unit needed.

- EPA published final regulations containing numerous reporting requirements without first submitting the reporting requirements to the clearance unit for review.
- Although the clearance unit should have had responsibility for overseeing the development and quality control of the questionnaires used in the section 308 data collection program, it did not. The entire data collection program was controlled outside of the clearance unit.
- In June 1979, the Deputy Assistant Administrator responsible for the clearance function asked all other EPA assistant administrators and office directors to complete a questionnaire about all approved public use reports requiring a total of 20,000 burden hours or more a year. The clearance unit needed the information to review the reports for continued need, adequacy, design, and economy of preparation to determine whether burdens could be reduced as required by OMB regulations. He asked that the questionnaire be completed by July 31, 1979. This deadline generally was not met. After 8 months, only a few questionnaires had been returned.

However, the new head of the clearance unit stated that, in his opinion, the questionnaire was ill conceived and poorly designed. Therefore he saw no need for any follow-up action concerning those that were not returned.

Forms were not cleared because
of narrow interpretation
of the Federal Reports Act

For several years EPA maintained that the agency's reporting or recordkeeping requirements did not have to be approved by OMB when a law such as the Clean Water Act required EPA to collect the information. As a result of this interpretation of the Federal Reports Act, EPA did not submit all of its requirements to OMB for approval. Moreover, when EPA did request clearance, in some cases it did so "as a courtesy" or to avoid the possibility of businesses or others taking legal actions to halt the collection of information not authorized by OMB under the Federal Reports Act.

We could not establish the extent to which the clearance process was avoided because EPA kept no records of the reasons for each decision not to get OMB approval. We and OMB disagreed with the EPA interpretation of the Federal Reports Act. In this regard we forwarded to EPA on July 31, 1980, the opinion of our General Counsel that, although OMB does not have the power to deny an agency's need for the information required by a law such as the Clean Water Act, the agency is still responsible for submitting a proposed reporting requirement to OMB for clearance in order to allow OMB to determine that the requirement is not duplicative or unnecessarily burdensome. Our opinion is based on the legislative history of the Federal Reports Act, almost 40 years of application of the law, and a 1944 opinion of the General Counsel of the Bureau of the Budget (now OMB) about a similar disagreement over information collection requirements. When the Congress originally debated the Federal Reports Act, it rejected an amendment which would have exempted all information collections required by law from clearance requirements. At the same time, however, OMB was not given any enforcement powers to use against agencies for noncompliance with the Act. OMB's position is strengthened by the Paperwork Reduction Act of 1980, which authorizes respondents to refuse to answer unapproved requests for information.

In a reply to us dated September 15, 1980, EPA modified its previous position and agreed with our opinion as to OMB's authority to review statutorily mandated reporting requirements for duplication and excessive burden.

UNAUTHORIZED COLLECTION
OF INFORMATION

EPA's reports clearance unit reviewed various EPA regulations codified as of 1976 and found 126 reporting requirements for which there was no OMB clearance. The review was made in 1978. According to a clearance unit memorandum, more uncleared requirements were found in another review. However, we could not identify them because the clearance unit could not locate the necessary records.

When its reviews were completed, the clearance unit forwarded a list of the requirements to EPA's Office of General Counsel and requested an opinion on the applicability of the Federal Reports Act to the various items. However, there was no evidence that the legal opinion was ever received and no further action was taken by the clearance unit. According to personnel in the clearance unit, the Office of General Counsel said that it did not have the resources needed to answer the request. However, an associate general counsel told us that a verbal reply may have been given to the request.

We found that 93 of the 126 were requirements for plans, applications, progress reports, and financial reports to be submitted by individuals, State and local governments, institutions, and nonprofit businesses under the air and water pollution control programs. The other 33 requirements were levied on participants in EPA grant programs. We did not attempt to estimate the burden of any of the 126 requirements.

EPA also used indirect methods of obtaining information that circumvented the clearance process. For example, in one EPA regional office, we learned that a program official continually asks State agencies to obtain information from businesses and others. The State agencies collect the information and then pass it on to EPA. The regional official said he made about 150 such requests a year.

Examples of uncleared
requirements used by
regional offices

At the three regional offices we visited, we learned of 16 other reporting requirements, mostly questionnaires, imposed on businesses that we believe should have been cleared. About 3,500 copies of the 16 forms were distributed in a year in the three regions and, because of the similarity of program management responsibilities, we believe the other seven regional offices may have imposed similar requirements.

Although in some cases regional officials were aware of the OMB clearance requirements, they said that they could not wait for the clearance process to be completed. They needed the information because the laws required or authorized them to obtain it. Other regional personnel were not aware of the clearance requirements or the responsibilities of the clearance unit. They said that they were required by headquarters to obtain the information.

Following are three case examples among the 16 uncleared requirements used by the regional offices.

1. Application for a permit under the Clean Air Act

Under the Clean Air Act's provisions for the prevention of significant deterioration of air quality (PSD), EPA reviews plans for construction or modification of certain polluting facilities. Before starting construction, the facility must file an application and receive a permit from EPA. There is no application form as such. An application consisted of a package of information and was the most burdensome of the uncleared requirements, according to the EPA regional staff. At the time of our inquiries in October through December 1979 the three regional offices had received a total of 400 applications.

In June 1979, EPA announced in the Federal Register that a draft version of an official application form would be published in December 1979 and a final form would be developed by June 1980. In May 1980, however, EPA gave notice that its schedule for developing an official application form would not be met because of a court decision which required modification of the PSD regulations. EPA also said it was uncertain when a draft form would be published. Those needing a PSD permit were advised to contact EPA regional offices for instructions as to how to apply. In this regard EPA officials told us that EPA never intended to hold up the processing of applications and issuing of permits for the construction of new facilities until the agency could develop a standard form and get it approved by OMB.

Asked to show us a typical application package from a small facility, regional personnel selected a file about 1 inch thick. They told us that applications from larger facilities might be 3 to 6 inches thick. The most extensive applications are required of powerplants. We observed one that amounted to 167 pages of information. A member of the enforcement staff explained that

- the basic application was usually about 25 to 30 pages;
- the application package may include an air quality impact discussion of 50 to 60 pages; and
- the total application, including computer runs and other data, could be up to 1-1/2 feet thick.

Regional office personnel said that the complexity of the PSD review often made it necessary to go back to a source for more data about emissions sources, production processes, and pollution control equipment. Also, any standard form would have to be very detailed because the program is complex and applies to many different types of sources.

We asked program officials in the regional offices to estimate how long it would take an applicant to prepare an application package. They replied that in the case of a so-called typical initial application, one person might need about 2 weeks to prepare the package after the needed data had been compiled. The time needed to compile the data would be highly variable because it would require activities such as monitoring, researching the best available control technology, and evaluating alternative control systems. (Those activities are requirements of the law and are not part of the reporting burden, according to EPA.) In the case of a larger application such as one for a power plant, they estimated it might take one person about a month to prepare the application package and several months to compile the required supporting data.

2. Section 308 letters

Two of the three EPA regional offices collected information from businesses to determine whether a reported spill of oil or hazardous materials violated the Clean Water Act. They used a questionnaire called an "informal 308 letter" in reference to Section 308 of the Clean Water Act.

In an internal memorandum, officials in one regional office said that section 308 gives EPA the authority to send out this questionnaire. The questionnaire used by that region contained four pages of questions covering 28 items.

Personnel at the two regions estimated that 1800 questionnaires were mailed to businesses during the last year and that a company would need 3 to 8 hours or more to provide the information required. This could represent a

total burden of between 5,400 and 14,400 hours at a cost of between \$81,000 to \$216,000, based on the Commission on Federal Paperwork estimate of \$15 an hour. 1/

3. Wastewater discharge permits

Under the Clean Water Act, wastewater discharges are controlled through the National Pollutant Discharge Elimination System (NPDES) permit program. There are a number of reporting requirements used in the permit program:

- (1) Permit Application - applicants for new or renewal permits are required to submit a standardized, OMB-approved application provided by EPA.
- (2) Discharge Monitoring Report - permittees are required to monitor their wastewater discharges at a frequency specified in the permit and submit a standardized, OMB-approved DMR provided by EPA.
- (3) The NPDES permit also requires permittees to:
 - (a) maintain records of discharge monitoring activity for 3 years,
 - (b) notify EPA of compliance or noncompliance with the interim milestones in their schedule for compliance with the permit conditions for abating pollutants,
 - (c) report orally within 24 hours and follow up with written notification any upset or bypass of their wastewater treatment system which violates an effluent limitation contained in the permit (commonly called a "5-day letter" because it must be submitted within 5 days of a violation),
 - (d) notify EPA of any activity which has resulted or might result in the significant discharge of a toxic pollutant not regulated by the permit, and
 - (e) notify EPA of any planned alterations or changes to the facility covered by the permit

1/The Commission on Federal Paperwork developed the \$15 cost through discussions with individual companies, the Business Advisory Council on Federal Reports, trade associations, and agency officials.

which might result in noncompliance with the permit.

However, EPA never developed a standardized permit form or other standard forms permittees could use to provide EPA the information required under the permit, except for the application and the DMR.

We asked EPA why the permit with its various reporting requirements had not been cleared. By letter of September 15, 1980, the EPA Office of General Counsel told us that NPDES permits were not subject to clearance under the Federal Reports Act because the act applies only to "routine collections of information from an identifiable class of persons through the use of forms, questionnaires or other standardized reporting formats" and not reporting requirements which do not involve forms or other standardized reporting format or recordkeeping requirements. EPA cited the absence of specific mention of these collections in the act's definition of "information." EPA also said the fact that the 96th Congress, in House-passed H.R. 6410 and committee-reported S. 1411 (later enacted as the Paperwork Reduction Act), sought for the first time to expressly include recordkeeping and any "information collection request" in the definition of information was more evidence that the nonroutine notifications and record maintenance required by NPDES permits were not covered by the Federal Reports Act. As additional support, EPA cited alleged practical difficulties which OMB would encounter in attempting to obtain effective review of varying monitoring requirements prescribed by NPDES permits, which it says would involve OMB in substantive decisions under the Clean Water Act.

We disagree. We believe that EPA's view is inconsistent with the broad mandate imposed by the Federal Reports Act on OMB to minimize burdens placed on business by the Federal Government's need for information. The additional information required by the permit is generally of the same nature as the information reported on the DMR and should not be treated in a different manner simply because EPA chose not to develop standard forms which could be used by permittees.

Moreover, although the act does not specifically mention recordkeeping requirements or permits in its definition of information, it requires clearance not only of forms but also of "plans" for the collection of information. OMB Circular A-40 defines "plan" to include

"Any specific requirement or guide for the reporting of information or the establishment or maintenance of records * * * which are to be used or be available for use in the collection of information * * *."

We question EPA's judgment that permits requiring submission of periodic reports and maintenance of records are any less "plans" for the collection of information than the permit application or DMR forms. Also, in its report on the Paperwork Reduction Act, the House indicated that the proposed specific inclusion of recordkeeping regulations and other types of information collections in the definition of "collection of information" and Federal reports clearance requirements was not intended to increase OMB's prior authority but to clarify the law because "some agencies have resisted compliance." Thus, we believe that all of the paperwork burdens following the permittees' determination of compliance with the NPDES permit should be accounted for under the reports clearance process.

The actual paperwork burden imposed through the permit on all permittees is unknown and on an individual basis it could vary significantly. We attempted to obtain some measure of the burden related to one of the requirements--the "5-day letter"--but were not successful. In the 5-day letter permittees provide details on the cause of the violation, the identity of the effluent limit that was exceeded and the corrective action taken. One of the EPA regional offices we visited received several thousand 5-day letters a year. Regional officials said the burden of this requirement could not be readily determined because it depended on several variables, such as the size of the business and the extent of the permittee's technical knowledge of the operations of its wastewater treatment system.

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We discussed our observations regarding the use of unapproved reporting requirements with EPA officials. The head of the clearance unit stated that he did not agree with our suggestions that the clearance unit begin to identify the information collection activities going on throughout the agency and that program managers submit all unapproved requirements for clearance as soon as possible. He stated that his resources would be better spent on trying to reduce the burden of the relatively few highly burdensome requirements approved for EPA. In his opinion the uncleared requirements, although several hundred in number, as disclosed through the Information Collection Budget process, probably were not very burdensome.

We believe that the clearance unit should not be concerned exclusively with reducing the burden of EPA's more recent, major reporting requirements while allowing the collection of information through numerous unapproved requirements to continue regardless of their individual burden. It would be incongruous for EPA to require compliance with its regulations without itself making efforts to discontinue violating the regulations for imposing paperwork demands on the public.

QUESTIONABLE ASPECTS OF A
MAJOR DATA COLLECTION PROGRAM

One of the most extensive and controversial reporting requirements EPA imposed on businesses in recent years was known as the Section 308 Data Collection Plan, in reference to Section 308 of the Clean Water Act. It was controversial because EPA sent out almost 18,000 questionnaires to businesses in 23 industrial categories prior to OMB approval. The total burden OMB ultimately approved for the plan was 1.4 million hours which, at the time, exceeded the combined total burden for all other OMB-approved EPA reporting requirements. As discussed on pages 17 to 19, we found some deficiencies in the quality of the two questionnaires we reviewed in detail. These deficiencies made the questionnaires unnecessarily burdensome and rendered some of the data EPA received of little value. Because we reviewed only 2 of the 46 survey questionnaires, we do not know how widespread these type of deficiencies may have been. However, EPA did not have quality controls in place until the data collection program was about half completed.

The OMB clearance was granted about 3 months after the quality control program started. OMB staff told us that they received few complaints from industries about the questionnaires after the clearance process started.

EPA refused to seek
OMB clearance

A consent decree approved in June 1976 required EPA to establish standards to limit the discharge to wastewater of toxic pollutants, as called for by the Clean Water Act. In response to the decree, EPA started to collect technical and economic data through industry-related questionnaires which eventually reached some 34,000 facilities spread among 38 industries. Questionnaires were still being processed in 1980.

Industry groups receiving questionnaires complained to OMB that the questionnaires had not been approved by OMB. OMB told EPA in January 1977 to stop the program until all questionnaires were approved in accordance with the Federal Reports Act. Nevertheless, EPA did not comply and continued to collect information over industry's protests. EPA contended that the Federal Reports Act did not apply in this case because it was carrying out a court order and the Congress did not intend that the exercise of EPA's authority to comply with the requirements of the Clean Water Act would be subject to OMB approval.

EPA officials told us that the basis for the Section 308 Data Collection Plan was not the court decree because

the court simply forced EPA to implement, by specific dates, certain provisions of the Clean Water Act just as EPA should have been doing. No new authority was given to EPA. However, when the Clean Water Act was amended in 1977, the provisions of the decree concerning the dates by which EPA had to issue the standards were incorporated in the amendments.

OMB provided a compromise--
the generic clearance

EPA continued to send out questionnaires throughout 1977. In 1978, apparently concerned about the possibility that industries would initiate litigation that could suspend the entire program until the courts resolved the question on the need for OMB clearance, EPA began to negotiate with OMB for some type of clearance. In May 1978, OMB sponsored public hearings about a proposal to grant EPA a special type of clearance for the entire program known as a generic clearance. One industry group objected to the proposal saying that it would be the equivalent of an exception to the Federal Reports Act not authorized by law. An environmental interest group testified that the Federal Reports Act did not apply and the clearance process would inordinately delay EPA's efforts to collect the needed data.

On June 1, 1978, OMB granted EPA a generic clearance for the "Section 308 Data Collection Plan." By then, EPA had already sent out almost 18,000 questionnaires to 23 of the 38 industry groups it would eventually cover.

OMB attached several conditions to the clearance including the requirement that EPA submit to OMB a copy of any proposed forms along with certain supporting information. OMB agreed to review all such submissions within 10 days of receipt. If OMB did not object in writing to anything within the 10 days, EPA could proceed with the requirement. Although we believe that the generic clearance did not give OMB the same opportunity to exercise independent judgment on the degree of burden and necessity of reporting requirements it customarily has, we did not find that the clearance was illegal.

Quality controls
established late

EPA said it wanted to obtain as much technical and financial information as possible to enable it to issue defensible regulations of toxic discharges. It wanted to address the issues raised in legal challenges of its support for effluent limitations it imposed in the past. Thus, EPA viewed the questionnaires as essential for obtaining the data it needed to satisfy its statutory requirements and to enable it to support the regulations to be issued.

In October 1977, after 18 of the 38 industries were already surveyed, the EPA Office of Water Planning and Standards expressed some concern about the length of the questionnaires and the large number of plants receiving them. They concluded that if those two factors were not better controlled, the surveys would become unmanageable, EPA could be "swamped" with paperwork it would take years to analyze, and deadlines would be missed. As a result, a quality control group was established within the Office of Water Planning and Standards in January 1978 to assure that minimum standards were met for the adequacy of supporting statements for the remaining questionnaires. The quality control staff was also supposed to review the statistical soundness of the individual survey plans. We asked the head of EPA's reports clearance unit why it did not review the quality of the section 308 surveys and we were informed that the clearance unit was excluded from the program from the beginning.

Deficient survey methods
had adverse effects

We reviewed the quality of both the sampling plans and the actual questionnaires used by EPA and its contractors for the technical surveys of the electroplating industry and the pulp, paper, and paperboard industry. There is a direct relationship among (a) the quality of a sampling plan and a questionnaire, (b) the quality and usefulness of the data collected, and (c) the amount of time and effort required of respondents to complete a questionnaire. We selected the electroplating and the paper industry surveys because they were among the top five most burdensome surveys. Also, EPA made the survey of the paper industry before either the quality control program or the OMB clearance process started. The survey of the electroplating industry occurred after those actions were started. Because of the resources it would have required, we did not evaluate the quality of other surveys. Thus, we do not know the extent to which the problems we found in the two we reviewed applied to the others.

In developing its questionnaires EPA did consult with industry groups, especially in the case of the paper industry. Also, EPA said it received few complaints about the questionnaires; however, we found fundamental flaws in both questionnaires and the sampling plan for one as discussed below. Most of the deficiencies were in the design of the questionnaires and were such that respondents had to guess what EPA wanted, thereby yielding inconsistent responses to certain questions. Such information is of little value.

The sampling plans

The sampling plan used by EPA for the captive shop part of the electroplating industry survey was not made according to established procedures for statistical sampling. ^{1/} While EPA made some attempts to randomly select firms to participate in the survey, a separate response was to be completed for each individual electroplating facility in a selected firm. The decision as to what constituted a facility and the duty of assuring that forms were completed for each facility was left to each individual firm. EPA did not know the number of facilities operated by the firms in the sample. Thus, it could not compute a response rate or calculate the probability of a given electroplating facility being included in the survey. This limits the usefulness of the survey data in that generalizations with a known degree of precision cannot be made to the population of electroplating facilities. The EPA staff responsible for the survey agreed that it had obvious statistical deficiencies; nevertheless, they maintained that the survey was useful as an engineering investigation or case study.

The pulp, paper, and paperboard industry questionnaire was sent to all of the 730 pulp and paper mills on an American Paper Institute mailing list. We believe that this approach was warranted because the number of mills in the universe was such that a large sample would have been required anyway. Consequently, there would have been only a minimal reduction in burden for the industry if a sample instead of all of the mills had been surveyed.

The questionnaires

The questionnaire used in the electroplating survey had extensive deficiencies. Many items were not properly qualified as to the range of conditions or criteria applicable to the question or request for information. Only one section, for example, requesting "Individual Process Line Information" told the respondent to use 1976 as a base year. All other sections lacked such qualification. Despite the fact that the survey was conducted in 1978, most questions, including those in the section specifying "Base year 1976", were written in the present tense e.g., "Does water flow through rinses when line is not operating?" After discussions with some officials of firms responding to this survey, we believe the lack of references to specific time frames did present problems. Respondents told us they were confused as to what year to report. Some used years other than 1976. For example, one respondent

^{1/}Captive shops perform electroplating as one step in the process of manufacturing an end product.

we visited said he could not use 1976 as a base year because his facility was not even in operation at that time.

Some items contained other qualifications that were not clear. One item, for example, that read "Base Material - For each base material processed please list the present consumption in pounds per year" did not define base material. One respondent told us it was unclear whether EPA wanted data on the quantity of parts provided for plating or the amount of plating material used.

The questionnaires used in the pulp, paper, and paperboard survey also contained several technical deficiencies. Some items lacked proper qualification and there were scaling errors made throughout the questionnaire. ^{1/} In order to ensure accuracy the same number should never appear in two different groups of numerical responses and many questions such as the following violated this rule:

--Give the normal pH of the wastewater at the influent to the secondary treatment system.

- (a) 4-6
- (b) 6-8
- (c) 8-10

Responses to questions such as this lose much of their value because the correct number of respondents who fall into a given category cannot be determined. One would not know, for example, whether respondents who had a normal pH of 6 checked (a) or (b).

CONCLUSIONS

In view of EPA's burgeoning information needs and the concomitant impact on businesses and others, a strong and effective system of centralized control over EPA's information collection activities is needed. Better support by top EPA management of the objectives of Paperwork Reduction Act and other initiatives is critical to minimizing paperwork burdens and stopping the use of unapproved requirements. Program managers throughout the agency need to be reminded that the clearance officer is responsible for determining whether any information collection activity being considered should first be cleared through OMB.

^{1/}Scaling is a technique used to rank-order responses to a question. Respondents are presented with a question and then asked to choose a response which best describes their position. The responses provided are such that they can be used to measure differences between respondents if differences exist.

We also believe that the clearance unit should thoroughly evaluate any proposed survey methodologies and information collection instruments, such as questionnaires, in order to enhance the usefulness of the information collected and minimize the burden on those who have to provide the data.

RECOMMENDATIONS

We recommend that the Administrator of EPA:

- Provide the support necessary for those responsible for implementing the Paperwork Reduction Act to (a) maintain centralized control over the reporting requirements imposed by the agency; (b) oversee the preparation and submission of clearance requests for all requirements that meet the clearance criteria; and (c) evaluate the technical quality of all proposed information collection plans and related questionnaires.
- Direct the Office of Inspector General to make periodic management audits of the efficacy of paperwork controls throughout the agency.

AGENCY COMMENTS AND OUR EVALUATION

EPA did not respond to our recommendations for improvement of controls over the paperwork burden imposed by the agency. In that regard, EPA said only that it had worked closely with OMB over the past year to resolve reporting and recordkeeping issues in two program areas and was planning to continue that effort. One of the other general comments EPA made concerns the Section 308 Data Collection Plan generic clearance. EPA said that the conditions set by OMB are much more stringent than we indicate. Although our report does not spell out all of the conditions of the clearance, our overall assessment remains the same; that is, OMB had less opportunity than it customarily has to evaluate the individual requirements. Moreover, the data collections were almost half completed before the generic clearance process began and thus were not subject to any review by OMB.

EPA's comments included several internal memoranda prepared by the offices responsible for administering and managing the various program areas discussed in our report (see app. II). The comments in these memoranda generally were critical of our report, and our responses or rebuttals are presented at the appropriate places in the memoranda.

Virtually all of the internal memoranda comments relative to this report chapter concern the Section 308 Data Collection Plan, and, in some cases, we clarified the report based on those comments. Essentially, however, EPA made no comments relative

to our observations on the other two issues--the lack of support for the clearance unit and the unauthorized collection of information.

OMB agreed that our recommendations to EPA for improving paperwork controls were needed. OMB said that, although improvements had been made, EPA's paperwork management (clearance) unit still needed (1) further support and (2) earlier involvement in the development of reporting requirements. In addition, OMB cited several changes it had directed to reinforce the consolidation of paperwork control at EPA. OMB also said that the legal issues of OMB clearance authority over statutorily mandated reporting requirements and recordkeeping were essentially resolved.

Regarding EPA's use of unapproved reporting requirements, OMB credited EPA with making progress in identifying them but said more work needed to be done to complete the identification process and bring them into the clearance system.

Overall, OMB's comments indicate that OMB and EPA are taking action on the various deficiencies discussed in this chapter and that the Paperwork Reduction Act of 1980 will substantially aid OMB's control in the future.

CHAPTER 3

EPA SHOULD REDUCE

THE NUMBER OF SOME REPORTS REQUIRED

Thousands of respondents were routinely required to provide information that EPA was authorized to collect but which was not essential or got little or no use by EPA. This occurred in the case of two of the four mandatory reporting requirements we reviewed: the wastewater discharge monitoring report and the declaration form for imported motor vehicles and engines. The actual burden and cost of completing this paperwork is unknown and may be relatively small on an individual case basis. However, based on EPA's estimates and a standard hourly cost factor of \$15, the combined total annual burden of both requirements would amount to about 52,200 burden hours and would cost respondents \$783,000.

Among the requirements governing the collection of information by Federal agencies in OMB Circular A-40 are that the information be essential, that it be actually used, and that the agency have the ability to use it in a timely and meaningful fashion. EPA needs to reevaluate both reporting requirements and make the extent of reporting they require consistent with the OMB regulation. This would relieve the public of some of the Federal paperwork it has to contend with and save the agency the time and expense of handling paperwork it does not use.

We confirmed that the information EPA obtained through the other two requirements we reviewed - the Air Pollution Emissions Report and the Section 308 Data Collection Plan - was being used.

MOST WASTEWATER MONITORING REPORTS NOT REVIEWED

Businesses and other facilities to which EPA issued a National Pollutant Discharge Elimination System (NPDES) permit for discharging wastewater are required to monitor the waste discharges and report the results to EPA on a Discharge Monitoring Report (DMR) form. A separate DMR is required for each discharge point (pipes, etc.), and monitoring and reporting frequencies are established in the permit. EPA was to use the DMR to determine readily whether the permittee complied with the limitations for each pollutant covered by the permit, according to EPA's request for clearance. But, we found that thousands of the DMRs were not being reviewed by EPA regional offices.

As of February 1980, about 26,600 permittees were reporting to EPA regional offices, and EPA estimated they would submit about 213,300 DMRs a year. For purposes of program management and enforcement, EPA classified all facilities covered by a permit as either a "major" or a "minor" discharger. The distinction is based on several factors including the total volume of the discharge. Minor dischargers--comprised of both large and small businesses--represented about 22,000 or 83 percent of the 26,600 EPA permittees. Even if the average burden was only 10 minutes for each DMR as EPA estimates, the total annual burden would be about 35,550 hours and would cost permittees \$533,250 a year based on an hourly cost of \$15.

EPA has delegated to 33 States the authority and responsibility for operating the NPDES permit program. Those States issue their own NPDES permits and receive all DMRs for enforcement purposes. As of February 1980, there were about 25,600 State permittees.

Limited use of reports from minor dischargers

The three EPA regional offices we visited received DMRs from about 9,000 out of the total 22,000 minor dischargers. Two of the three--Region 3 and Region 6--did not routinely review those DMRs and take followup action on reported violations, although EPA policy was that all DMRs should be screened. (This same observation was made in our previous GAO report on EPA's permit enforcement efforts.) ^{1/} According to Region 3 and Region 6 officials, personnel resources were insufficient to review all DMRs, and EPA's policy was to emphasize enforcement of permits for the major dischargers.

In Region 3 a spot check was sometimes made of the DMRs from minor dischargers, but normal practice was to file them upon receipt. Also, although a list was used to log in the DMRs, no check was even made to see whether all of those that were supposed to be submitted were actually received, or received on time. As a result, no followup action on delinquent reporting was taken. Region 6 personnel told us a DMR for a minor discharger would be pulled for followup review if, during the filing process, a violation of a magnitude 10 times greater than an allowed limit was noticed. Otherwise, the DMRs were just filed. The only other time a DMR from a minor discharger was reviewed was when a specific complaint was made about the facility.

^{1/}"More Effective Action by the Environmental Protection Agency Needed to Enforce Industrial Compliance with Water Pollution Control Discharge Permits" (CED-78-182, October 17, 1978).

Region 2, on the other hand, had an automated system for reviewing all DMRs and generating followup action. It was the only such system in EPA. During our review EPA was studying the feasibility of installing similar automated systems in other regional offices but with one major difference--they would be used for reviewing DMRs from major dischargers only.

Use of DMRs by State agencies

Regional officials told us that even though they did not use all of the reports, State agencies received copies of them and used them for their own water pollution control programs. Those States are ones which have not been delegated the NPDES permit program authority by EPA. We did not review any State programs, but from our discussions with the appropriate officials in five States we learned that the extent to which they used DMRs and the way they used DMRs varied from State to State.

An official in Louisiana told us that the State makes no distinction between major and minor dischargers. DMR review priorities are based on the impact a particular facility's wastewater has or could have on the water body to which it is discharged. He also told us that they were unable to review all incoming DMRs or to take followup enforcement action on all reported violations because of inadequate staffing levels. An Arkansas official told us that due to limited resources they also were not able to review all DMRs or inspect all facilities for compliance.

The States of Texas and West Virginia have their own reporting forms and neither State makes any distinction between major and minor dischargers. Both also review their monitoring reports monthly. Texas discards the DMRs it receives and in West Virginia little emphasis is placed on reviewing the EPA forms. Conversely, a State official in New Mexico told us that all DMRs are being reviewed with more attention being paid to minor dischargers than that given by EPA. However, the number of permittees required to be monitored in New Mexico is considerably less than those in other States in EPA Region 6. New Mexico monitors only 200 of 4,815 facilities in the region.

Questionable usefulness of DMRs as a deterrent to permit violations

EPA enforcement personnel said that without the resources to make extensive onsite monitoring inspections, DMRs have

value as a reminder to permittees that they are legally bound to comply with their permits. Moreover, as long as permittees were going to monitor their waste discharges, if only to ensure that their treatment systems are functioning properly, they might as well record and report the results. However, EPA is not measuring the overall extent of compliance by minor dischargers. Compliance data developed from quarterly reports of permit violations submitted by the regional offices cover major dischargers only.

An evaluation of the self-reporting system as administered by EPA in terms of its deterrent value was beyond the scope of this review. However, we believe that its effectiveness is at least questionable. For example, although region 2 reviewed all DMRs and routinely warned permittees about their reported violations, about 35 percent of the permittees continued to report violations. Moreover, an analysis by region 2 showed that about half of the violations exceeded the authorized effluent limitations by 100 percent or more. In region 6 compliance data was not even routinely maintained. A region 6 official estimated that in 1979 the percentage of noncompliant minor dischargers, based on 1978 data was as follows.

| | <u>Noncompliance Rate</u> (percent) |
|-------------------------|--|
| Nonmunicipal permittees | 20 |
| Municipal permittees | 75 |

In region 3 overall compliance data was not available for the permits the region was responsible for because of limited use of DMRs. According to EPA headquarters, the rates of non-compliance by municipal permittees are overstated. The rates include recurrent violations of effluent limits by numerous municipal permittees which have been granted extensions under the Clean Water Act. Thus, they are not actually in violation of their permits.

Questionable usefulness of DMR data

Regional enforcement personnel told us they did not rely solely on self-reported DMR data as a basis for enforcement action, beyond administrative proceedings such as sending notices of violations to permittees and levying fines of up to about \$500. Before more extensive legal proceedings would be started, EPA would take its own samples of the wastewater and do its own analyses. Studies by EPA and State agencies

demonstrated that the permittees' sampling procedures and laboratory analyses were frequently deficient in several important areas. Consequently, the data being reported to EPA on the DMRs was deemed unreliable and of little practical utility. EPA is trying to improve this situation through a program which allows EPA to evaluate the laboratories' performance. Based on the results of the program, EPA can take additional enforcement action to prompt permittees to make needed improvements.

Reducing reporting frequencies

Regional personnel responsible for administering the permit program agreed that reporting frequencies for minor dischargers could be reduced without adversely affecting the permit program. Changes which they believe could be made to reduce the reporting include:

- Using statistical sampling to select dischargers who would be required to report.
- Requiring reporting on an exception basis; that is, only when an effluent limitation for a given pollutant or pollutants is exceeded.
- Relating reporting requirements directly to the effects the wastewater has on the stream or river, etc., to which it is discharged. Factors such as the content and flow volume of the discharge and the type, use, and size of the receiving stream would have to be considered.
- Using summary reports for a reporting period such as one quarterly report instead of three separate monthly reports.

By making the receipt of DMRs consistent with the regions' capabilities to make full use of the data, EPA may be able to enhance the credibility of its permit enforcement program.

PAPERWORK FOR IMPORTED MOTOR VEHICLES AND ENGINES CAN BE REDUCED

The Clean Air Act requires that every motor vehicle imported into the United States meet the Federal emission requirements applicable to the model year in which the vehicle was manufactured. This requirement also applies to motorcycles and to engines manufactured after January 1, 1970, for use in heavy duty vehicles. American tourists, servicemen, and other individuals importing vehicles or engines

have to declare whether the import is covered by a "Certificate of Conformity" with Federal emission standards or that it qualifies for one of the allowed exemptions.

EPA in conjunction with the U.S. Customs Service developed a standard declaration form called "Importation of Motor Vehicles and Motor Vehicle Engines Subject to Federal Air Pollution Control Regulations." When it requested OMB clearance for the form in December 1978, EPA stated that the declaration would be used by Customs to determine whether an import qualified for admission under the regulations imposing emission standards.

Conditional importation of a nonconforming vehicle or engine is allowed provided that a bond is posted with Customs and the import is either modified or tested to demonstrate compliance. In this regard, EPA told OMB that it would monitor the declarations to identify any that were false and to assure that bonded imports were not released until evidence of compliance was received. Overall, the declaration form was needed for ease and uniformity of administration of the regulations, according to EPA.

In its clearance request EPA estimated that respondents would need only 10 minutes to fill out the declaration form for a total annual burden of 16,667 hours based on the expected receipt of 100,000 forms a year. The estimated costs to all respondents would be \$250,000 a year using the paperwork commission's hourly cost estimate of \$15.

The number of declaration forms and how they are used

EPA officials told us in September 1980 that they were actually receiving about 116,000 forms a year. The approximate number of declarations filed each year by the various types of importers and number of imports involved is shown in the following table. The number of declaration forms submitted by manufacturers is only a fraction of the number of vehicles imported because EPA allows manufacturers and commercial importers to cover an entire shipment of a particular model, which could be several thousand cars, with one declaration form supported by lists showing each vehicle number.

Declaration Forms Received
Annually By EPA

| | Number of | |
|--|-----------|-----------|
| | Forms | Imports |
| <u>Imports in conformity</u> | | |
| Type of importer: | | |
| Manufacturers of new vehicles | 3,000 | 2,500,000 |
| Other commercial importers | 30,000 | 60,000 |
| Individuals: | | |
| Military personnel | 50,000 | 50,000 |
| Others | 30,000 | 30,000 |
| Subtotals | 113,000 | 2,640,000 |
| <u>Imports not in conformity</u> | | |
| Type of importer: | | |
| Commercial and individual importers including military personnel | 1,600 | 1,600 |
| <u>Exempt imports</u> | | |
| Type of importer: | | |
| Diplomats and nonresidents | 1,000 | 1,000 |
| Owners of vehicles used for testing, display and racing | 400 | 400 |
| Totals | 116,000 | 2,643,000 |

Thus, out of all the imports, about 1,600 or slightly more than .06 percent of the total require some followup by EPA and Customs because the importers have declared that they do not conform to emission standards. In about 95 percent of the cases, the importers of nonconforming vehicles are individuals.

We inquired of both EPA and Customs as to how the declaration forms were used. At EPA we learned that virtually all of the available resources were required to monitor the 3,000 or so cases a year of both nonconforming and exempt vehicles.

Generally, nothing was done by EPA with the other 113,000 declaration forms. At the ports of entry, Customs inspectors basically accepted the declaration form as evidence that the vehicle was acceptable for import. All vehicles that do conform to the emission standards are also required to have a label to that effect and the Customs inspectors also check the labels as additional evidence, although not in every case. Customs offices retained a copy of the declaration forms but the retention period ranged from 1 year at one port to 5 years at another. If a vehicle does not conform, Customs is also responsible for following up and releasing the bond when the vehicle is finally brought into conformity. Although the Customs Service uses the declaration forms, it agreed with us that the reporting should be on an exemption basis, thereby eliminating the need for Customs to handle over 100,000 forms a year.

We asked EPA officials responsible for the program why a declaration form was needed in the case of every import and every type of importer to protect U.S. air quality. We specifically asked why the form could not be required on an exception basis, that is, only when the importer had to declare that the vehicle did not conform to emission standards. The EPA officials agreed that they are not really concerned about the imports of new car manufacturers because they know that all of the vehicles meet air standards. Thus, the 3,000 declaration forms were not actually needed.

Regarding individuals importing their vehicle for personal use, EPA was proposing a change to the Clean Air Act regulations to allow an individual importing a car for personal use a one-time exemption to the regulations as long as the person had not previously imported a vehicle since 1970. EPA officials said that the number of nonconforming vehicles that would be imported by individuals would be so small that the adverse impact on air quality would be negligible and, if the proposal was implemented, it would allow them to devote their resources to monitoring imports by commercial importers other than manufacturers.

When we completed our work in November 1980, EPA was evaluating the results of its public hearing on the proposed change. In connection with the relaxing of the regulations for individuals, EPA said it was considering eliminating the declaration form requirements for individuals importing a vehicle for personal use.

When we inquired as to why no other change to the reporting had been considered, EPA officials maintained that they were

concerned about being able to prosecute those importers, especially commercial importers, who are subsequently found to have falsely declared that the import conformed to emission standards. If a vehicle is falsely declared on the forms by substitution of an improper label for instance, the importer is subject to a \$10,000 fine and 5 years imprisonment for each false declaration. EPA said that the publicity associated with prosecutions of these cases acted as a deterrent to others. Also, it would be significantly easier to prosecute with a deliberately falsified form as the basic evidence, rather than on the basis that a declaration form was not filed when it should have been. Because Customs actually investigates the cases and EPA could not provide us information on the extent of the enforcement activity, we followed up at Customs to determine the extent and results of its investigations.

Customs enforcement activity

The U.S. Customs Service Office of Investigations informed us on November 6, 1980, that during fiscal year 1980, its regional offices for the three major ports of entry for vehicles investigated only 30 cases involving the EPA declaration forms. There were 62 vehicles involved in the 30 cases and Customs said that those figures were generally representative of the enforcement efforts in that subject area. (As shown on page 28, some 2.6 million vehicles are imported each year.) Twenty-six of the 30 cases were completed with these results: 4 criminal prosecutions, 13 administrative actions, and 9 closed with no violations reported. The investigations of the remaining four cases were still ongoing.

Although the investigators we contacted believed that it was much easier to get a conviction with a falsified document as evidence, they also said that these cases were of relatively low priority. Moreover, U.S. attorneys generally were not interested in taking cases involving one or two vehicles imported by individuals, according to the investigators.

The primary purpose of all of the paperwork is to protect U.S. air quality and we believe that objective can still be achieved without the need for EPA and Customs to collect over 100,000 pieces of paper a year. Although those who deliberately want to violate import laws may find it easier to do so if they do not have to file a falsified statement, we are aware of no evidence that indicates the number of those cases will increase or that U.S. air quality will be adversely impacted by the number of nonconforming vehicles illegally brought into the country. Consequently, we believe that a declaration form is not essential to the extent required now.

CONCLUSIONS

Businesses and others are wasting time and money on paperwork that is not used by EPA. Regarding the DMR, we recognize that most of the burden is incurred in doing the wastewater monitoring and analyses, and not in the periodic filling out of a DMR. Nevertheless, reports that cannot be used should not be required, and any reduction in the number of times businesses have to complete a DMR and send it to EPA constitutes some savings to them.

Regarding imported motor vehicles and engines, we believe that the requirement for the declaration forms is not justified in all cases. The Government's objective of protecting air quality can still be satisfied if the declaration was required only on an exception basis. Such a change would relieve thousands of individuals and businesses of the need to fill out one more government form. EPA and Customs could also benefit from the reduction in the paperwork they had to process.

Overall, if EPA made its reporting requirements consistent with OMB Circular A-40 regarding the use of collected information, unnecessary burden could be reduced.

RECOMMENDATIONS

We recommend that the Administrator of EPA:

- Change wastewater discharge permits for minor dischargers so that reporting schedules are consistent with EPA's capability to use the information.
- Change the requirements for the declaration form for imported motor vehicles and engines so that the form would apply only in those cases where the import is not in compliance with the applicable emission requirements, or when a Customs Service inspection reveals a possible violation of the requirements.
- Direct the clearance officer to periodically validate the practical utility of EPA's reporting requirements.

AGENCY COMMENTS AND OUR EVALUATION

Regarding the DMR, EPA stated only that it would consider allowing minor dischargers to report on an exception basis. Thus, EPA made no commitment to making a change as we had recommended. We believe that EPA has had sufficient time and information on which to act. A change is clearly warranted and further delay in agreeing to reduce the DMR reporting requirements is not justified.

Our responses to the other detailed comments of the EPA program office responsible for the DMR are in appendix II, pages 52 to 58. We made a few changes to the report for the purpose of clarity on the basis of those comments. However, we believe that most of the comments were not responsive or germane to the issues raised in the report. We also believe it is noteworthy that no comments on the issues were made by the EPA clearance officer who is responsible for paperwork management in the agency.

EPA's comments on the motor vehicle import declaration form were also made solely by the responsible program office and focused on the efforts it was making to eliminate the requirement for individuals importing a vehicle for personal use. This activity was linked to EPA's proposed regulatory change discussed on page 29. EPA contended that, in conjunction with the proposed change, it had discussions with both the Department of Transportation and the U.S. Customs Service concerning alternative ways to acquire information on individual imports in order to monitor compliance with any one-time exemption. EPA said that we had not given the agency the credit it deserved for its efforts to eliminate the need for individuals importing a vehicle for personal use to file a declaration form. EPA also claimed the report contained errors and misstatements.

Because the regulation change was still in final rulemaking, however, there was no final EPA position on exactly how the declaration form requirement would be changed, if at all, and what alternative means EPA would use to monitor compliance with the one time exemption limit. Moreover, EPA apparently did not plan to change the reporting requirement for manufacturers and other commercial importers.

Our responses to the various comments on the declaration form are presented in appendix II, pages 61 to 67. We made some wording changes based on EPA's comments, but in other cases we found the statements to be misleading, particularly in regard to EPA's claim that the declaration form is a requirement of the U.S. Customs Service and not EPA.

The Department of the Treasury said it and the Customs Service supported our recommendation that the declaration form be required on an exception basis. The Department suggested the form be requested also when a Customs Service inspection uncovered a possible violation of the air emission requirement. The Department also stated that the Customs Service was prepared to discuss a revision of the reporting requirement with EPA and offer suggestions for implementation of the change. At the same time, the Treasury Department expressed concern that EPA's proposed change to the regulation for imports for personal use would still impose an unneeded and burdensome paperwork burden on the Customs Service (see app. IV).

In view of the uncertainty over how EPA's proposed regulatory change would affect the declaration form requirements for all importers and in view of the concerns of the Customs Service about the paperwork burden, we are retaining our recommendation to EPA. We also agree with the Treasury Department suggestion that the declaration form also be requested when a Customs Service inspection reveals a possible violation of the air emission requirement. We revised our recommendation accordingly.

OMB said it agrees that some EPA requirements are unneeded, excessively burdensome, or directed at too many respondents. It also said that through the information collection budget, OMB has made substantial progress in bringing EPA and other agencies' information requirements under control. Furthermore, the Paperwork Reduction Act gave OMB the authority to evaluate the necessity and practical utility of an information collection.

Regarding our recommendations to EPA on the DMR and the motor vehicle import declaration form, OMB stated that in the event the Administrator of EPA did not act, OMB could consider the changes we recommended when the clearances for the two reporting requirements expire. OMB also said it would assure that the practical utility of EPA's reporting requirements is validated in accordance with the new law (see app. III).

CHAPTER 4

BETTER ESTIMATES OF EPA PAPERWORK

BURDENS ARE NEEDED

Burden hour estimates are an essential element of OMB's system of control over the amount of paperwork burden imposed on the public. With the advent of the Information Collection Budget these estimates have become more important than before. But EPA's estimates are highly subjective, particularly those for complex reporting requirements that affect a wide spectrum of businesses. In this regard, the majority of EPA's clearance requests did not adequately explain the basis of the estimated amount of time that would be needed by a business to provide the information EPA wanted. Even so, OMB still granted the requested clearances.

EPA is faced with practical limitations in obtaining the data needed to make statistically valid projections of burden for its major reporting requirements because of the number of variables that could affect the impact of a requirement on one business versus another. Nevertheless, EPA could improve the basis of its estimates and possibly reduce actual burden by pretesting its proposed forms and questionnaires. In this regard, OMB should change its guidelines for preparing burden estimates to encourage the use of pretests as one way of developing better estimates and less burdensome reporting requirements.

BURDEN ESTIMATES ARE IMPORTANT

Despite the uncertainties inherent in the EPA burden estimates, OMB has used them, like those of any other agency, as a key factor in the review of requests for clearances and as the yardstick for measuring progress in reducing the amount of EPA paperwork being imposed on the public. OMB agrees that estimates for requirements such as EPA's may not be very reliable and that a better definition of burden may be needed. Nevertheless, the estimates are some gauge of the potential effect of a requirement and could provide the basis for a reevaluation by the agency of the need for some or all of the information. Moreover, the burden estimates have become even more important to OMB and to each agency because they are the foundation of the information collection or paperwork budgets which first came into use in fiscal year 1981.

DEFICIENCIES IN THE BASIS
OF EPA BURDEN ESTIMATES

Although there was evidence that EPA solicited comments from various industry groups when it was developing a new reporting requirement, EPA relied heavily on the judgment of its staff and contractors to make its burden estimates. Controlled pretests among a cross section of the industries that would be affected by a requirement were not made in order to get some firsthand observations on the impact of a requirement. However, such pretests are neither encouraged nor required by OMB. OMB instructions for obtaining clearances state that agencies do not have to make special surveys to obtain information on which to base their burden estimates and that informal consultations with a few respondents may be desirable. On the other hand, OMB does require agencies to explain the basis for the estimated average number of hours required for each response. In this regard, we found that the required explanations were not provided for 33 of the 51 repetitive type reporting requirements approved by OMB for EPA as of August 31, 1979. The 33 represented 87 percent of the total burden hours for the 51 requirements. Thus, even though EPA did not adhere to the requirement, OMB apparently did not enforce it. (This deficiency was among those found in other agencies' clearance packages as discussed in the our report entitled "Protecting the Public from Unnecessary Paperwork: Does the Control Process Work?" [GGD-79-70, September 24, 1979].)

The burden estimates for the four reporting requirements we reviewed in detail were all based on EPA's judgment. The four accounted for 71 percent of the total burden for the 51 repetitive requirements. Our observations on the adequacy of the basis for two of the four estimates and the information provided by business firms on the burden they experienced follow. Overall, the indications were that their actual experience varied widely from the EPA estimates.

The DMR burden estimate

The clearance for the DMR was first approved by OMB in January 1972. At that time, EPA estimated the burden at 30 minutes for each report although actual burden could vary depending on the number of pollutants that had to be monitored. The basis for the 30 minutes was not provided by EPA.

In August 1977, OMB approved a revised clearance request from EPA. In its request, EPA said that the burden of completing a DMR would drop from 30 to 10 minutes because (1) the size of the DMR was reduced, (2) fewer entries were required, and (3) the new DMR would be preprinted. Total

annual burden was estimated at 20,000 hours. A pretest of the new form was not made and the burden estimate was based on several assumptions in addition to the time per form. These assumptions included the number of outfalls (discharge points) for various types of permittees and how often they reported to EPA.

In addition to the assumed reduction in the burden for each DMR from 30 to 10 minutes, the total annual burden estimate was also reduced significantly below the previous estimate because EPA deleted from the universe of respondents some 40,000 permittees that EPA said were located in States to which EPA had delegated responsibility for administering the NPDES permit program. We observed, however, that the 40,000 was a significant overstatement. As of February 1980, there were approximately 25,600 permittees in the States to which EPA had delegated the permit program. EPA corrected the error in July 1980 when it requested OMB to extend the expiration date for the DMR clearance. Although it may have been legitimate for EPA to take credit for reducing its paperwork burden to the extent that the program was legally transferred to the States, businesses and others may not necessarily experience any real reduction in paperwork because State versions of the EPA form would still be required.

In its 1977 clearance request, EPA indicated that the estimate of 10 minutes covered only the time required to transcribe data which already had been recorded and summarized. OMB approved the clearance request on that basis. EPA officials told us that the data compilation and recordkeeping activities were required by the NPDES permit and were not part of the burden of the DMR. As discussed on pages 12 to 14, however, none of the recordkeeping burden imposed through the permit has been accounted for as part of an approved reporting requirement.

None of the persons responsible for the DMR in the nine companies we visited said that they were able to compile the necessary data from their records and fill out a DMR in 10 minutes. These businesses ranged from small companies with only a few pollutants and one discharge point to monitor to larger facilities with as many as five discharge points, each requiring a separate DMR. The burden ranged from 15 minutes for one small firm to 5 hours for another firm with five DMRs to fill out, according to the statements they gave us.

The Section 308 Data Collection Plan burden estimates

EPA believes the actual burden of the entire Section 308 Data Collection Plan was about half of the 1.4 million hours

estimated when it requested the generic clearance from OMB discussed on page 16. However, there is no supportable basis for either figure. In this regard, we believe that because of the potential variances in response times among the myriad types and sizes of business facilities covered by the technical and economic surveys, a statistically valid estimate of burden could not be made without extensive site visits.

In the case of the technical survey questionnaire for the electroplating industry, EPA estimated that it would require each company an average of 28 hours to respond. We were unable to establish the basis for that estimate. At the five companies we visited the actual burden ranged from a low of 4 hours for one company to as much as 85 hours for another, based on the statements of those responsible for completing the questionnaire. The amount of time required was apparently directly related to the number of production lines a company had.

The burden of the pulp and paper industry technical survey questionnaire also varied widely from the EPA estimate of 150 hours at the five plants we visited. However, in none of the five cases did it reach more than 29 hours, based on the statements of those responsible for responding to the questionnaire. Four of the five companies were small businesses and many of the questions did not apply to them because they had only a few of the seven different production processes covered by the questionnaire.

BETTER ESTIMATES ARE POSSIBLE

Because of the nature and scope of its major reporting requirements, it would be impractical for EPA to try to develop burden estimates through extensive direct observations. Nevertheless, EPA can improve its estimates by pretests of proposed paperwork requirements instead of relying on staff judgment and consultations with a few industry representatives. If EPA is to make its burden estimates more representative of actual burden, it will need the cooperation of businesses in any pre-test programs.

Practical constraints to getting statistically valid measurements

Most of EPA's major paperwork requirements are technically complex and affect a highly heterogenous mix of businesses in terms of the type of industry or size of the business, or both. Thus, because businesses may be affected to significantly varying degrees by the same requirement, there may be no typical respondent. Large samples of businesses, therefore, would

be required for a statistically valid measure of average burden that could be projected for the universe of those who would be affected by broadbased reporting requirements. The NPDES permit program, for example, affects businesses ranging from car washes to giant steel plants. In order to get a statistically valid measure of the average burden experienced by applicants for a permit, for example, EPA would have to visit a random sample of about 1300 applicants spread among the various industrial categories.

The air pollution and hazardous waste control programs also affect a wide spectrum of facilities. Because of the time and costs that would be involved in sampling large numbers of businesses, we believe it would be impractical for EPA to use that approach to making burden estimates. However, the use of pretests, in our opinion, is a feasible alternative to statistical sampling which could yield several benefits.

The benefits of pretests

EPA can develop more reliable estimates of respondent burden by continued early consultations with industry groups coupled with pretests of proposed requirements. The pretest approach, which could be employed at a relatively small number of potential respondents, would benefit EPA in several ways. In addition to gaining an appreciation of the kind and amount of time and effort that would be experienced by businesses of various types and sizes in compiling the needed data and preparing the response, EPA could learn whether all aspects of the requirement are clearly understood, are free from bias, and could result in EPA obtaining the desired information in the least burdensome manner. The head of EPA's clearance unit agreed that pretests could be beneficial but wanted to evaluate actual burden after the reporting requirement was in use. We believe, however, that greater benefits could be realized by both EPA and potential respondents to a reporting requirement by identifying problems before the requirement is formally imposed.

CONCLUSIONS

Some index of the impact of paperwork demands on the public is a desirable management control device. Clearly, EPA should improve the basis for its burden estimates as part of the overall improvements to its paperwork management recommended on page 20. In this regard, we recognize that EPA is faced with some practical constraints to developing statistically valid estimates. Pretests of reporting requirements are a feasible alternative and should be used.

RECOMMENDATION

We recommend that the Director of OMB revise OMB Circular A-40 to encourage the use of pretests, especially for complex reporting requirements.

AGENCY COMMENTS AND OUR EVALUATION

EPA made no overall comment on our discussion of its burden estimates and how they could be improved. The only response was included in one of the program office's comments on the burden estimates for the two Section 308 Data Collection Plan technical survey questionnaires we evaluated. In responding to those comments, we stated that the information we had obtained was not for the purpose of determining whether EPA's estimates were correct or incorrect. Rather, it was simply to ascertain the extent to which some respondents' burden experience varied from EPA's estimates (see app. II, p. 50).

OMB said that many EPA burden estimates are highly unrealistic. Moreover, the completion of the inventory of EPA requirements would allow EPA and OMB to make a program-by-program review of the agency's information requirements both to improve burden estimates and eliminate unnecessary burdens.

OMB agreed that pretests can be a valuable tool in designing information collections and referred to a 1979 newsletter to agency clearance officers in which OMB supported the use of pretests. However, OMB also stated some concerns about the additional burdens pretests could impose and the possibility of respondents overstating burden in an attempt to influence OMB's clearance decision. Thus, OMB said it was reluctant to prescribe their use universally.

We did not recommend that OMB revise Circular A-40 to require the use of pretests. Rather, we recommended that OMB revise the circular to encourage their use as a matter of policy. We recognize that pretests are neither needed nor desirable in every case. But, in the case of a technically complex reporting requirement that is potentially highly burdensome, we believe that the benefits to both the agency and respondents which could follow from a pretest could outweigh any adverse effects. Thus, we believe that OMB should adopt our recommendation.

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 JOINT ECONOMIC COMMITTEE

(CREATED PURSUANT TO SEC. 5(A) OF PUBLIC LAW 94, 79TH CONGRESS)
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January 22, 1979

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

Dear General Staats:

In a letter to you dated September 14, 1978, while I was Vice Chairman of the Joint Economic Committee, I requested that the General Accounting Office undertake a study of the federal paperwork burden on American businesses to determine whether or not the federal agencies imposing this burden are accurately measuring the number of hours businesses must spend filling out government forms and completing paperwork requirements. This is a very important problem since the various federal agencies, by their own estimates, make businesses spend more than 69 million hours annually on reporting and record-keeping tasks cleared under the Federal Reports Act, as well as some 200 to 250 million more hours on tax forms. If the burden of paperwork is not computed accurately by federal agencies, the Office of Management and Budget or the GAO, then we have no way of determining the true cost of federal paperwork or of balancing the costs and benefits. The burden of federal paperwork has now reached such a staggering level that it must be brought under control, and soon, before it wrings the last drop of entrepreneurship and productivity from America's businesses.

The concerns of the Joint Economic Committee would be addressed most effectively if the General Accounting Office were to review selected paperwork clearance packages that impose a significant burden on businesses, and prepare an in-depth evaluation of each clearance.

The studies should look at both burden and use of reporting and recordkeeping requirements, keeping in mind such questions as: Are the burden estimates made by the agencies reasonably reliable indicators of the true burden? Do the agencies use

The Honorable Elmer B. Staats
January 22, 1979
Page Two (2)

these figures to manage or limit the paperwork burden on businesses? Do they make good use of the reports, or are the reports simply collected and filed away? Are any reporting requirements duplicative? Are any simply ridiculous? Are the requirements consistent with the intent of laws passed by Congress?

The clearance packages should be selected from such areas as agriculture, transportation, environmental protection, pensions and taxes. A separate report to the Committee at the completion of each study would give the Committee the broadest scope of information for evaluating the burden and usefulness of federal paperwork requirements.

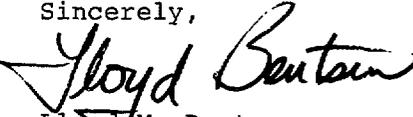
In each report, I would also appreciate having your legislative recommendations for cutting unnecessary paperwork costs, eliminating unnecessary reporting requirements, or improving the usefulness of the data collected.

If your studies show that the departments and agencies are using inadequate procedures for estimating the burden of federal paperwork, would you please prepare a final report to the Committee discussing the overall problems associated with estimating burden and what, if anything, can be done to insure that the government begins developing reasonable burden estimates.

I understand that you have already begun to take a close look at the paperwork imposed on the meat industry by the Department of Agriculture and that you are forming a panel of industry experts to help you evaluate some of the most burdensome reporting and recordkeeping requirements. This is an excellent area for a pilot study and I look forward to having your findings and recommendations.

I appreciate the excellent assistance you and your staff have provided to me in this area already and I look forward to your reports on specific reporting and recordkeeping requirements.

Sincerely,



Lloyd M. Bentsen
Chairman



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

6 MAR 1981

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:

The Environmental Protection Agency (EPA) has reviewed the General Accounting Office (GAO) draft report entitled "The Environmental Protection Agency Needs To Better Control Its Growing Paperwork Burden On The Public". We have solicited comments from the offices responsible for the administration and management of the program areas discussed in the draft report. I am enclosing copies of those detailed comments for your review. I think you will find these informative and helpful in preparing your final draft of this report.

Of special interest are the comments from our Office of Water Regulations and Standards concerning Section 308, Data Collection Plans (see enclosure 1). The Office of Management and Budget (OMB) generic clearance provisions are more stringent than the draft implies. The clearance was originally granted to EPA because it was the most efficient manner of handling these kinds of Agency actions. OMB reviews each questionnaire before it is sent out, and EPA publishes a notice of anticipated data collection activities under Section 308 in the Federal Register every six months.

EPA has worked closely with OMB over the past year in trying to clear up reporting and recordkeeping issues in other program areas relating to the Resource Conservation and Recovery Act and the Toxic Substances Control Act and is planning to continue this effort.

- 2 -

Thank you for the opportunity to comment on this proposed draft. It is our desire to improve the quality of our information collection activities while reducing the burden they impose upon the public.

Sincerely yours,



for Roy N. Gamse
Acting Assistant Administrator
for Planning and Management

Enclosures:

Comments on Draft Report:

- 1 - March 4 Memorandum from Notzon to Coulter
- 2 - February 23 Memorandum from Director, Office of Program and Management Operations to Deputy Assistant Administrator for Planning and Management
- 3 - February 13 Memorandum from Kurent to Alberico
- 4 - February 18 Memorandum from Freed to Alberico

GAO note: Page and paragraph references in all agency comments were revised to correspond to pages and paragraphs in this final report. No other changes were made to agency comments.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

DATE

SUBJECT Comments on the Government Accounting Office (GAO) Draft Report Titled: The Environmental Protection Agency Needs to Better Control Its Growing Paperwork Burden on the Public

FROM Edmund M. Notzon, Acting Director
Office of Analysis and Evaluation (WH-586)

TO Cynthia E. Coulter, Director
Office of Program Analysis and Evaluation (WH-556)

I have reviewed the subject draft report and am providing comments on the evaluation of the Section 308 (of the Clean Water Act) data collection activities.

The GAO draft report is not an accurate assessment of our Office's activities. With regard to the Section 308 Generic Clearance Agreement, our procedures more than meet the requirements and policies of the Office of Management and Budget (OMB).

The two technical surveys reported in the draft, the pulp and paper industry (September 1977) and the electroplating industry (June 1978), took place during the earliest stages of our data collection activities. Our data collection methods have shown considerable improvements since these first attempts.

With regard to the response burden segment of the draft, GAO reports that there are deficiencies in the basis of EPA's burden estimates. However, in the discussion of the 308 surveys' response burden GAO presented no evidence that the estimated hours were incorrect.

GAO response

We did not make an assessment of the Office of Analysis and Evaluation activities as they pertain to the entire Section 308 Data Collection Plan, nor do we purport to have done so (see p. 4 for additional information).

Moreover, as indicated on pages 4, 36 and 37, our objective regarding EPA's burden estimates for the two surveys we evaluated was not to ascertain whether they were "incorrect."

Below I have provided a detailed discussion of these three segments of the report:

- I. Generic Description of Data Collection for Sections 301, 304, 306 and 307 of the Clean Water Act, known as The Section 308 Generic Clearance Agreement.
 - II. Selected 308 Surveys Reviewed by GAO.
 - III. Response Burden Estimates for the Reviewed Technical Surveys.
- I. The Section 308 Generic Clearance Agreement

On March 8, 1978 we submitted to OMB, through the Environmental Protection Agency's Office of Planning and Management, a clearance request for a set of surveys all having a single purpose. The request contained a description of information which we would ask industry to supply to EPA in order that we might promulgate reasonable and defensible effluent limitations. This request,

titled "Generic Description of Data Collection for Sections 301, 304, 306 and 307 of the Clean Water Act of 1978"¹ was granted OMB clearance on June 1, 1978.

Although all 308 surveys have a common goal, approval was granted conditionally. That is, plans for each individual survey must be forwarded to OMB for review prior to implementation. This generic clearance agreement also is subject to specific conditions to assure that implementation was consistent with the plan and with the requirements to the Federal Reports Act.² Among these conditions are the following:

- A. Every six months, EPA will publish in the Federal Register a notice of anticipated data collection activities related to the development of effluent guidelines including the industry to be covered, number of respondents and estimated reporting hour burden.
- B. Prior to field implementation of any survey EPA will submit to OMB:
 - 1) A copy of the questionnaire.
 - 2) A list of consulted industry representatives.
 - 3) Certification that the instrument will result in valid and reliable information.
 - 4) A description of special attention given to small business reporting problems.

In order to comply with #3 above, OWRS Project Officers are required to submit to the quality control unit a "Supporting Statement" containing a complete description of the purpose, coverage, sampling plans, questionnaire design, confidentiality considerations, processing and tabulating, and data analysis plans.³ Project Officers are also required to provide a "Summary Statement" containing response burden estimates, review by industry representatives, and small business burden considerations.

¹ S.F. 83 Clearance Request and Notice of Action and Description of Generic Clearance and Justification Therefore, March 9, 1978.

² Agreement detailed in letter from Roye L. Lowery, Regulatory Policy and Report Management Division, Office of Management and Budget to John J. Stanton, Director, Program Report Division.

³ See internal EPA memo from Swep T. Davis, Acting Deputy Assistant Administrator, Subject: Supporting Statement to Accompany 308 Surveys, Oct. 17, 1977.

These plans, which are submitted in full detail to OMB prior to implementation, are certified by the designated Data Collection Officer only after a complete and thorough review has found them to be consistent with the clearance agreement and who is assured that the data thus obtained will yield useful analytical results. The quality control unit within the OWRS has a far greater impact on data collection activities than the GAO report implies.

Many of the elements of our generic Clearance Agreement are comparable to the requirements of OMB's subsequently revised circular A-40. Such requirements as the publication of a calendar of anticipated activities and review by an independent quality control unit are identical to the procedures we have been following for the last three years. GAO has suggested that our procedures are inadequate. Yet not only were they approved, our requirements have been incorporated into the new OMB directives.

The Clearance Agreement dictates a tightly controlled review system which more than meets the requirements of the Federal Reports Act. Under the Generic Clearance Agreement it was agreed that "OMB will review all submitted instruments within ten working days after receipt ... any instrument to which OMB does not object in writing within said ten day period may be used for its stated purpose."⁴ However, our operating practice is that we do not go forward with a 308 survey unless explicit approval from OMB is obtained. In actual practice, this occasionally requires more than the 10 day review period.

⁴ Ibid, Lowery p.3.

GAO response

EPA presents a lengthy defense of its internal procedures for developing the section 308 surveys for approval by OMB under the generic clearance agreement. However, the report does not critique EPA's procedures, except for the facts that the reports clearance unit was not part of the process, as it should have been, and the quality control procedures were not established until after more than half the survey was completed. Our assessment of the clearance agreement itself was directed to OMB. Also, neither OMB nor GAO is aware of any recent revision to OMB Circular A-40 or new OMB directives to which EPA refers.

II. Section 308 Surveys Reviewed

At the request of GAO officials, we provided detailed information on four of our 308 industry surveys, these were:

| <u>SURVEY</u> | <u>DATE OF SURVEY</u> |
|--------------------------------|-----------------------|
| 1. Electroplating (technical*) | June 1978 |
| 2. Pulp and Paper (technical) | Sept. 1977 |
| 3. Wood Preserving (economic) | Sept. 1977 |
| 4. Pulp and Paper (economic) | Sept. 1978 |

The GAO draft report contains comments on the questionnaire items and sampling plans for the electroplating and the pulp and paper industry technical surveys. However, there is no comparability between the discussions of each survey, nor is there convincing evidence that severe problems exist.

- * Technical surveys are intended to provide engineering assessments of the industries' wastewater treatment characteristics. Economic surveys request financial information used in the development of economic impact assessments.

To illustrate, GAO found fault with the questionnaires used for the surveys. The report contains comments that read "we found some deficiencies in the quality of the two questionnaires we reviewed in detail. These deficiencies made the questionnaires unnecessarily burdensome and rendered some of the data EPA received of little value" (p. 15) and "Some items contained other qualifications that were not clear" (p. 19). The fact that the GAO finds "some items" to be deficient is not a substantive argument for stating that the responses are of little value.

GAO response

We did not claim that all of the information from the questionnaires was of little value; only those answers to those specific questions that were ambiguous, or otherwise poorly constructed. This is clearly stated on pages 15 and 17.

The review of these surveys is also incomplete. The GAO has identified a few problem areas but does not present all facts and details. For example, GAO states that "In developing its questionnaires EPA did consult with industry groups, especially in the case of the paper industry." (p. 17). This does not present the full impact of the industry's input. The questionnaire and plans had undergone extensive review by industry and trade association representatives. The representatives themselves made so many recommendations and additions, that the pulp and paper industry questionnaire and the wording of the questions were heavily influenced and, in many cases, dictated by the industry's representatives. I should emphasize that the success of the survey is heavily dependent upon the degree of cooperation reached between the Agency and the industry. Therefore it is essential that we incorporate industry's comments into our surveys. The GAO failed to indicate these facts in the report.

GAO response

We agree that industry's cooperation and input is both necessary and desirable. However, that does not absolve EPA of its responsibility for the quality of the questionnaires or any other forms it uses to collect information essential to its decisionmaking. It is EPA which has to depend on the quality of data received, but industry is affected by EPA's decisions. Therefore, it is in both EPA's and industry's interest to make sure that the information returned is as useful as possible.

Although the report states that two technical surveys, electroplating and the pulp and paper industry surveys, were reviewed in detail, no mention is made of the two economic 308 surveys included in the review. Staff members of the EPA attended at least four individual meetings with GAO representatives to discuss the wood preserving and pulp and paper economic surveys. Both surveys were carefully designed and executed and were used to produce very high quality Economic Impact analyses. Although the GAO was well aware of the successful results, the report made no mention of either.

Not only did we meet to discuss the economic surveys, we provided GAO with complete, written documentation on the results of these surveys. (For example, see "Economic Impact Analysis of Alternative Pollution Control Technologies, Wood Preserving Subcategories of the Timber Products Industry," EPA-440/2-79-018, U.S. E.P.A., Office of Water Planning and Standards, September 1979). The reports contained a description of the survey results including an item by item data analysis. To summarize, GAO studied four surveys but reported on the two weakest.

Given the lack of uniformity in the review of the technical surveys and the high level of quality found in the two economic surveys, we assert that no generalization on 308 surveys can be made on the basis of the electroplating and the technical pulp and paper industry surveys.

GAO response

Although we obtained information about the economic impact surveys, we did not evaluate their quality as clearly stated on page 17 of the report. Thus, we are not "well aware of the successful results" of the economic surveys as EPA asserts.

Moreover, EPA's claim that our evaluations of the two technical surveys lacked uniformity ignores our statement on page 17 that we reviewed the same aspects of both surveys. Finally, we clearly state on page 17 that because we only reviewed the two surveys, we do not know the extent to which the other surveys had the same deficiencies. Thus, GAO attempts no generalization as EPA implies.

III. Response Burden Estimates for the Reviewed Technical Surveys

Chapter 4 of the draft report addresses Paperwork Burden estimates. GAO concluded that "EPA should improve the basis for its burden estimates" (p. 38). However, in the discussion of the response burden pertaining to the 308 surveys, GAO presented no evidence that the estimated hours were incorrect.

During its review of the electroplating and pulp and paper industry surveys, the GAO interviewed a total of 10 plant representatives, five for each technical survey. For the electroplating survey, the GAO found a range of response burden estimates from 4 hours to 87 hours. This range, based on statements from representatives of the five surveyed companies, is consistent with our 28 man hours burden estimate.

The GAO also questioned representatives from five pulp and paper industry plants. Although the EPA burden hour estimate was 150 hours, "in none of the five cases did it reach more than 29 hours" (p. 37). This information is insufficient evidence that our burden estimate was incorrect or needs improvement, particularly in light of the fact that "Four of the five companies were small businesses and many of the questions did not apply to them." (p. 37). Often, industry's complaint is that the government's estimates are too low. Therefore, when deriving the average number of hours, we prefer to estimate on the conservative side.

I should also like to bring to your attention the efforts that have been made by staff members of the OWRS to find alternative sources of data for their studies and thus completely eliminate unnecessary burden. These efforts have been most successful within our Economic Impact Studies but are also extended to our technical projects. In a memo from Maurice Owens to Joseph Chesser of the GAO, dated March 10, 1980, the steps taken in this regard were outlined. As the memo states "we have found that often our information is available, including technical in-house data, we generally do not conduct an economic survey." The net effect of these efforts is that we have required economic surveys for only a small fraction of our industry studies. Although this memo was submitted to the investigating officials at their request, GAO did not include such information in its report.

GAO response

EPA challenges our conclusion that the basis for its burden estimates should be improved. However, EPA cannot provide a supportable basis for its determination that the overall burden of the Section 308 Data Collection Plan was about half of its original estimate of 1.4 million hours. EPA's comments also fail to recognize GAO's expressed limited objective relative to the burden estimates of the two surveys evaluated. Our purpose was not to ascertain whether EPA's estimates were "incorrect." As we stated on page 4, the information we obtained on the companies we visited may not be representative of others. Thus, we only established the extent to which the burden experienced by those companies we visited varied from EPA's estimates and we made no generalizations about the correctness of the estimates.

Nevertheless, we fail to see how EPA can assert that the estimate of 28 burden hours for the electroplating industry survey is consistent with the conservative estimating approach EPA refers to.

We did not include the information obtained on EPA's procedures for conducting the economic impact studies in the report because, as previously stated, we did not evaluate either the procedures or the technical quality of the surveys.



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

FEB 20 1977

OFFICE OF THE DIRECTOR

TO: Deputy Assistant Administrator for Planning and Management

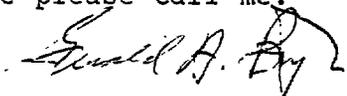
FROM: Director, Office of Program and Management Operations

SUBJECT: Draft GAO Report - "EPA Needs Better Control of Its Growing Paperwork Burden on the Public"

The subject draft report has been reviewed by the Office of Enforcement. Below and attached are comments from the Office of Program and Management Operations, Water Enforcement Division and Manufacturers Operations Division.

On page 10, Application for a Permit Under the Clean Air Act, the requirements for monitoring and researching the best available control technology are discussed as though they were part of the reporting burden. They are not. The requirements for monitoring and installing the best available control technology are substantive requirements of the statute and implementing regulations.

The following attachments, as mentioned above, are Water Enforcement's and Manufacturers Operations Division's comments. If I can be of any further assistance please call me.


 Gerald A. Bryan

Attachments

GAO response

We changed the statement in question.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON D C 20460

FEB 13 1981

OFFICE OF ENFORCEMENT

MEMORANDUM

SUBJECT: Draft GAO Report - "EPA Needs Better Control
of Its Growing Paperwork Burden on the Public"

FROM: Edward A. Kurent
Director Enforcement Division (EN-338)

TO: P. A. Alberico, Deputy Director
Office of Program and Management Operations (EN-329)

The comments given below focus primarily on GAO's tentative findings, conclusions, and recommendations relating to the use, effectiveness, and paperwork burden of the NPDES Discharge Monitoring Report (DMR) form. Of particular concern are the GAO findings about the DMR that appear to be based on isolated statements made by unidentified EPA Regional officials which are not supportable by EPA policy or guidance to the Regions.

1) Page ii, paragraph 4 -

... EPA classified about 22,000 of its permittees, usually small businesses as "minor" dischargers.

EPA has classified minor dischargers as those dischargers which: 1) have a total discharge volume of less than 50,000 gallons on every day of the year; 2) do not affect the waters of more than one State; and 3) are not identified by the State Water Pollution Control Agency, the Regional Administrator, or by the Administrator in regulations issued pursuant to Section 307(a) of the Clean Water Act, as a discharge which is not a minor discharge. This criteria applies to both small and large businesses. Therefore, GAO has inappropriately termed small businesses as minor dischargers.

GAO response

We modified the report to say that minor dischargers are comprised of both large and small businesses.

2) Page 13, paragraph 2 -

...EPA never developed a standardized permit form or other standard forms permittees could use to provide EPA the information required under the permit, except for the application and the DMR.

Permits issued by EPA are developed using a standard permit format. All permits contain the same type of requirements although the stringency of each requirement varies. This variation depends upon the facilities potential to cause environmental harm.

Standard forms have been developed only for the application process and the DMR because of the variation and infrequency of other reportable information.

GAO response

This comment does not respond to the specific reasons why we believe that the permit itself and all associated reporting/recordkeeping requirements are subject to clearance under the Paperwork Reduction Act of 1980. (See pp. 13 and 14.)

3) Page 23, paragraph 3 -

...Region III and Region VI did not routinely review those DMRs and take follow-up action on reported violations.

NPDES delegated States in Region III and VI (Pennsylvania, Maryland, Delaware, and Virginia) have the primary responsibility for enforcing NPDES permits issued to permittees within their borders. In this case, the State is the permitting authority, and EPA would not routinely receive DMRs from minor permittees located within those States. Therefore, the State is responsible for reviewing DMRs submitted by a permittee although EPA overviews this responsibility. However, regardless of whether EPA or a State has primacy for DMR review, EPA is responsible for screening DMRs it receives pursuant to "Enforcement Management System" guidance issued from EPA Headquarters on March 7, 1977.

EPA is the responsible authority for nondelegated States in Region III (District of Columbia and the State of West Virginia) and in Region VI (Arkansas, Louisiana, Texas, Oklahoma, and New Mexico). In this case, EPA is responsible for enforcing all NPDES permits. The EPA enforcement program has focused primarily on those permittees whose wastewater discharge has a greater potential for causing environmental harm. A significant number of permittees with this type of discharge are classified as major NPDES permittees. However, EPA screens DMRs submitted by both major and minor permittees in order to initiate appropriate enforcement action.

GAO response

EPA's comment fails to recognize that the report clearly indicates that EPA regional offices were responsible for DMRs from permittees or dischargers located in those States which did not have primary responsibility for the NPDES program. More importantly, EPA's comment also ignores our observations on the actual activities of the two regional offices, regardless of the policy or guidance set by EPA Headquarters. Moreover, we advised EPA Headquarters personnel on several occasions that our statements were based on direct observations of the regional office activities and discussions with the regional officials responsible for managing the permit enforcement program.

4) Page 24, paragraph 1 -

...EPA was studying the feasibility of installing similar automated systems in other Regional offices but with one major difference - they would be used for reviewing DMRs from major dischargers only.

All NPDES permittees, whether major or minor, report self-monitoring results using the EPA uniform national DMR form. Therefore, any type of automated system could be utilized to review DMRs submitted by both major and minor permittees.

GAO response

This statement is not germane. Our report does not state that the automated system "could" not be used to review DMRs from both major and minor dischargers. Rather, the report states how EPA intended to use the system.

5) Page 24, paragraph 2 -

...based on our discussions with the appropriate officials in five (nondelegated) States we learned that the extent to which they used DMRs and the way they used DMRs varied from State to State.

EPA is responsible for enforcing NPDES permits issued to facilities located within nondelegated NPDES States. Facilities which have been issued NPDES permits by EPA are required to submit DMRs to the permitting authority (EPA). In this case, nondelegated States are not required to review DMRs and enforce EPA issued permits. The State involvement in enforcing EPA issued permits would vary depending upon the aggressiveness of the State program.

GAO response

This comment is essentially identical with our report statement.

6) Page 25, paragraph 2 -

...Region II reviewed all DMRs and routinely warned permittees about their reported violations, about 35 percent of the permittees continued to report violations.

This statement does not take into consideration the numerous municipal facilities with recurrent effluent violations which have applied or been granted 301(i) extensions under the Clean Water Act. This extension provides the municipal permittee with additional time in which to construct treatment works needed to meet secondary treatment requirements. Therefore, enforcing permit limitation which cannot be met by the municipal facility because of a lack of treatment capability is not appropriate. However, enforcement action is appropriate and initiated when the municipality violates a construction schedule or fails to reach operation level by a certain date.

GAO response

The report was revised to include this general qualification. However, EPA's comment lacks information on the percentage of municipal permittees in both regions that have been granted the extensions EPA refers to. Thus, we are not able to comment on the significance of the qualification.

7) Page 25, paragraph 3 -

In Region III overall compliance data was not available because of the limited use of the DMRs.

This statement does not recognize the ongoing use of the QNCRs or my earlier comment that of the six jurisdictions in Region III, four are delegated States where compliance data is prepared by the States directly.

GAO response

The "QNCRs" referred to by EPA are Quarterly Non-Compliance Reports that EPA regional offices provide to EPA. EPA's statement implies that the existence of the quarterly reports means that contrary to our report, overall compliance data is available for the permits the regions are responsible for. On the contrary, the quarterly reports cover major discharges only. For clarity, we revised the report to state that the overall compliance data that is lacking pertains to the permits that the EPA regions are responsible for.

8) Page 25, paragraph 4 -

Regional enforcement personnel told us they could not rely on self-reported DMR data as a basis for enforcement action beyond administrative proceedings such as sending notices of violations to permittees and levying fines of up to about \$200...

This again is a statement of opinion which does not reflect numerous facts. Each DMR contains a certification statement that the respondent must sign under penalty of law that the data being reported is true and accurate. Any person who willfully falsifies DMR data is subject to a fine of not less than \$2,500 nor more than \$25,000 per day of violation or by imprisonment for not more than one year or both. There have been several cases where permittees have been prosecuted for falsifying DMR data. Also, EPA and the States continually perform various types of on-site inspections to verify the quality of DMR data.

GAO response

The opinion referred to is not GAO's; it is that of the regional personnel responsible for enforcing the permits. (We changed the amount of the fines referred to from \$200 to \$500 to correct an error.)

9) Page 25, paragraph 4 -

Studies by EPA and State agencies have demonstrated that the sampling procedures and the laboratory analyses were frequently deficient in several important areas.

The Office of Water Enforcement does have a program whereby performance samples are distributed to permittee and contractor laboratories performing analyses required by NPDES permits. The performance samples contain parametric groups (trace metals, minerals, nutrients, demands, etc.) in concentrations known only to EPA thereby allowing the Agency to evaluate the laboratory's analytical performance. Based on the results of this program, additional enforcement action can be undertaken to prompt the permittees to improve sampling and laboratory procedures.

GAO response

We revised the report to show that EPA has a program to try to prompt permittees to improve sampling and laboratory procedures.

10) Page 26, Paragraph 2 -

...requiring reporting on an exception basis; that is only when an effluent limitation for a given pollutant or pollutants is exceeded.

EPA will consider requiring reporting on an exception basis for minor permittees in an attempt to decrease recent cost estimates for NPDES reporting requirements. This type of approach will also reduce DMR review time in addition to the DMR respondent burden. However, NPDES permit monitoring requirements will remain the same.

...Relating reporting requirements directly to the effects the wastewater has on the stream or river...

Monitoring requirements, and not reporting requirements, are based on the impact the wastewater may have on the receiving stream. However, if EPA adopts exception reporting, this in itself would significantly reduce respondent reporting burdens; and relating reporting requirements to receiving water impact would be unnecessary.

...Using summary reports for a reporting period such as one quarterly report instead of three separate monthly reports.

The use of exception reporting would eliminate this concern. Aside from that fact, NPDES permit effluent limitation are written as monthly averages and not quarterly averages. Therefore, it would not be possible to determine compliance with monthly averages if quarterly averages are submitted by the permittee.

GAO response

EPA's comments are only partially responsive to our recommendation to make reporting requirements for minor dischargers consistent with the agency's capabilities to fully use the information.

OMB said it agreed with GAO that some EPA requirements are unnecessary. Moreover, if EPA did not act in response to our recommendation, OMB said it can consider the change GAO proposed when the clearance for the DMR expires in September 1981.



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

FEB 13 1981

OFFICE OF MANAGEMENT

MEMORANDUM

TO: Pasquale A. Alberico, Deputy Director
Office of Program and Management Operations

FROM: Charles N. Freed, Director *Charles N. Freed*
Manufacturers Operations Division

SUBJECT: Draft GAO Report - EPA Control of Paperwork Burden

I have reviewed the subject draft report with respect to comments on the declaration form importers of motor vehicles and motor vehicle engines must file with the U. S. Customs Service (Customs). Prior to preparation of this report, members of my staff and I met with General Accounting Office (GAO) personnel and explained the present utilization of this form by Customs and EPA and the steps we were taking to reduce the paperwork burden upon importers. We provided additional information to GAO in a letter dated October 1, 1980 (copy enclosed), and several subsequent telephone communications. I am surprised and disappointed that GAO has not acknowledged our previous efforts to eliminate this form. Instead, they have ignored this information and have made recommendations virtually identical to those we told them we are intending to implement.

Customs regulations at 19 CFR 12.73 require that every new motor vehicle or heavy duty engine imported into the United States be accompanied by a declaration that it is in conformity with Federal emission requirements or that it is in an exempt category. (A conforming new vehicle or engine is identified as such by a permanently attached label.) Customs inspectors at ports of entry review the form to determine the category of declaration. If an importer declares the vehicle to be in conformity, the inspector checks it for a label; if the vehicle is declared otherwise, Customs transmits the declaration form to EPA for follow-up action. For shipments by manufacturers of large numbers of vehicles, where one form may cover several thousand vehicles, the form is used as an administrative control by Customs whereby it only spot checks a sample of vehicles for the label.

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The draft GAO report has recommended that the requirement for a declaration form be eliminated for vehicles that are in conformity. The report also states that enforcement actions brought against importers who falsely declare vehicles to be in conformity represent a very small number of cases compared to the number of vehicles imported each year and that such cases are considered "low priority" by Customs. In fact, at a meeting with GAO on September 24, 1980, in the October 1 letter and in several telephone conversations with GAO personnel, we stated that we already had met with Customs and with the Department of Transportation (DOT) to discuss how the declaration form could be eliminated for most vehicle importations. We also stated in the October 1 letter that we were considering the elimination of the form in spite of the reports from six Customs enforcement officers at three ports and at Customs headquarters who told us that they were strongly opposed to such an action because it would make it virtually impossible for them to prosecute misdeclaration violations.

On July 21, 1980, proposed revisions to Customs and EPA regulations were published which would change the importation procedures substantially by allowing an individual to import an uncertified vehicle, one time only, for personal use. As part of this regulations revision process, we have met several times with Customs and DOT to discuss deletion of the declaration form requirement for vehicles in conformity or imported for personal use. In order to limit the personal use exemption to one time only importations, some means of recording at least the name and address of the importer is necessary. We are considering using the DOT safety declaration as the source of this information. The same would apply to vehicles in conformity imported by individuals. We intend to recommend that Customs revise its regulations to delete this form during final rulemaking.

We have also contacted the Department of Defense (DOD) concerning the deletion of a declaration for vehicles shipped via their Privately Owned Vehicle Shipment Program. They have stated their willingness to make such a change and we are continuing these discussions.

The imports declaration form was originally established to decrease the burden on importers of motor vehicles and engines by providing a check-off form that an importer could complete in about 10 minutes. EPA uses the form to monitor importations of non-conforming vehicles. Customs uses the form for administrative and enforcement purposes. Nevertheless,

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in coordination with Customs, DOD and DOT, we are taking steps to eliminate usage of this declaration as far as possible consistent with the requirements of Customs law and the Clean Air Act.

The GAO draft report also contains numerous factual errors and misstatements. These are discussed in the attachment to this memorandum.

In summary, this report seems to ignore the comments we made to GAO concerning our efforts to reduce the usage of the imports declaration form. It recommends we take actions that are already in progress. We expect such actions will be consummated during final rulemaking on revisions to the imports regulations.

Attachments

cc: Sanford W. Harvey, Jr.
Gerald Bryan
Libby Scopino

GAO response

At the previous meetings and in the correspondence to GAO that EPA refers to, EPA did not announce any firm plans to eliminate the declaration form. EPA said that a change to the reporting requirement was a possibility if the regulations were revised in accordance with its July 1980 proposal. Regarding the use of Department of Transportation records as an alternate source of information on importers and imported vehicles, EPA said in its letter dated October 1, 1980, "The comment period for these regulations is still open and, thus, the ultimate substance of the requirements has not been decided. Therefore, this or any other enforcement strategy cannot be finalized until we receive and review all comments." Moreover, EPA did not state that it would change the reporting requirements if its proposed changes to the regulations were not ultimately accepted.

In its comments, EPA also refers to discussions with the U.S. Customs Service regarding the proposed change to the regulations and the need to maintain some type of perpetual record on imports by individuals for monitoring and enforcement purposes. However, EPA fails to mention that the recordkeeping requirement apparently is a matter of concern to the U.S. Customs Service. In that regard, the Department of Treasury told GAO on March 2, 1981, "The Department agrees with the Customs Service that the imposition of such a system not only still retains the current reporting burdens but also creates the need for additional recordkeeping to prevent repeat imports. We believe that this represents an unneeded and burdensome paperwork task upon the Customs inspection force which is already confronted with a massive workload." The Treasury Department also said the Customs Service was ready to discuss a revision of the reporting requirement and offer suggestions to EPA about how the Customs Service proposal could best be implemented (see app. IV).

Moreover, EPA's discussions with the Department of Defense apparently were initiated after we asked EPA why the requirement for the declaration form could not be eliminated for military personnel in light of the Department of Defense program. At the previous discussions with GAO that EPA refers to, EPA said it would not make a change until it obtained information on the quality of the Department of Defense program.

Finally, EPA's comments do not address the need for the declaration forms from manufacturers or other commercial importers. Currently, the Customs Service and EPA collect about 33,000 forms a year for those imports. Under the proposed change to the regulations, all vehicles imported for resale must conform to air emission requirements. The one time exemption would apply to imports by individuals for personal use.

In summary, we agree that the report should state that EPA was considering the possibility of eliminating the form for individuals, and we have changed it accordingly. However, EPA's comments are misleading in several respects. Our responses to the errors and misstatements EPA refers to are provided in the appropriate places in EPA attachment.

Attachment

Some specific concerns regarding the draft GAO report are as follows:

- (1) In several instances, there is the improper and inconsistent use of the term "import" or "imports". In some instances, the term is used to describe the number of vehicles being discussed, whereas in other instances it is referring to a declaration form. GAO should add a definition of this term, and utilize it in the report in a consistent and proper manner.

GAO response

We fail to see where there are instances of inconsistent use of the terms as EPA claims.

- (2) The report refers to whether or not the imported vehicles meet Federal emission "standards". A more appropriate term would be Federal emission requirements.

GAO response

We changed the report as suggested.

- (3) It should be made clear in the report that the declaration has two purposes: (a) to declare whether or not the vehicle is covered by a certificate of conformity with Federal emission requirements, and (b) to determine whether the vehicle falls into an exempt category. The latter purpose is omitted in several places in the report.

GAO response

We disagree. In the first paragraph in which we discuss the form we state what the declaration requirements are. (See pp. 26 and 27.)

- (4) On page iv, in the first paragraph, it is stated that "... the filing of a declaration form for every import is not essential..." On the previous page, it is indicated that there are 2.6 million "imports": only about 3000 declaration forms are utilized during the importation of these vehicles. Thus, it is obvious that there is not the filing of a declaration form for every "import".

GAO response

We clarified the report as suggested.

- (5) On pages v and 31, it is recommended that the EPA Administrator change the EPA regulations to require the declaration form only on an exception basis. As was stressed in our letter to GAO of October 1, 1980, the declaration is a requirement of the Customs regulations. It is printed by EPA, but it is distributed and utilized by Customs to implement their regulatory requirements.
- (6) On page 3, last paragraph, it is stated why the four EPA requirements were singled out. It should be pointed out that this declaration is not an EPA, but a Customs requirement. The same comment applies to the discussion in the first paragraph on page 22.

GAO response

EPA's assertion is incorrect. Although the declaration form requirements were incorporated into the regulations of the U.S. Customs Service, the reporting requirement is clearly EPA's. The clearance request for the declaration form was prepared by and submitted to OMB by EPA. Thus, the declaration form was included in OMB's official inventory of EPA reporting requirements. Moreover, the burden for the form is accounted for under EPA's, and not the Customs Service's, information collection budget. The clearance authorized EPA to impose the requirement through the Customs Service.

(7) On page 22, third paragraph, the statement implies that the imports declaration form is not being used by EPA. As previously stated, EPA uses a small portion of these forms to manage its imports function, and

Customs has indicated to us a need and use for the remainder.

GAO response

We changed the report to state that EPA used a small fraction of the forms collected. However, we disagree that the Customs Service indicated a need for all of the remainder.

(8) On page 28 in the table under the heading entitled "Imports not in conformity", included are "diplomats and non-residents", and "owners of vehicles used for testing, display, and racing". Both of these categories are in conformity with Federal emission requirements. Thus, the table should be corrected.

GAO response

We revised the table to show that the categories EPA mentions are exempt from air emission requirements. We also changed the report to show that EPA claimed it also tracked the exempt imports.

(9) On page 28, it states that EPA only performs a follow-up function on the approximately 1600 nonconforming imported vehicles. This is not correct. We also track the other categories (diplomats, non-residents, testing, racing, etc.) referred to in this paragraph.

GAO response

We changed the report to state that EPA used a small fraction of the forms collected. However, we disagree that the Customs Service indicated a need for all of the remainder.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

February 26, 1981

Mr. William J. Anderson
Director
General Government Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Anderson:

This letter conveys OMB's comments on the draft GAO report entitled The Environmental Protection Agency Needs To Better Control Its Growing Paperwork Burden On The Public, which we received on January 28. I am responding in my capacity as Deputy Administrator of the Office of Information and Regulatory Affairs, which exercises the reports clearance function at OMB and oversees EPA's reporting and recordkeeping requirements.

MAJOR ISSUES RAISED BY THE GAO REPORT

EPA management did not support paperwork controls.

We agree that the Standards and Regulations Division, although very competently staffed, has not always received the support it needs within the agency to control paperwork at EPA. In particular, the paperwork unit needs to become involved in the early development of information requirements and reporting forms, rather than being called in after all the program decisions have been made. We appreciate GAO's efforts to reinforce the Division's role.

We think that the move to Standards and Regulations has substantially improved the effectiveness of the paperwork unit. In addition, we have directed that several steps be taken to reinforce the consolidation of the paperwork function at EPA. First, we are now dealing exclusively with Standards and Regulations on paperwork. Any clearance requests that are received at OMB without first having been processed by Standards and Regulations are returned to the agency without action. We are also directing all paperwork-related inquiries from EPA program offices to the paperwork unit, or asking the program offices to include the unit in any discussions with OMB. Second, the process of updating our inventory of EPA information requirements, which is described below, is being coordinated by Standards and Regulations. Finally, the Paperwork Reduction Act of 1980, which goes into effect on April 1, gives us a powerful mechanism for identifying all information requirements contained in new regulations, so that the problem of identifying information requirements that should come to OMB for clearance will be reduced in the future.

Forms were not cleared because of a narrow interpretation of the Federal Reports Act.

The specific point that the report raises--the requirement that clearance be obtained even for statutorily mandated reporting requirements--has been resolved for some time (although one or two programs, such as RCRA, still resist OMB's clearance authority). Thus, for example, EPA needed no prompting to request clearance for the premanufacture notification reports required by the Toxic Substances Control Act, despite the fact that the reporting requirements must be complied with whether or not EPA issues regulations or seeks clearance. In any case, the Paperwork Reduction Act of 1980 specifically states that no person can be penalized for failing to comply with a reporting or recordkeeping requirement that has not been cleared by OMB, so this problem should not arise in the future.

Until recently, OMB and EPA had not reached agreement as to the standing of recordkeeping, as opposed to reporting requirements, in the reports clearance process. The explicit inclusion of recordkeeping in the Paperwork Reduction Act of 1980, along with the effort described in the next section, is helping to resolve that issue.

Unauthorized collections of information.

There is still some work to be done in identifying reporting and recordkeeping requirements that are in use but that have not come to OMB for clearance. We are now working with EPA to identify all such information requirements, bring them into the reports clearance system, and set a schedule for a thorough program-by-program effort to reduce information collection burdens. Thus far EPA's efforts, which are being coordinated by Standards and Regulations, have been thorough. The authority in the Paperwork Reduction Act of 1980 to identify information requirements in proposed regulations should help in this regard.

Section 3518 of the Paperwork Reduction Act of 1980 states that information collected "during the conduct of...an administrative action or investigation involving an agency against specific individuals or entities" is not subject to the requirements of the Act. In the case of EPA, this refers to information collected in source-specific enforcement actions taken after a violation has been identified. Such activities account for only a small fraction of EPA's paperwork burden. As part of the effort described above, we are working with EPA to determine which information requirements fall under that exemption.

EPA should reduce the number of some reports required; and Better estimates of EPA paperwork burdens are needed.

We agree that some EPA information requirements are unnecessary, excessively burdensome, or directed at too large a number of respondents, and that many burden estimates are highly unrealistic. The Information Collection Budget, which was established this past year, has made substantial progress in bringing the information requirements of EPA and other agencies under control. The effectiveness of the ICB was limited, however, by the fact that many of EPA's information requirements had not been brought to OMB's attention and so were not included in the information budget estimates.

The process of completing the inventory of EPA reporting and recordkeeping requirements will remedy that situation, and allow EPA and OMB to undertake a program-by-program review of the agency's information requirements, both to improve burden estimates and to eliminate unnecessary burdens.

The Paperwork Reduction Act of 1980 authorizes OMB for the first time to require estimates of the financial resources as well as the time spent on paperwork. The Act also gives OMB explicit authority to evaluate the necessity and practical utility of an information collection. The Act directs OMB to set a goal of reducing information collection burdens by 15 percent by October 1, 1982, and by an additional 10 percent in the following year. The provisions of the Paperwork Reduction Act will provide OMB with the additional authority it needs to obtain better estimates of burden and to act expeditiously to meet those goals.

GAO RECOMMENDATIONS

1. The Administrator of EPA should provide necessary support to information collections activities.

We are in complete agreement. We think that substantial progress has already been made, but that the role of the paperwork unit at EPA needs further reinforcement.

2. The Administrator of EPA should direct the Office of Inspector General to evaluate the efficacy of paperwork controls periodically.

We have no objection to this recommendation.

3. The Administrator of EPA should direct the clearance officer to periodically validate the practical utility of EPA's reporting requirements.

We will work with the Administrator and the clearance officer to fulfill OMB's statutory mandate to validate the practical utility of EPA's information requirements.

4. The Administrator should change wastewater discharge permit reporting schedules.

5. The Administrator should change motor vehicle import declaration forms.

In both cases, in the event that the Administrator does not act, OMB can consider the changes proposed by GAO when the clearances for these two reporting requirements expire, in September 1981 and January 1983 respectively.

6. The Director of OMB should revise OMB Circular A-40 to encourage the use of pretests.

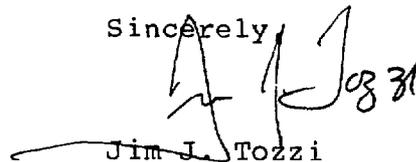
We would bring GAO's attention to the following language in an OMB newsletter to agency clearance officers, dated October 1979:

Frequently, in the course of developing a new survey instrument, pretesting of possible questions is required. Pretesting may be important to determine whether respondents can supply the information requested and whether the wording is clear. Pretests may also be needed to help narrow down from a large set of possible questions to a smaller set to be used in the final full scale survey.

OMB recognizes the great value of pretests in designing information collections. Pretests are also useful in many instances for estimating reporting burdens, although they require follow-up to confirm those estimates on the basis of actual experience. Furthermore, the respondents in a pretest may have an interest in overstating the burden in an attempt to influence OMB's clearance decision. We support the use of pretests, but because we think they are not always the best instrument for estimating reporting and recordkeeping burdens, and because they impose additional burdens on respondents, we would hesitate to prescribe their use universally.

I hope these comments have been useful to you. Please let me know if I can be of any further assistance.

Sincerely,



Jim J. Tozzi
Deputy Administrator
Office of Information and
Regulatory Affairs

cc: EPA



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

ASSISTANT SECRETARY

MAR 2 1981

Dear Mr. Anderson:

The Department appreciated the opportunity to comment on the GAO draft report entitled, The Environmental Protection Agency Needs to Better Control Its Growing Paperwork Burden on the Public. Our comments pertain only to the section on the importation of motor vehicles and motor vehicle engines and the checkoff type declaration form used in their processing under the Federal Air Pollution Control Regulations. The need to control this growing paperwork burden imposed on industries and the public also is of great concern to the Department. Therefore, the Department and the U.S. Customs Service, the agency most impacted by the EPA requirements, are receptive to any recommendations for improving the situation.

We agree with GAO that the currently imposed reporting form entitled, Importation of Motor Vehicles and Motor Vehicle Engines Subject to Federal Air Pollution Control Regulations is unnecessarily burdensome on persons involved in noncommercial imports. As now required, this form must be submitted for every importation of motor vehicles and engines. The form was originally developed as a joint Customs/EPA effort to insure proper control of these imports. However, the use made of these reports and the actions EPA can undertake to monitor vehicles not complying with the requirements of the Clean Air Act indicates that the reporting form has become more of a burden than a useful control. Statistics provided in the report identify only 1,600 of the 2,640,000 imports as not complying with the Act. Furthermore, the 116,000 reports actually filed were generally accepted by Customs inspectors as the evidence that the imports complied with the Act.

An additional concern to the Department is the EPA proposal for new rulemaking revising current Clean Air Act regulations to permit individuals importing vehicles for personal use, a one-time exception, as long as there was no previous import since 1970. The Department agrees with the Customs Service that the imposition of such a system not only still retains the current reporting burden, but also creates the need for additional recordkeeping to prevent repeat imports. We believe this represents an unneeded and burdensome paperwork task upon the Customs inspection force, which is already confronted with a massive workload.

Considering the data and statistics provided in this study, the Department and the Customs Service support the GAO proposal for using the declaration form only on an exception basis; essentially for that small percentage of cases where the import is not in compliance with the applicable emission standard. In addition, the declaration would be requested when a Customs inspection uncovered a possible violation of the standard. The Customs Service is prepared to discuss a revision of the reporting requirement with EPA and to offer suggestions on how this proposal can best be implemented.

Thank you again for the opportunity to review the draft report. If you have any additional questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "John P. Simpson", written over a horizontal line.

John P. Simpson
Acting Assistant Secretary
(Enforcement and Operations)

Mr. William J. Anderson
Director
General Government Division
General Accounting Office
Washington, D. C. 20548

LIST OF 19 FIRMS USED IN GAO

CASE STUDY

Air Products and Chemicals Inc.
Allied Chemical Corporation
American Paper Products, Inc.
Chromalloy Finishing Company
Connelly Containers, Inc.
Eltra Corporation
Globe Electro Plating Company
Heritage Metal Finishing Company, Inc.
Homasote Company
Industrial Metal Plating Inc.
Kocide Chemical Company
Newman and Company, Inc.
Peter Cooper Corporation
Scott Paper Company
Shryock Brothers
Simpson Paper Company
Stauffer Chemical Company
Wheeling Machine Products Company
Wheeling Stamping Company

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