TOXIC CHEMICAL RELEASES
EPA Actions Could Reduce Environmental Information Available to Many Communities

Why GAO Did This Study
Federal law requires certain facilities that manufacture, process, or use any of 581 toxic chemicals to report annually to EPA and their state on the amount of those chemicals released into the air, water, or soil. It also requires EPA to make this information publicly available through the Toxics Release Inventory (TRI) database.

Facilities must either (1) submit a detailed TRI Form R for each designated chemical used in excess of certain thresholds or (2) file a simpler Form A certifying that they need not do so. To reduce companies’ burden, EPA issued a December 2006 rule to expand Form A eligibility for certain facilities and chemicals. GAO analyzed (1) how EPA and others use TRI data, (2) whether EPA followed internal guidelines in developing its rule, (3) the rule’s impact on information available to the public, and (4) the burden reduction from EPA’s changes.

What GAO Found
TRI data are used widely by nearly all Environmental Protection Agency (EPA) program offices in carrying out their missions, and by other federal agencies, the states, and the public at large. The Internal Revenue Service, for example, uses the data to identify companies that release chlorofluorocarbons (chemicals that deplete the earth’s ozone layer) to enforce a tax to help phase out their use. States use TRI data, among other things, to design pollution prevention initiatives, to calculate fees on emitting facilities, and to assist in emergency planning. Key users among the public include researchers, who use TRI data to assess environmental policies and strategies for pollution reduction, and individual citizens and local advocacy groups, who use it to learn about the type and quantity of toxic chemicals released in their communities.

EPA did not follow key steps in agency guidelines designed to ensure that it conducts appropriate scientific, economic, and policy analyses and receives adequate input from relevant program offices before finalizing a major rule. This occurred, in part, because EPA expedited the rule-making process in an effort to meet a commitment to the Office of Management & Budget (OMB) to provide burden reduction by the end of 2006. The schedule did not allow it to meet the guideline’s provisions to complete economic analyses; evaluate the costs and benefits of the changes; or seek adequate input from EPA program offices that rely heavily on TRI data. For example, although EPA held a Final Agency Review for program offices to state their position on the proposed rule, the review package did not include the burden reduction option, and supporting analysis, that was proposed and adopted.

GAO concluded that, while EPA estimated that its rule would affect reporting on less than 1 percent of the total release pounds nationwide, this aggregate national estimate masked the disproportionately large impact the rule would have on individual communities across the country. GAO’s analysis indicated that EPA’s rule would allow more than 3,500 facilities to no longer report their use. States use TRI data, among other things, to design pollution prevention initiatives, to calculate fees on emitting facilities, and to assist in emergency planning. Key users among the public include researchers, who use TRI data to assess environmental policies and strategies for pollution reduction, and individual citizens and local advocacy groups, who use it to learn about the type and quantity of toxic chemicals released in their communities.

EPA’s estimated savings from the reduced reporting burden associated with the TRI rule—3 percent of total annual burden hours, worth about $6 million annually—are likely overstated. EPA’s projected savings are based on OMB-approved estimates of burden hours associated with completing Form R and Form A, but these estimates are based on outdated data. EPA’s more recent engineering estimates—developed from a systematic examination of the amount of time needed to collect and report the data on Form R and Form A—suggest a lower overall burden associated with current TRI reporting and, consequently, 25 percent lower burden savings from the new rule.

What GAO Recommends
GAO provided the draft report to EPA and excerpts to the Office of Management and Budget (OMB), for comment. EPA rejected a recommendation in the draft report that it more fully and adequately evaluate the costs and benefits from increased Form A use, and so GAO now states that Congress should consider legislation to reverse EPA’s expansion of Form A eligibility. OMB questioned GAO’s characterization of its role in approving TRI data collections and in reviewing EPA’s TRI rule.

To view the full product, including the scope and methodology, click on GAO-08-128. To view the survey results, click on GAO-08-129SP. For more information, contact John Stephenson at (202) 512-3841 or stephensonj@gao.gov.