

GAO

Report to the Chairman, Committee on
Environment and Public Works,
U.S. Senate

December 2012

ENVIRONMENTAL PROTECTION

EPA Should Develop a Strategic Plan for Its New Compliance Initiative



G A O

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Highlights of [GAO-13-115](#) a report to the Chairman, Committee on Environment and Public Works, U.S. Senate

Why GAO Did This Study

The Environmental Protection Agency (EPA) oversees many environmental programs that seek to protect public health and the environment. Substantial noncompliance with these regulations and increasing budget pressures, among other things, led EPA to propose a new enforcement and compliance initiative in fiscal year 2012. This new initiative—Next Generation Compliance—attempts to capitalize on advances in emissions and pollutants monitoring and information technology. Among other things, EPA expects Next Generation Compliance to provide new and more complete enforcement and compliance information and promote greater public transparency and accountability.

GAO was asked to review (1) actions EPA has undertaken in Next Generation Compliance to increase enforcement and compliance transparency and accountability and (2) the extent to which EPA is developing a strategic plan to integrate Next Generation Compliance into its enforcement and compliance program. To conduct this work, GAO reviewed Next Generation Compliance documents and interviewed selected EPA officials.

What GAO Recommends

GAO recommends that EPA (1) develop a schedule for completing a strategic plan for its Next Generation Compliance initiative in a timely manner and (2) incorporate selected leading practices in federal strategic planning in the plan. EPA agreed with GAO's recommendations.

View [GAO-13-115](#). For more information, contact David C. Trimble at (202) 512-3841 or trimbled@gao.gov.

December 2012

ENVIRONMENTAL PROTECTION

EPA Should Develop a Strategic Plan for Its New Compliance Initiative

What GAO Found

Since introducing its Next Generation Compliance initiative in fiscal year 2012, EPA has taken four primary steps to increase transparency and accountability in enforcement and compliance. According to EPA documents and officials, these actions will provide greater access to data under EPA-regulated programs and make regulated entities more accountable to the public. In this regard, EPA

- formed an electronic reporting task force in December 2011 to provide recommendations for converting from existing paper-based reporting requirements to electronic reporting;
- established a work group in April 2012 to identify advanced emissions and pollutants monitoring technology and evaluate how the agency can better use such technology;
- formed a work group in September 2012 to advance the use of new compliance tools in its enforcement activities, such as in settlement agreements with entities that are found in noncompliance with regulations; and
- increased the public availability of the enforcement and compliance information it currently has available by, among other actions, placing a tool on its enforcement website that allows the public to obtain information about pollutants that are released into local waterways.

EPA has not developed a strategic plan to integrate Next Generation Compliance into its enforcement and compliance program. EPA has prepared some documents on the initiative and its components, but these documents are general in nature and provide little specificity regarding EPA's plans related to Next Generation Compliance. GAO has previously reported that strategic planning for activities below the agencywide level is a leading practice for successful agencies. EPA acknowledges the need for an overall plan for Next Generation Compliance. Developing a plan that incorporates selected leading practices for federal strategic planning could help EPA more effectively integrate Next Generation Compliance into its enforcement and compliance program and promote greater public transparency. Without a strategic plan incorporating these leading practices, EPA may face challenges in helping to ensure that its initiative will achieve its long-term goals of improving compliance and obtaining greater health and environmental benefits from the agency's regulations. Additionally, without a strategic plan to direct its Next Generation Compliance initiative, EPA could waste valuable resources, time, and effort. For example, without proper planning, EPA may pursue emissions monitoring technologies that not all regulated entities—especially the growing numbers of smaller facilities—can fully utilize, thereby requiring EPA to rely on costly individual facility inspections with its limited resources.

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Abbreviations

ECHO	Enforcement and Compliance History Online
EPA	Environmental Protection Agency
GPRA	Government Performance and Results Act
NPDES	National Pollutant Discharge Elimination System
OECA	Office of Enforcement and Compliance Assurance
OMB	Office of Management and Budget

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Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

December 10, 2012

The Honorable Barbara Boxer
Chairman
Committee on Environment and Public Works
United States Senate

Dear Madam Chairman:

The Environmental Protection Agency (EPA) oversees many environmental programs, in partnership with state agencies, that seek to protect public health and the environment from pollutants produced by a range of entities, including sewage treatment facilities, petroleum refineries, and power plants. In carrying out its mission, EPA develops regulations governing facilities that treat, store, or dispose of hazardous waste; establishes limits for entities discharging pollutants such as effluent or wastewater to surface waters; and sets national ambient air quality standards for entities discharging certain pollutants into the air, among other things. To ensure that regulated entities meet these environmental regulations, EPA has established an enforcement and compliance program. This program includes EPA actions to monitor regulated entities' compliance with environmental laws and regulations, enforcement of regulatory requirements through civil and criminal penalties for violations, and oversight of state enforcement activities authorized by EPA.¹ In recent years, EPA has reported that it is not achieving all of the environmental and public health benefits it expected in regulating certain entities because of substantial rates of noncompliance in some programs. For example, 2010 EPA data (the most recently available data) indicate that 45 percent of certain entities subject to effluent limits through EPA's National Pollutant Discharge Elimination System (NPDES) permit program have reported violations.² Furthermore,

¹EPA has authorized states to carry out many of the day-to-day responsibilities for timely and appropriate enforcement of environmental laws and regulations.

²EPA calendar year 2010 annual noncompliance report, *A State-by-State Summary of Violations and Enforcement Response At Smaller Clean Water Act Dischargers under the NPDES Program*, August 2012. Under the NPDES program, all facilities that discharge pollutants from any point source into U.S. waters are required to obtain a permit, typically from their state or EPA region. Before such an entity discharges pollutants, it must receive an NPDES permit that, at a minimum, incorporates any relevant pollutant limits from EPA's effluent guidelines.

because of incomplete or unreliable data on compliance in some programs, such as the NPDES, EPA cannot determine the full extent of entities' compliance. In addition, as we have previously reported, unreliable data in EPA's drinking water program limits EPA's ability to identify violations.³ We and the EPA Inspector General have also reported inconsistencies in the enforcement of certain state environmental programs, which are overseen by EPA.⁴ For example, the Inspector General reported that, while EPA has made efforts to improve state performance and oversight consistency, state enforcement programs are underperforming.⁵ Given these challenges, as well as growing federal and state budget pressures, EPA stated that it has become increasingly difficult to rely primarily on its traditional approach of inspecting individual entities to increase compliance with the nation's environmental laws and regulations.

To ensure better enforcement and compliance by regulated entities, EPA announced a new initiative in fiscal year 2012—Next Generation Compliance—to capitalize on advances in emissions and pollutants monitoring and information technology.⁶ Under this initiative, which remains in the early stages of development, the agency proposes to rely less on its traditional single-entity-at-a-time inspection method and more on electronic reporting of information from regulated entities and the use of new technologies to monitor their compliance. For example, according to EPA documents, EPA anticipates that advanced emissions and pollutants monitoring equipment, such as infrared cameras that could detect emission leaks and fence-line monitoring equipment that could provide emissions monitoring around the perimeter of an entity, will be used to identify violations and promote compliance. Also under this initiative, EPA states that Next Generation Compliance will provide new

³GAO, *Drinking Water: Unreliable State Data Limit EPA's Ability to Target Enforcement Priorities and Communicate Water Systems' Performance*, [GAO-11-381](#) (Washington, D.C.: June 17, 2011).

⁴GAO, *Environmental Compliance and Enforcement: EPA's Effort to Improve and Make Consistent Its Compliance and Enforcement Activities*, [GAO-06-840T](#) (Washington, D.C.: June 28, 2006) and EPA Office of Inspector General, *EPA Must Improve Oversight of State Enforcement*, Report No. 12-P-0113, Dec. 9, 2011.

⁵EPA Office of Inspector General, 12-P-0113.

⁶EPA officials stated that, while the Next Generation Compliance initiative was formally started in fiscal year 2012, it originated from the Clean Water Act Action Plan and some of that plan's ideas in 2010 and 2011.

and more complete information to regulated entities and the public to promote greater transparency and accountability, as well as improve the ability of states to implement their authorized federal environmental programs.

As we have previously reported, in developing new initiatives, agencies can benefit from following leading practices for strategic planning.⁷ Furthermore, federal departments and agencies such as EPA are to comply with the Government Performance and Results Act (GPRA) of 1993, as amended, which was passed by Congress to improve the efficiency and accountability of federal programs, among other purposes.⁸ GPRA requires, among other things, that federal agencies develop long-term strategic plans that include agencywide goals and strategies for achieving those goals. The Office of Management and Budget (OMB) has provided guidance in Circular A-11 to agencies on how to prepare these plans in accordance with GPRA requirements. We have reported that these requirements also can serve as leading practices at lower levels within federal agencies, such as planning for individual divisions, programs, or initiatives.⁹

In light of EPA's key role in enforcing our nation's environmental laws and helping protect the public's health, you asked us to review EPA's efforts to improve enforcement and compliance. Our objectives were to examine (1) the actions EPA has undertaken in Next Generation Compliance to increase enforcement and compliance transparency and accountability and (2) the extent to which EPA is developing a strategic plan to integrate Next Generation Compliance into its enforcement and compliance program.

To address our first objective, we obtained and reviewed EPA documents about the Next Generation Compliance initiative. These documents included a three-page Next Generation Compliance overview document, slides describing the initiative, information regarding the roles and efforts

⁷GAO, *Environmental Justice: EPA Needs to Take Additional Actions to Help Ensure Effective Implementation*, [GAO-12-77](#) (Washington, D.C.: Oct. 6, 2011).

⁸Pub. L. No. 103-62 (Aug. 1993), as amended.

⁹For example, see GAO, *Foreign Aid Reform: Comprehensive Strategy, Interagency Coordination, and Operational Improvements Would Bolster Current Efforts*, [GAO-09-192](#) (Washington, D.C.: Apr. 17, 2009).

of Next Generation Compliance work groups, an EPA training workbook on how to design rules with compliance, information on EPA's efforts to implement electronic reporting for the NPDES program, and the Office of Enforcement and Compliance Assurance (OECA) fiscal year 2013 national program manager guidance. We also interviewed EPA officials in headquarters from OECA and the Office of Research and Development. We reviewed related federal policies on regulatory accountability and compliance information to understand how they could apply to EPA's Next Generation Compliance. In addition, to demonstrate how EPA has applied some aspects of Next Generation Compliance, we reviewed selected EPA settlement agreements with regulated entities that were publicly announced from October 2011 through October 2012. Through this review, we identified agreements that included facets of the Next Generation Compliance initiative, such as requirements for using advanced emission or pollutant controls, or reporting provisions intended to provide more information to the public.¹⁰ To address our second objective, we also spoke with OECA officials about their planning efforts regarding the initiative and reviewed planning-related documents, specifically the three-page Next Generation Compliance overview document and descriptive slides. We also reviewed our prior work on leading practices in federal strategic planning for agency divisions, programs, or initiatives.

We conducted this performance audit from March 2012 to December 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

EPA manages its environmental enforcement and compliance responsibilities primarily through its OECA. OECA monitors the compliance of regulated entities, identifies national enforcement concerns and sets priorities for addressing them, and provides overall direction on enforcement policies. OECA can take enforcement actions, such as fining

¹⁰We did not review all EPA settlement agreements that we found from EPA news releases related to enforcement and compliance on EPA's website, and information from our examples cannot be generalized to all EPA settlement agreements.

entities that are in noncompliance with EPA regulations, but most of EPA's enforcement responsibilities are carried out by its 10 regional offices. These offices carry out program activities under each of the major federal environmental statutes, such as the Clean Air Act and the Clean Water Act, have compliance related responsibilities, and also take enforcement actions. For example, among other things, a regional office can conduct inspections, provide compliance assistance and training to state enforcement programs, and take enforcement actions such as assessing fines for noncompliance with EPA regulations. The regional offices also oversee certain state enforcement programs and implement certain programs in Indian country.¹¹ Many federal environmental statutes direct EPA to approve or authorize qualified states to implement and enforce environmental programs consistent with federal requirements, and most states have responsibility for multiple laws. EPA-authorized states are to monitor compliance of regulated entities, conduct inspections, take enforcement actions against entities found in noncompliance, and report their actions to EPA.

EPA proposed the Next Generation Compliance initiative in fiscal year 2012 to capitalize on advanced technical capabilities and efficiencies in enforcement and compliance. In developing this new initiative, EPA stated that it wanted to go beyond its traditional enforcement approach of inspecting individual entities and make available, among other things, new and more complete enforcement and compliance information. According to agency documents, the long-term goals of the initiative are to improve compliance and obtain greater health and environmental benefits from EPA's regulations. The proposed elements of the initiative are described in a brief overview document and some slide presentations that the agency has prepared about the initiative. In summary, according to these materials, the five components of the Next Generation Compliance initiative are the following:

- *Rulemaking*—designing and structuring rules and regulations to ensure greater compliance, such as including requirements for regulated entities to regularly assess their compliance.

¹¹“Indian country” includes all land within the limits of an Indian reservation under the jurisdiction of the U.S. government, all dependent Indian communities within the borders of the United States, and all Indian allotments, the Indian titles to which have not been extinguished.

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- *Technology*—using advanced emissions and pollutants monitoring technology, such as infrared cameras, for compliance monitoring so that regulated entities and the public are better informed about entities' pollution.
 - *Electronic reporting*—using modern information technology to transition from paper to electronic reporting of items such as permit data, compliance information, and enforcement actions.
 - *Transparency*—making both current and new entities' enforcement and compliance information, such as information obtained from advanced emissions and pollutants monitoring and electronic reporting, more publicly available.
 - *Innovative enforcement approaches*—employing new or innovative enforcement approaches, such as including tools like advanced emissions and pollutants monitoring or electronic reporting requirements in EPA enforcement settlement agreements with entities.

EPA envisions that Next Generation Compliance benefits will come from (1) designing and structuring rules and regulations to ensure greater compliance by regulated entities; (2) obtaining and making public more and better compliance data so that the public can determine the extent of regulated entities' compliance with environmental regulations, thereby exerting pressure on violators for greater compliance; and (3) improving the ability of EPA-authorized states to implement their environmental programs. EPA officials informed us that EPA has started providing training to EPA staff on how to incorporate the Next Generation components into designing rules and regulations. As part of this effort, EPA developed a training workbook for staff on how to design rules with an emphasis on increasing regulated entity compliance. With regard to making public more and better compliance data, according to EPA documents, providing information to the public, together with public accountability, can result in greater compliance by regulated entities. For example, EPA stated that reductions in regulated entities' noncompliance with NPDES permits in certain states may be related to EPA's increasing the public disclosure of related compliance data, along with the release of state enforcement performance information. These actions, according to EPA, created more pressure on states to enforce and on these entities to comply with NPDES permit requirements. Furthermore, EPA believes that the improved enforcement and compliance data Next Generation

Compliance will provide will allow states and EPA to be more innovative in developing new approaches to improving compliance.

EPA Has Taken Steps under Next Generation Compliance to Increase Transparency and Accountability

Since introducing its Next Generation Compliance initiative in fiscal year 2012, EPA has taken four primary steps to increase transparency and accountability in enforcement and compliance. According to EPA documents and officials, these steps provide greater access to data under EPA-regulated programs and make regulated entities more accountable to the public.

First, EPA formed an electronic reporting task force in December 2011 to provide recommendations for converting from existing paper-based reporting requirements to electronic reporting. This action is in support of a broader EPA effort to require regulated entities to electronically report data, such as permit data and compliance information, to EPA and state environmental agencies. According to EPA documents, electronic reporting is not simply e-mailing files to the government, but it is an electronic method that guides the entity through the reporting process. The task force is also developing agency policy to include electronic reporting requirements in all new EPA regulations. According to a senior EPA official responsible for coordinating the Next Generation Compliance initiative, in June 2012, the task force started working with the Environmental Council of the States, a national association of state and territorial environmental agency leaders, to explore how regulated entities could electronically conduct business with EPA and state environmental agencies, including providing electronic submissions of permit applications and modifications, as well as emissions and pollutants data.

Second, the agency formed a work group in April 2012 to identify advanced emissions and pollutants monitoring technology and evaluate how the agency can better use such technology. Among other things, the work group is charged with preparing a national inventory of the advanced monitoring equipment EPA owns or has access to from other sources, such as contractors. The work group's charter called for it to prepare a report by September 2012 that addresses 10 items and, among other things, provide suggestions to establish formal policies and procedures for deploying and maintaining advanced emissions and pollutants monitoring technology and training staff on its use. According to EPA officials, an interim report that contained initial findings and recommendations from the work group was provided to the OECA Deputy Assistant Administrator on September 29, 2012.

Third, EPA has begun including Next Generation Compliance in its enforcement activities by incorporating elements of the initiative into selected settlement agreements. For example, under an EPA settlement agreement announced in May 2012, a petroleum company agreed to install “state-of-the-art” pollution controls at its refinery, as well as a fence-line emissions monitoring system.¹² According to the terms of the settlement agreement, the company will post data collected from the fence-line monitoring system on a public website. In an EPA agreement announced in April 2012, another petroleum company also agreed to install “state-of-the-art” pollution controls at its refineries and in the process provided resources and assistance to EPA to acquire new scientific information for measuring certain air emissions.¹³ EPA informed us that this settlement agreement, taken in its entirety, is an example of identifying and using advanced technology to both monitor and reduce emissions. In September 2012, EPA formed a work group to advance the use of Next Generation compliance tools in EPA settlement agreements.

Fourth, the agency has increased the public availability of the enforcement and compliance information it currently has available. EPA officials informed us that they are observing the public’s increasing use of EPA’s Enforcement and Compliance History Online (ECHO) website and are continually looking for ways to improve and expand the information publicly available on the website. For example, in January 2012, EPA released a Clean Water Act Discharge Monitoring Report Pollutant Loading Tool on its ECHO website to provide the public with information about pollutants that are released into local waterways.¹⁴ According to EPA documents, the tool allows the public to compare annual pollutant discharge amounts from certain regulated entities under the Clean Water Act and includes a mapping application, toxicity data, and links to other compliance information.

¹²In this agreement, the controls included certain modifications to the refinery heaters and boilers, among other things. Additionally, a fence-line monitoring system is used to determine representative pollutant concentrations at the boundary of an entity or source.

¹³In this agreement, the controls included certain modifications to the refineries’ waste gas combustion devices, referred to as flares, among other things.

¹⁴According to information about the tool on ECHO, it includes discharge data for more than 44,000 regulated entities, but does not contain a complete inventory of all discharges permitted under the Clean Water Act. ECHO also contains other examples of EPA’s efforts to provide the public with enforcement and compliance information.

EPA Has Not Developed a Strategic Plan for Its Next Generation Compliance Initiative

EPA has not developed a strategic plan to integrate Next Generation Compliance into its enforcement and compliance program. EPA has prepared a brief overview document and some slides that provide basic information on the initiative's five components, but these documents are general in nature and provide little specificity regarding EPA's plans, goals, or performance measures related to Next Generation Compliance. A senior EPA official responsible for coordinating the Next Generation Compliance initiative told us that EPA recognizes the need for a strategic plan for the initiative and expects to prepare one in fiscal year 2013, but he could not provide a specific time frame for either starting or completing the plan.

Federal departments and agencies such as EPA must comply with GPRA requirements and are to follow associated OMB guidance in developing their departmental or agencywide strategic plans. We have previously reported that strategic planning for activities below the agencywide level—such as planning for individual divisions, programs, or initiatives—is a leading practice for successful agencies.¹⁵ In addition, we have previously reported on federal agencies' strategic planning efforts and have identified additional useful practices to enhance agencies' strategic plans. Taken together, the strategic planning elements established under GPRA and associated OMB guidance and practices we have identified provide a framework of leading practices in federal strategic planning.¹⁶ These include such actions as defining the missions and goals of a program or initiative and involving stakeholders and leadership in planning, among others. Table 1 lists five selected leading practices in federal strategic planning and their characteristics. We highlight these five practices because EPA's Next Generation Compliance initiative is still

¹⁵For example, see GAO, *Pipeline Safety: Management of the Office of Pipeline Safety's Enforcement Program Needs Further Strengthening*, [GAO-04-801](#) (Washington, D.C.: July 23, 2004) and [GAO-09-192](#).

¹⁶For example, see GAO, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, [GAO/GGD-96-118](#) (Washington, D.C.: June 1, 1996); GAO, *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, [GAO-03-143](#) (Washington, D.C.: Nov. 22, 2002); and GAO, *Managing for Results: Strengthening Regulatory Agencies' Performance Management Practices*, [GAO/GGD-00-10](#) (Washington, D.C.: Oct. 28, 1999).

being developed, and these practices are particularly relevant to the early stages of developing a strategic plan.¹⁷

Table 1: Selected Leading Practices in Federal Strategic Planning

Selected leading practice	Characteristics
Define the mission and goals	<p>A mission statement explains why the agency—or a specific program—exists, what it does, and how it does it.</p> <p>Strategic goals explain the purpose of agency programs and the results—including outcomes—that they intend to achieve.</p>
Define strategies and identify resources needed to achieve goals	<p>Strategies should be designed to align activities, core processes, and resources to support the mission and help the agency meet long-term strategic goals. Strategies should also address management challenges that threaten an agency’s ability to meet its long-term strategic goals.</p> <p>Strategies should include milestones for significant actions to be taken, as well as a description of the resources needed to meet established goals.</p>
Ensure leadership involvement and accountability	<p>Only an agency’s senior leadership can ensure that strategic planning becomes the basis for day-to-day operations.</p> <p>Successful organizations use formal and informal practices to hold managers accountable and create incentives for working to achieve the agency’s goals.</p>
Involve stakeholders	<p>Successful organizations involve stakeholders in developing their mission, goals, and strategies to help ensure that they target the highest priorities. Stakeholders include: Congress and the administration; state and local governments; agency staff; and agency customers, interest groups, and the public.</p> <p>Stakeholders can influence success or failure of agencies’ programs.</p>
Develop and use performance measures	<p>Performance measures allow an agency to track the progress it is making toward its mission and goals.</p> <p>Measures provide managers information on which to base their organizational and management decisions and create powerful incentives to influence organizational and individual behavior.</p>

Sources: GAO analysis of GPRA, OMB guidance, and prior GAO work.

Without a plan that incorporates leading strategic planning practices such as those included in table 1, EPA cannot be assured that it has established a framework to effectively guide and assess the success of this initiative and cannot be assured that it is effectively integrating the initiative into its overall enforcement and compliance program. For example, we have previously reported when developing a strategic plan, it is particularly important for agencies to define strategies that address management challenges that threaten their ability to meet long-term

¹⁷We did not consider all practices from among these sources because the Next Generation Compliance initiative is still being developed.

strategic goals and include a description of the resources, actions, time frames, roles, and responsibilities needed to meet established goals.¹⁸ Without a strategic plan to direct its Next Generation initiative, EPA could waste valuable resources, time, and effort. For example, without proper planning, EPA may pursue emissions monitoring technologies that not all regulated entities—especially the growing numbers of smaller facilities—can fully utilize, thereby requiring EPA to rely on costly individual facility inspections with its limited resources.

EPA acknowledges the need for a plan for the Next Generation Compliance initiative, but it has not yet developed one that clearly articulates a strategy for integrating the initiative into the existing enforcement and compliance program and provides a comprehensive analysis of how the initiative will help to achieve the overall goals of the program. The brief overview documents and slides EPA has developed for the initiative include only general statements about the need for and benefits of the new initiative and descriptions of the initiative's broad goals. Specifically, EPA's overview and other documents do not, among other actions, (1) clearly define the goals of the initiative and steps needed to achieve these goals; (2) identify and develop a strategy for including milestones for significant actions to be taken, as well as a description of the resources needed to accomplish them; and (3) ensure that all key stakeholders are involved in both the planning and implementation of the initiative. Without a strategic plan incorporating selected leading practices, EPA may face challenges in helping ensure that the initiative will achieve its long-term goals of improving compliance and obtaining greater health and environmental benefits from the agency's regulations.

Conclusions

EPA began its Next Generation Compliance initiative in an effort to move beyond its traditional enforcement strategies to improve overall regulatory compliance. As part of the effort, the agency has undertaken several worthwhile steps to increase enforcement and compliance and encourage transparency and accountability. However, the agency has not developed a strategic plan for implementation of Next Generation Compliance and

¹⁸GAO, *Managing for Results: Critical Issues for Improving Federal Agencies' Strategic Plans*, [GAO/GGD-97-180](#) (Washington, D.C.: Sept. 16, 1997) and GAO, *U.S. Tsunami Preparedness: NOAA Has Expanded Its Tsunami Programs, but Improved Planning Could Enhance Effectiveness*, [GAO-10-490](#) (Washington, D.C.: Apr. 28, 2010).

could face challenges in helping ensure that the initiative will achieve its goals of improving compliance and obtaining greater health and environmental benefits from agency regulations if it moves forward without one. Also, without such a plan to direct its Next Generation Compliance initiative, EPA could waste valuable resources, time, and effort and cannot be certain that it effectively integrates the initiative into its overall enforcement and compliance program.

Recommendations for Executive Action

To better integrate Next Generation Compliance into its overall enforcement and compliance program and ensure that the initiative will achieve the goals EPA envisions for it, we recommend that the Administrator of EPA direct the Assistant Administrator of OECA to take the following two actions:

- Develop a schedule for completing, in a timely manner, a strategic plan for Next Generation Compliance; and
- Ensure that this strategic plan incorporates selected leading practices in federal strategic planning, as appropriate, and describes how Next Generation Compliance is to be integrated into the enforcement and compliance program.

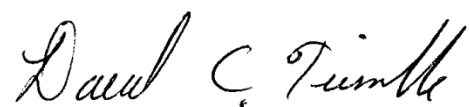
Agency Comments and Our Evaluation

We provided a draft of this report to EPA for review and comment. In written comments, which are included in appendix I, EPA agreed with the report's recommendations. Regarding the first recommendation, EPA stated it will prepare a strategic plan for Next Generation Compliance in fiscal year 2013. Regarding the second recommendation, EPA stated it will consider incorporating leading practices in federal strategic planning, where appropriate, as it develops the strategic plan. The agency also stated that it anticipates that integrating Next Generation Compliance into its enforcement and compliance program will be a primary component of the strategic plan. EPA also provided technical comments on the draft report, which we incorporated as appropriate.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the Administrator of EPA, the appropriate congressional committees, and other interested parties. In addition, the report also will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff members have any questions about this report, please contact me at (202) 512-3841 or trimbled@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix II.

Sincerely yours,

A handwritten signature in black ink that reads "David C. Trimble". The signature is written in a cursive style with a large initial 'D' and a distinct 'C'.

David C. Trimble,
Director, Natural Resources and Environment

Appendix I: Comments from the Environmental Protection Agency



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

NOV 30 2012

ASSISTANT ADMINISTRATOR
FOR ENFORCEMENT AND
COMPLIANCE ASSURANCE

Mr. David C. Trimble
Director, Natural Resources and Environment
Government Accountability Office
Washington, DC 20548

Dear Mr. Trimble:

Thank you for the opportunity to comment on the draft report entitled "EPA Should Develop a Strategic Plan for Its New Enforcement Initiative" (GAO-13-115) (Draft Report). I am responding on behalf of the Office of Enforcement and Compliance Assurance. Below are our most significant comments on the report's two recommendations and on the information provided in the report itself. Other technical comments are included in the Enclosure.

First Recommendation

GAO's first recommendation in the Draft Report is:

To better integrate Next Generation Compliance into its overall enforcement and compliance program and ensure that the initiative will achieve the goals EPA envisions for it, we recommend that the Administrator of EPA direct the Assistant Administrator of OECA to take the following [action]:

- *Develop a schedule for completing, in a timely manner, a strategic plan for Next Generation Compliance.*

Agency Response

EPA agrees with GAO's recommendation in the Draft Report that EPA should prepare a strategic plan for Next Generation Compliance in FY2013, and we believe that the work done so far on Next Generation Compliance will provide a foundation for a thoughtful and well-informed strategic plan.

Second Recommendation

GAO's second recommendation in the Draft Report is:

To better integrate Next Generation Compliance into its overall enforcement and compliance program and ensure that the initiative will achieve the goals EPA envisions for it, we recommend that the Administrator of EPA direct the Assistant Administrator of OECA to take the following [action]:

- *Ensure that this strategic plan incorporates selected leading practices in federal strategic planning, as appropriate, and describes how Next Generation Compliance is to be integrated into the enforcement and compliance program.*

Agency Response

EPA agrees that the strategic plan should incorporate, where appropriate, leading practices in federal strategic planning and describe how Next Generation Compliance will be integrated into the enforcement and compliance program. OECA will consider these practices as it develops the strategic plan, and anticipates that integrating Next Generation Compliance into the enforcement and compliance program will be a primary component of the strategic plan.

If you have any questions or concerns regarding our comments or response to the recommendations, EPA would be happy to meet with you prior to GAO finalizing this report. Please feel free to contact me or David Hindin at (202) 564-1300.

Sincerely,



Cynthia Giles

Enclosure

Appendix II: GAO Contact and Staff Acknowledgments

GAO Contact

David C. Trimble (202) 512-3841 or trimbled@gao.gov

Staff Acknowledgments

In addition to the individual named above, Vincent P. Price, Assistant Director; Cheryl Arvidson; Elizabeth Curda; Cindy Gilbert; Richard P. Johnson; Kirk D. Menard; Carol Herrstadt Shulman; Kiki Theodoropoulos; and Jason Trentacoste made key contributions to this report.

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