



Testimony

Before the Subcommittee on Interior and Related Agencies, Committee on Appropriations, House of Representatives

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SOUTH FLORIDA ECOSYSTEM RESTORATION

An Overall Strategic Plan and a Decision-Making Process Are Needed to Keep the Effort on Track

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Mr. Chairman and Members of the Subcommittee:

Restoring the South Florida ecosystem is one of this administration's most significant environmental initiatives. The South Florida Ecosystem Restoration Task Force, first established in 1993 by federal interagency agreement and later expanded to include state, local, and tribal representatives by the Water Resources Development Act of 1996, has responsibility for coordinating the participating entities' implementation of this long-term, complex effort. We are here today to discuss our report,¹ which is being released today, on (1) how much and for what purposes federal funding has been provided for the restoration of the South Florida ecosystem and (2) how well the restoration effort is being coordinated and managed. This work was requested by you and the Chairpersons of the Senate Committee on Energy and Natural Resources; the Subcommittee on Interior and Related Agencies, Senate Committee on Appropriations; and the Subcommittee on Oversight, Investigations, and Emergency Management, House Committee on Transportation and Infrastructure.

In summary, Mr. Chairman, we estimate that over \$1.2 billion in federal funds was provided for this effort from fiscal year 1993 through fiscal year 1999. Over 75 percent of the federal expenditures from fiscal year 1993 through fiscal year 1998 have been made by agencies within the Department of the Interior and the U.S. Army Corps of Engineers. The federal funding provided to date represents only a down payment. While no official cost projection for the total restoration effort has been made, a major component, the implementation of the Central and Southern Florida Project Comprehensive Review Study, commonly referred to as the Restudy, is estimated to cost an additional \$7.8 billion, which will be shared equally by the federal and state governments. The Restudy is designed to substantially increase the amount of water that is delivered to natural areas while enhancing agricultural and urban water supplies. According to the executive director of the Task Force, at least \$2 billion beyond the \$7.8 billion will be needed to complete the restoration effort. This money will be used to acquire additional lands, construct other infrastructure projects, and eradicate exotic plant species. Consequently, the restoration effort, which is expected to take at least 20 years to complete, could cost at least \$11 billion.

The South Florida Ecosystem Restoration Task Force, a group that brings together representatives of federal, state, and local agencies and affected

¹South Florida Ecosystem Restoration: An Overall Strategic Plan and a Decision-Making Process Are Needed to Keep the Effort on Track (GAO/RCED-99-121, Apr. 22, 1999).

tribes, is responsible for coordinating the participating entities' implementation of the initiative. However, a strategic plan that clearly lays out how the initiative will be accomplished and includes quantifiable goals and performance measures has not yet been developed. In addition, the Task Force is a coordinating body, not a decision-making body, and thus is limited in its ability to manage and make decisions for the overall restoration effort. As our review indicates, even with the coordination efforts of the Task Force, two ongoing infrastructure projects that are integral to the restoration effort are taking longer and costing more than planned, in part because the federal and state agencies involved are unable to agree on components of these projects. Given the scope and complexity of the initiative and the difficulties already being encountered, additional delays and cost overruns are likely in the future, and the accomplishment of the initiative's overall goals is at risk.

Our report recommends the development of (1) an overall strategic plan for the restoration effort that will outline how the restoration of the South Florida ecosystem will occur and will identify the resources needed to achieve the restoration, assign accountability for accomplishing actions, and link the strategic goals established by the Task Force to outcome-oriented annual goals and (2) a decision-making process for resolving conflicts.

Background

The South Florida ecosystem extends from the Chain of Lakes south of Orlando to the reefs southwest of the Florida Keys. This vast region, which is home to more than 6 million Americans, a huge tourism industry, and a large agricultural economy, also encompasses one of the world's unique environmental resources—the Everglades. For centuries, the Everglades provided habitat for many species of wading birds and other native wildlife, which depended upon the water flow that moved south from Lake Okeechobee to Florida Bay in a broad, slow-moving sheet before human intervention. However, the wetlands of the Everglades were generally viewed as an unproductive swamp to be drained for more productive uses. In recent decades, engineering projects, agricultural activities, and urbanization have diminished the historic broad, slow flow of water and have reduced the Everglades to about half its original size. These changes have also had a detrimental effect on the environment. Wildlife populations have declined significantly, and some scientists believe that the reduced flow of freshwater into Florida Bay may be hastening its environmental decline.

To address the deterioration of the ecosystem, the administration, in 1993, made the restoration of the Everglades and the South Florida ecosystem one of its highest environmental priorities. The South Florida Ecosystem Restoration Task Force was established by a federal interagency agreement to promote and facilitate the development of consistent policies, strategies, priorities, and plans for addressing the environmental concerns of the South Florida ecosystem. The Task Force consisted of assistant secretaries from the departments of Agriculture, the Army, Commerce, and the Interior; an assistant attorney general from the Department of Justice; and an assistant administrator from the Environmental Protection Agency. The Water Resources Development Act of 1996 formalized the Task Force and expanded its membership to include state, local, and tribal representatives. To accomplish the restoration of the South Florida ecosystem, the Task Force has established the following goals:

- Get the water right—This means restoring more natural hydrologic functions while providing adequate water supplies and flood control.
- Restore and enhance the natural system—Restoring lost and altered habitats will involve acquiring land and changing current land uses, as well as halting the spread of invasive, exotic species and recovering threatened and endangered species.
- Transform the built environment—This will involve balancing human needs with those of the natural environment and will require the development of lifestyles and economies that do not have a negative impact on the natural environment and do not degrade the quality of life.

Participants in the restoration effort include 13 federal agencies,² 7 Florida agencies and commissions, 2 American Indian tribes, 16 counties, and scores of municipal governments. Representatives from the state's major industries, the commercial and private sectors, and environmental and other special interest groups also participate in the restoration effort.

Over a Billion Dollars in Federal Funding Has Been Provided to Restore the South Florida Ecosystem

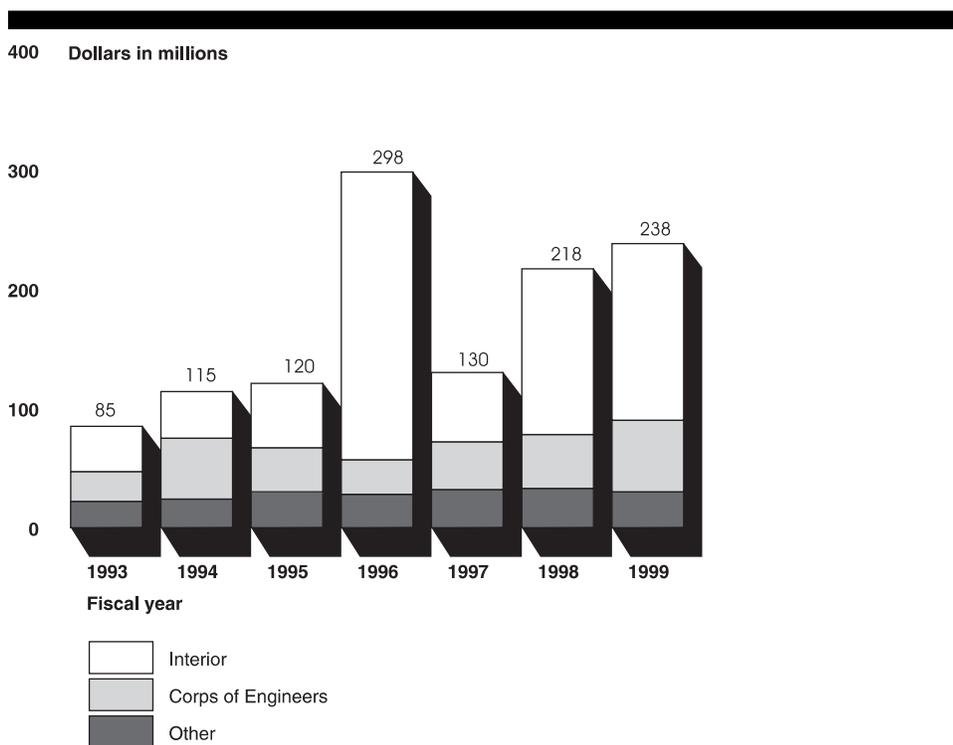
Federal funding for the South Florida Ecosystem Restoration Initiative does not come from a single source. In addition to funds appropriated directly by the Congress for projects managed by the U.S. Army Corps of Engineers and for restoration activities designated in the 1996 Federal Agriculture Improvement and Reform Act (Farm Bill), the federal agencies participating in the initiative determine their contributions and allocate funds from their own appropriations. Because the agencies account for

²Ten of the 13 agencies are within 5 federal departments.

these funds independently, no complete and consolidated financial data on the initiative are available.

Nevertheless, on the basis of the financial data we obtained from five primary agencies involved in the restoration effort, we estimate that from fiscal year 1993 through fiscal year 1999, over \$1.2 billion in appropriated funds has been provided to the South Florida Ecosystem Restoration Initiative.³ As figure 1 shows, funding for the initiative has increased from about \$85 million in 1993 to \$238 million in 1999.

Figure 1: Federal Dollars Appropriated for the Restoration of the South Florida Ecosystem, Fiscal Years 1993-99



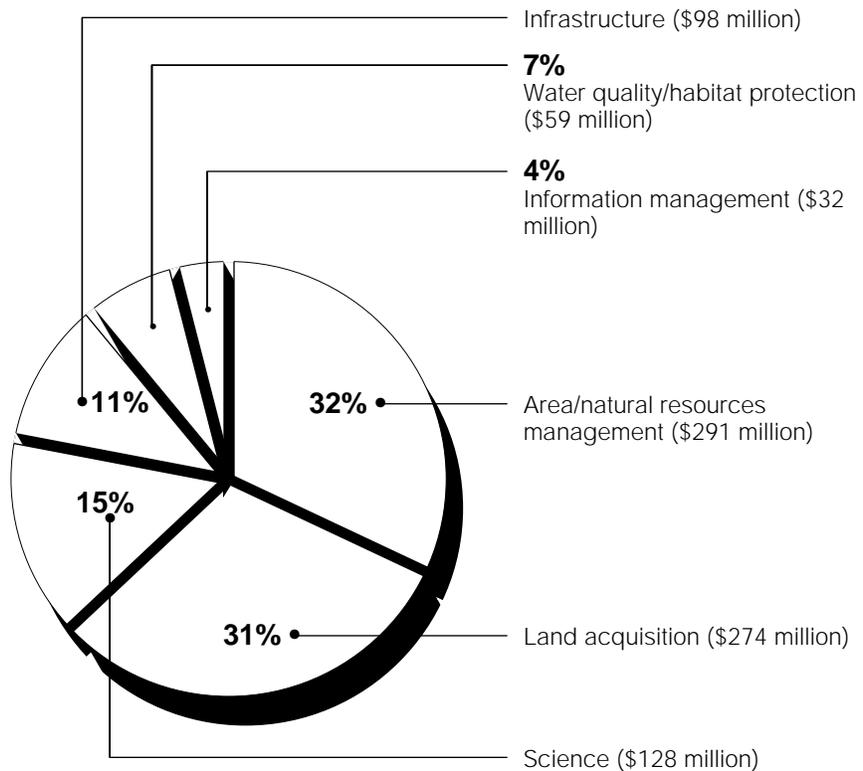
Note: 1996 appropriations include \$200 million from the Farm Bill for additional restoration activities.

³We asked each agency to provide data on the funds provided for the initiative—appropriations from fiscal year 1993 through fiscal year 1999 and obligations and expenditures through fiscal year 1998 (the latest year for which complete data are available).

Through fiscal year 1998,⁴ federal departments and agencies obligated about \$883 million for various restoration activities, of which \$684 million was spent by the agencies or distributed to the state and other nonfederal entities for restoration activities in South Florida. The restoration activities can be grouped into six major categories: (1) land acquisition; (2) management of federally owned facilities or natural resources, such as national parks, wildlife refuges, and a national marine sanctuary, which may affect or be affected by the restoration initiative; (3) science-related activities, such as mercury contaminant studies; (4) infrastructure, such as the construction of water control structures; (5) water quality and habitat protection, such as the Corps' wetlands permitting program; and (6) information management and assessment, such as coastal mapping. As figure 2 shows, the major activities being conducted are in area/natural resources management (32 percent), land acquisition (31 percent), science (15 percent), and infrastructure (11 percent). Some of these categories, particularly area/natural resources and science, include activities that may be considered normal agency operations and would take place with or without the South Florida Ecosystem Restoration Initiative.

⁴Obligation data are available through fiscal year 1998 and should be compared with appropriations through fiscal year 1998. Through fiscal year 1998, \$966 million had been appropriated and \$883 million obligated.

Figure 2: Share of Federal Obligations, by Category, Fiscal Years 1993-98



Note: Total obligations for fiscal years 1993-98 are \$883 million. The individual dollar amounts noted above may not total because of rounding.

The federal funding provided to date represents only a down payment. While an official cost estimate for the total restoration effort has not been made, the implementation of the Central and Southern Florida Project Comprehensive Review Study, a major component of the restoration initiative known as the Restudy, is estimated to cost \$7.8 billion. These costs will be shared equally by the federal and state governments. The Restudy, which will propose modifications to the existing Central and Southern Florida Project, is designed to substantially increase the amount of water that is delivered to natural areas while enhancing agriculture and urban water supplies. Additional efforts will be needed to complete the restoration initiative. According to the executive director of the Task Force, at least \$2 billion more will be needed to acquire additional lands,

construct other infrastructure projects, and eradicate exotic plant species. Consequently, the restoration effort, which is expected to take at least 20 years to complete, could cost at least \$11 billion.

An Overall Strategic Plan and a Decision-Making Process Will Help the Restoration Initiative Stay on Track

Critical to guiding an endeavor as complex as the South Florida Ecosystem Restoration Initiative is a strategic plan that outlines how the restoration will occur, identifies the resources needed to achieve it, assigns accountability for accomplishing actions, and links the strategic goals of the initiative to outcome-oriented annual goals. Such a plan for the South Florida Ecosystem Restoration initiative has not yet been developed. In addition, although the South Florida Ecosystem Restoration Task Force is responsible for facilitating and coordinating the initiative, it is not a decision-making body. However, as our review of two integral projects indicates, the coordination efforts of the Task Force and the other groups are not always sufficient to prevent schedule delays and cost overruns. Unless these issues are resolved, there is little assurance that the initiative will stay on track and be accomplished in a timely and efficient manner.

South Florida Ecosystem Restoration Initiative Lacks a Strategic Plan

While the Task Force has published several documents and is in the process of developing other strategies and plans to address specific restoration issues, it has not yet developed an overall strategic plan to guide the restoration effort. The documents published by the Task Force—An Integrated Plan for South Florida Ecosystem Restoration and Sustainability: Success in the Making, The Annual Interagency Cross-Cut Budget, the Integrated Financial Plan, and annual reports – provide information on the restoration activities of the participating agencies. Although these documents contain some of the components of a strategic plan, none, taken either separately or together, contains all the components that we believe are needed to successfully manage the initiative. A strategic plan that contains goals and a strategy for achieving the goals would provide focus and direction to the restoration effort and provide a benchmark for measuring performance. In addition, having a strategic plan with measurable goals and performance measures would also provide the Congress, the state of Florida, and the other participants with a sense of what can be achieved with the level of resources committed.

As mentioned earlier, this initiative has many federal, state, tribal, and local stakeholders. Because of the large number of stakeholders, we

believe that it is even more important that specific measurable goals and a strategy for achieving the goals be clearly articulated in writing. In addition, with the number of stakeholders involved, turnover is inevitable. For example, just recently there have been key changes in the representatives from the South Florida Water Management District and the chairman of the Governor's Commission for a Sustainable South Florida has submitted his resignation. If an overall strategic plan were available, new or replacement representatives could more quickly gain an understanding of what is needed to complete the initiative successfully.

Coordination Has Not Prevented Schedule Delays and Cost Overruns

Restoring an ecosystem as vast and complex as the South Florida ecosystem will require extraordinary cooperation. The South Florida Ecosystem Restoration Task Force, established to coordinate the development of consistent policies, strategies, plans, programs, and priorities, is the first partnership of its kind and coordinates restoration activities with federal, state, and local agencies, affected tribes, and the general public. However, the Task Force is a coordinating body, not a decision-making body. Our review indicates that even with the coordination efforts of the Task Force and the other groups, two ongoing infrastructure projects that are integral to the restoration effort are taking longer and costing more than planned, in part because the agencies involved have not been able to agree on components of the projects. Both the Modified Water Deliveries project and the C-111 project, which are intended to restore natural hydrologic conditions in Everglades National Park, are more than 2 years behind schedule and together could cost about \$80 million more to complete than originally estimated.

Federal and state officials told us that the agencies involved in the restoration effort have multipurpose missions that differ and sometimes conflict. As a result, reaching consensus can be difficult. However, agency officials noted the Modified Water Deliveries and C-111 projects are at critical junctures and if the participating agencies cannot resolve their disagreements, the success of these projects may be jeopardized. Furthermore, Florida-based agency officials commented that without some entity or group with overall management responsibility and authority to resolve such differences, problems such as the ones encountered in implementing these two projects could continue to hinder the initiative.

Mr. Chairman, restoring the South Florida ecosystem is a complex, long-term effort involving federal, state, local, and tribal entities, as well as public and private interests. Given the scope and complexity of the

initiative and the difficulties already being encountered, our report recommends that the Secretary of the Interior, as Chairperson of the South Florida Ecosystem Restoration Task Force, in conjunction with the other members of the Task Force

- develop an overall strategic plan that will (1) outline how the restoration effort will occur, (2) identify the resources needed to achieve the restoration, (3) assign accountability for accomplishing actions, and (4) link the strategic goals established by the Task Force to outcome-oriented annual goals and
- work with the organizations and entities participating in the restoration effort to develop and agree upon a decision-making process to resolve differences in order to accomplish the initiative in a timely and efficient manner.

The Department of the Interior responded to our draft report on behalf of the five federal agencies that we asked to comment. In responding, the agencies agreed with the importance of strategic planning but believed that our report did not adequately acknowledge the substantial planning efforts that have already taken place and are ongoing. The agencies also pointed out that the Task Force is in the process of developing a plan much like the one called for in our report. Our report discusses and describes in some detail the documents published by the Task Force that provide information on the restoration effort, including the goals, activities, and accomplishments of the agencies. While we do not list all of the various strategies and plans developed by the agencies involved in the restoration effort, we do mention key planning efforts currently under way. However, as we mention in our report, an overall strategic plan that integrates all of the various documents and planning efforts of the Task Force has not yet been developed. Although a strategic plan is being developed, as the agencies observe, it is not expected to be complete until 2001. Furthermore, on the basis of our conversations with the project leader responsible for developing this plan, we do not believe that it will include all of the components needed for an overall strategic plan such as we called for in our report.

The federal agencies also stated that our recommendation for the Task Force to work with the organizations and entities involved in the restoration effort to develop and agree upon a decision-making process to resolve conflicts is unrealistic and of questionable legality. Because we recognized that the restoration effort involves federal, state, tribal, and local governments and entities that have various missions and authorities,

our recommendation was that the Task Force's members work with the organizations and entities participating in the restoration effort to develop and agree upon a decision-making process to resolve conflicts in order to accomplish the initiative in a timely and efficient manner. Our recommendation does not envision the creation of another body to decide conflicts or issues among the participants in the restoration of the South Florida ecosystem. Rather, what we have in mind is the establishment of a process, such as is employed in mediation and conciliation, to resolve conflicts and problems within the existing legal authorities and structures. As stated in the report, without some means to resolve these disagreements in a timely manner, problems such as those encountered in implementing the two projects discussed in our report could continue to hinder the initiative. In addition, the South Florida Water Management District, a key player and member of the Task Force, stated that the development and implementation of a conflict resolution process is very workable and would benefit the restoration effort.

We also identified other issues in areas such as land acquisition, water quality, and science that may impede the progress of the restoration effort in the future. At this time, we have not reviewed these issues and do not know if there is any validity to the concerns raised.

This concludes our statement. We will be happy to respond to any questions from you or other Members of the Subcommittee.

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