United States General Accounting Office

GAO

Report to the Chairman
Committee on Small Business
U.S. Senate

March 2000

EPA PAPERWORK

Burden Estimate Increasing Despite Reduction Claims

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GAO/GGD-00-59

United States General Accounting Office
Washington, D.C. 20548

General Government Division

B-282945

March 16, 2000

The Honorable Christopher S. Bond
Chairman, Committee on Small Business
United States Senate

Dear Mr. Chairman:

The Environmental Protection Agency (EPA), like other federal agencies, collects information from the public to carry out its mission. EPA uses the information that it collects to ensure compliance with the agency's regulations, to evaluate the effectiveness of its programs, to determine eligibility for program benefits, and for other purposes. However, EPA's information collection requirements impose a substantial paperwork burden on the public, and small businesses contend that they are particularly affected by government paperwork. The Paperwork Reduction Act (PRA) of 1995 was enacted, in part, to minimize the burden associated with federal information collections (which is commonly measured in terms of "burden hours") and envisioned a 25-percent reduction in governmentwide paperwork burden by the end of fiscal year 1998.

Because of concerns about EPA's paperwork burden on small businesses and the rest of the public, you asked us to review the agency's information collection requirements. Specifically, you asked us to (1) describe the general dimensions of EPA's paperwork requirements and the agency's progress toward reducing the burden that those requirements impose; (2) describe the process that EPA used to develop paperwork burden-hour estimates for its largest information collections as of September 30, 1998, and gauge the credibility of those estimates; and (3) describe EPA's largest paperwork burden-hour reductions between September 30, 1995, and September 30, 1998, and gauge the credibility of those reductions. As part of the last objective, you also asked us to provide information on EPA's Reinventing Environmental Information (REI) initiative and the agency's new Office of Environmental Information.

Results in Brief

EPA's estimate of the paperwork burden that it imposed on the public increased from about 109 million burden hours as of September 30, 1995, to about 119 million burden hours as of September 30, 1998. This 10 million burden-hour increase in paperwork would have been even greater if EPA had not eliminated about 24 million burden hours from its estimate during this period. Also, EPA expected that its paperwork burden would continue

to increase during fiscal years 1999 and 2000. As of September 30, 1998, more than two-thirds of the agency's estimated 119 million burden hours were imposed on businesses, nearly three-quarters were related to information collections intended to determine compliance with regulatory requirements, and about 80 percent were associated with collections in which responses were mandatory. EPA had more than 300 information collections at the end of fiscal year 1998, but just 14 of those collections accounted for more than 60 percent of the agency's total burden-hour estimate.

EPA used a systematic process to develop annual burden-hour estimates for each of its 14 largest information collections. That process involved breaking each collection into specific tasks and subtasks and, for each such unit, developing estimates of the amount of time required for the activity, the number of respondents, and the frequency with which the activity must be performed each year. The assumptions that EPA used to develop those estimates were based on a combination of existing information, past programmatic experience, information and comments provided by the public, and, to a certain extent, "best guesses." We could not gauge the credibility of all of EPA's burden-hour estimates because most of the organizations representing respondents that we contacted did not comment on those estimates. However, the organizations that provided comments said that five of the seven EPA burden-hour estimates they reviewed were generally accurate but that two of the estimates were too low.

EPA eliminated 24 million burden hours from its estimated paperwork burden during fiscal years 1995 and 1998.[1] We examined 13 information collections that accounted for more than 70 percent of these burden hours. Most of the reductions were because of (1) revisions of previous agency estimates that had no impact on the burden borne by the public, (2) changes in the economy or respondents' technology for which EPA should not claim credit, or (3) the planned maturation of the program requirements over time. In contrast, in EPA's annual report for 1998, the agency said that it had reduced its paperwork burden on the public by streamlining processes, eliminating outdated provisions, and consolidating duplicative requirements, and that the reductions had saved businesses and communities hundreds of millions of dollars. We could not gauge the credibility of all of EPA's burden-hour reductions because most of the organizations representing respondents that we contacted did not provide

[1]In this report, we use the term "between fiscal years 1995 and 1998" to refer to the period from September 30, 1995, until September 30, 1998.

comments. However, the organizations that provided comments said that the underlying assumptions for four information collections were credible but that the assumptions for two other collections were not credible. We are recommending that EPA replace some of the burden hours that it removed from its estimate during this period because the reduction was contrary to guidance on how burden hours should be calculated.

EPA's new Office of Environmental Information—which has incorporated the REI initiative—began operations less than 6 months ago, and EPA is still in the process of developing an action plan for the office.

Background

The PRA of 1995 amended and recodified the PRA of 1980, as amended. The 1995 Act reaffirmed the principles of the original act and gave new responsibilities to the Office of Management and Budget (OMB) and executive branch agencies. Like the original statute, the 1995 Act requires agencies to justify any collection of information from the public by establishing the need and intended use of the information, estimating the burden that the collection will impose on the respondents, and showing that the collection is the least burdensome way to gather the information.

The 1995 Act also reauthorized the Office of Information and Regulatory Affairs (OIRA) within OMB to determine whether agencies' proposals for collecting information comply with the act.[2] Agencies must receive OIRA approval for each information collection request before it is implemented. As part of this process, OIRA requires agencies to submit a form summarizing the request, along with other materials to justify a proposed new information collection or to renew an existing collection. OIRA approval for an agency to use an information collection can last a maximum of 3 years and can be renewed through subsequent OIRA reauthorizations. When OIRA completes its review of an information collection request, the information from the form is entered into a database maintained by the Regulatory Information Service Center (RISC).[3]

OIRA is also required to report to Congress on agencies' progress in reducing paperwork. To do so, OIRA develops an annual Information Collection Budget (ICB) by gathering data from executive branch agencies

[2]The PRA requires the OMB Director to delegate the authority to administer all functions under the act to the OIRA Administrator, but does not relieve the OMB Director of responsibility for the administration of those functions.

[3]RISC is part of the General Services Administration but works closely with OMB to provide the president, Congress, and the public with information on federal regulatory policies.

on the number of burden hours that OIRA approved for agency collections of information at the end of each fiscal year and agency estimates of the burden in future fiscal years. The ICB for fiscal year 1999, published in April 1999, shows the burden-hour estimates as of September 30, 1998, and projected burden-hour totals for the ends of fiscal years 1999 and 2000.

The 1995 Act also made several changes in federal paperwork reduction requirements. For example, it required OIRA to set goals of at least a 10-percent governmentwide reduction for each of fiscal years 1996 and 1997, and at least a 5-percent reduction in each of the next 4 fiscal years.[4] Therefore, by the end of fiscal year 1998, the act envisioned a 25-percent reduction in the number of burden hours that were in place at the end of fiscal year 1995. The PRA also requires OIRA to set annual agency goals that reduce burden to "the maximum practicable" extent. In January 1997, OMB instructed executive branch departments and agencies to prepare and implement ICBs and information streamlining plans that would include

> "…goals and timetables to achieve, by the end of [fiscal year] 1998, a cumulative burden reduction of 25 percent from their [fiscal year] 1995 year-end level, consistent with the governmentwide burden-reduction goals in the Paperwork Reduction Act of 1995."

OIRA classifies modifications in agency burden-hour estimates as either "program changes" or "adjustments." Program changes are (1) the result of deliberate federal government action and (2) additions or reductions to existing paperwork requirements that are imposed either through new statutory requirements or an agency's own initiative (e.g., the addition or deletion of questions on a form). Adjustments are not the result of deliberate federal government action, but rather are caused by factors such as changes in the population responding to a requirement or agency reestimates of the burden associated with a collection of information. For example, an increase in the Department of Agriculture's estimate of the number of burden hours required for the federal Food Stamp Program because of a downturn in the economy (thereby increasing the number of applicants) would be considered an adjustment. A revision to the Department's original paperwork estimate because of a better understanding of the number of respondents or the time required to complete each application would also be considered an adjustment. However, an increase or decrease in the number of burden hours because of a departmental initiative changing the number of questions on the food

[4]The original act contained burden-reduction goals, but the goals had expired.

stamp application (and therefore the time required to complete the form) would be considered a program change.

OIRA uses both program changes and adjustments to calculate the burden associated with agencies' information collections. The ICB for fiscal year 1999 reflected the program changes and adjustments that occurred between September 30, 1997, and September 30, 1998, for each agency. Previous ICBs did not break year-to-year changes in agencies' burden hours into program changes and adjustments. However, OIRA considers only program changes relevant to any assessment of agencies' progress toward the burden-reduction goals envisioned in the PRA.

Previous Reports and Testimonies

We have reported on the implementation of the PRA, and on EPA's implementation of the act in particular, several times in recent years. For example, in March 1996, we noted that EPA's estimated paperwork burden was expected to increase significantly by September 30, 1996.[5] We also reported that some of EPA's burden-reduction claims appeared to have been overstated. For example, although EPA claimed to have reduced the paperwork burden associated with its Toxic Release Inventory (TRI) by 1.2 million hours, the actual reduction in burden was about 400,000 hours.[6]

In June 1996 and June 1997, we testified that the governmentwide burden-reduction goals envisioned in the PRA were unlikely to be met.[7] In particular, EPA said that its burden-reduction efforts between fiscal years 1995 and 1998 would be more than offset by additional paperwork burden being added during this period. Among the factors that EPA cited as preventing the achievement of the burden-reduction goals were new regulations under the Clean Air Act Amendments and nearly 14 million hours added in support of expanded community right-to-know efforts.[8]

[5]Environmental Protection: Assessing EPA's Progress in Paperwork Reduction (GAO/T-RCED-96-107, Mar. 21, 1996).

[6]The TRI is a source of information about toxic chemicals that are being used, manufactured, treated, transported, or released into the environment. According to section 313 of the Emergency Planning and Community Right-To-Know Act and section 6607 of the Pollution Prevention Act, EPA must maintain a publicly accessible database. TRI contains information on the release and other waste management activities of toxic chemicals by facilities that manufacture, process, or otherwise use them.

[7]Paperwork Reduction: Burden Reduction Goal Unlikely To Be Met (GAO/T-GGD/RCED-96-186, June 5, 1996) and Paperwork Reduction: Governmentwide Goals Unlikely To Be Met (GAO/T-GGD-97-114, June 4, 1997).

[8]Right-to-know requirements involve the disclosure of health and environmental information to the public and are contained in such statutes as the Safe Drinking Water Act, the Emergency Planning and Community Right-to-Know Act, and the Residential Lead-based Paint Hazard Reduction Act.

In July 1998, we reported that OIRA had not fully satisfied PRA's requirements in any of the three areas that we examined: (1) reviewing and controlling paperwork, (2) developing and overseeing federal information resource management policies, and (3) keeping Congress and congressional committees fully and currently informed about major activities under the act.[9] In the area of paperwork review and control, we noted that OIRA established agency-specific, burden-reduction goals late in each fiscal year and at a level that the agencies expected to achieve—practices that were unlikely to motivate the agencies to reduce their information collection requirements.

In April 1999, we testified that the ICB for fiscal year 1999 identified 800 violations of the PRA in fiscal year 1998 governmentwide, including collections with expired OIRA authorizations and collections that were never authorized.[10] Even more troubling, we noted that the summary table in the ICB reflected the hours associated with unauthorized information collections ongoing at the end of the fiscal year as burden reductions. As a result, agencies could take credit for burden-reduction accomplishments that had not been achieved.[11] During the testimony, we made several suggestions regarding how OIRA could improve this condition, including placing a notice in the Federal Register notifying the affected public that they need not provide the agency with the information requested in an unauthorized collection.

Objectives, Scope, and Methodology

Our first objective was to describe the general dimensions of EPA's paperwork requirements and the agency's progress toward reducing the burden that those requirements impose. To accomplish this objective, we obtained data from the ICBs for fiscal years 1998 and 1999 showing (1) EPA's and other agencies' burden-hour estimates as of September 30, 1998, and (2) changes in EPA's estimates over time. We also obtained data from RISC describing all of EPA's information collections (e.g., the purpose, frequency, and targets of the collections) and the characteristics of the agency's largest information collections as of September 30, 1998.

[9] Regulatory Management: Implementation of Selected OMB Responsibilities Under the Paperwork Reduction Act (GAO/GGD-98-120, July 9, 1998).

[10] Paperwork Reduction Act: Burden Increases and Unauthorized Information Collections (GAO/T-GGD-99-78, Apr. 15, 1999). Only one of these unauthorized collections was from EPA.

[11] The ICB for fiscal year 1999, for the first time, included information on "corrected" program changes that allowed readers to calculate the extent to which year-to-year changes in all agencies' burden-hour estimates were caused by violations. However, the end-of-year totals for each agency in the summary table were not adjusted for these violations.

Our second objective was to (1) describe the process that EPA used to develop paperwork burden-hour estimates for its largest information collections as of September 30, 1998, and (2) gauge the credibility of those estimates. To accomplish the first part of this objective, we used data from RISC to identify EPA's 14 largest information collections, each of which was expected to impose more than 1 million burden hours on the public. These 14 EPA information collections accounted for about 74 million (62 percent) of the agency's 119 million burden hours in place as of September 30, 1998. (Brief descriptions of each of these collections are in app. I.) We then reviewed the information collection requests that EPA submitted to OIRA for each of the large collections to identify how the agency developed its burden-hour estimates, focusing on the elements in each collection that accounted for most of the burden hours. We also interviewed EPA and OIRA staff about the methods, assumptions, and data used in the estimation process. To gauge the credibility of the burden-hour estimates, we reviewed the information collection requests and interviewed EPA and OIRA officials and staff. We also judgmentally selected and contacted 20 organizations that either EPA documents or agency officials identified as having been consulted during the development of the collection. While not respondents themselves, these "consultative partners" represent businesses and others who submit information to EPA. We asked representatives of these organizations for their views on the reasonableness of the burden-hour estimates and the methods and assumptions that EPA used to prepare the estimates. Seven of these 20 organizations provided comments on the credibility of EPA's estimates. The other organizations were either unfamiliar with the specific burden measurement methodology at issue, were unfamiliar with the collection under review, or did not respond to our request for information.

Our third objective was to (1) describe EPA's largest paperwork burden-hour reductions between September 30, 1995, and September 30, 1998, and (2) gauge the credibility of those reductions. To accomplish the first part of this objective, we obtained a list from EPA on all of the agency's burden-hour reductions that occurred during this period. We focused our review on 13 of those reductions, each of which EPA said would reduce the agency's paperwork burden by at least 400,000 burden hours. These 13 burden-hour reductions accounted for about 17 million (71 percent) of the 24 million burden hours that EPA eliminated during this period. (Brief descriptions of the programs associated with those reductions are in app. I.) To gauge the credibility of EPA's burden-hour reductions, we reviewed the information collection requests and interviewed EPA and OIRA officials and staff. We also judgmentally selected and contacted 13 respondent organizations that either EPA documents or agency officials

identified as consultative partners in the development of the collection.[12] Six of these organizations provided comments on the credibility of the reductions. The other organizations were either unfamiliar with the specific burden-hour reductions at issue, were unfamiliar with the collection under review, or did not respond to our request for information. We also reviewed relevant EPA documents and spoke with agency officials to obtain information on the status of EPA's REI initiative and the agency's new Office of Environmental Information.

We did not verify the ICB or the RISC data that we used to provide general statistics on EPA's and other agencies' paperwork requirements and to identify the largest collections and burden-hour reductions. In one information collection, EPA was unable to identify knowledgeable individuals within the relevant program office who could describe how the estimate was developed. Therefore, the information on the assumptions and methodology EPA used is limited to the information within the collection itself, or in EPA or OIRA files.

We examined the process that EPA used to develop 14 of the agency's more than 300 active information collections as of September 30, 1998. Although these 14 collections accounted for the bulk of the agency's burden hours, we cannot comment on how the estimates for the other collections were developed. Similarly, although EPA took dozens of actions to eliminate burden hours between fiscal years 1995 and 1998, we can only comment on the 13 actions that we reviewed (representing most of the burden hours eliminated).

The views provided by the organizations representing respondents that we contacted are not intended to be representative or exhaustive of all entities required to comply with the requirements of these information collections. We did not attempt to verify these organizations' comments or to resolve any differences between their views and the assumptions that EPA used in its analyses.

Finally, it is important to recognize that agency burden-hour estimates have inherent limitations. Estimating the amount of time it will take an individual or an organization to collect and provide information or how many individuals an information collection will affect is not a simple matter. Therefore, the degree to which agency burden-hour estimates reflect real burden is unclear. Nevertheless, these are the best indicators of

[12]Some of these 13 organizations were the same organizations that provided comments on the credibility of EPA's burden-hour estimates.

paperwork burden available, and we believe they can be useful as long as their limitations are kept in mind.

We provided a draft of this report to the OMB Director and the EPA Administrator for their review and comments. The comments we received are presented in the "Agency Comments and Our Evaluation" section at the end of this letter. We also provided officials at the respondent organizations with the relevant draft report sections attributed to them to ensure that we characterized their comments correctly. All of them agreed with our characterizations.

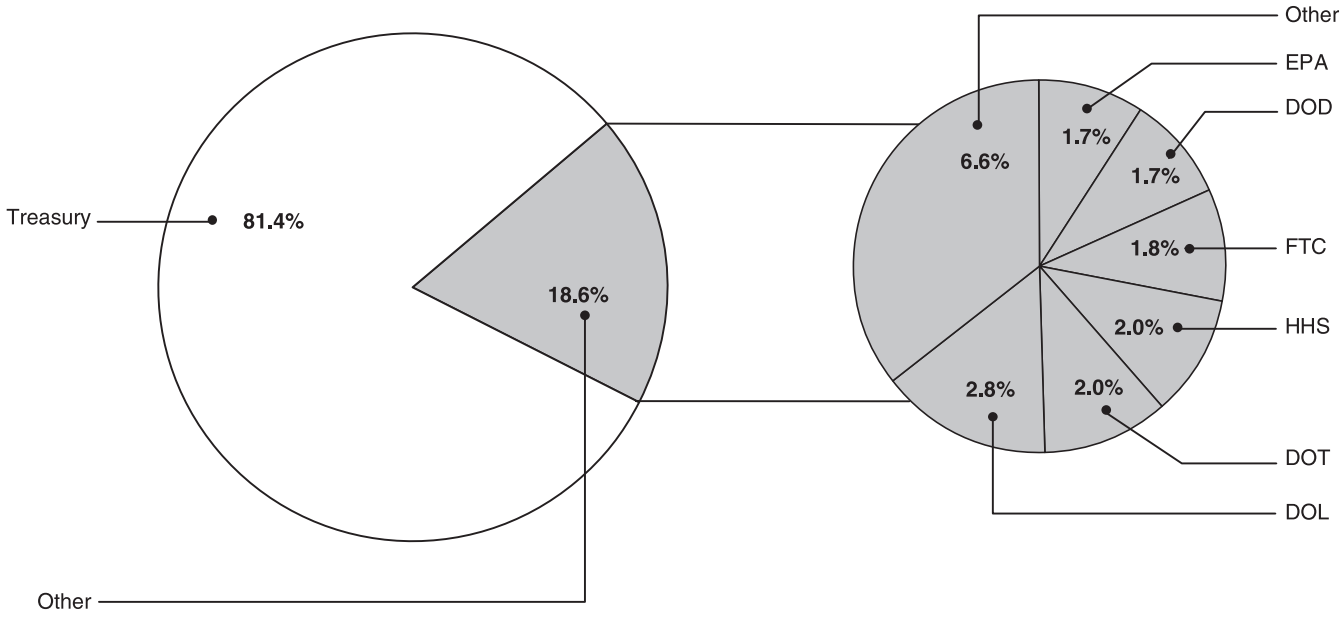
EPA's Burden-Hour Estimates Are Increasing

Although the PRA of 1995 envisioned a 25-percent reduction in federal paperwork between fiscal years 1995 and 1998, EPA's estimated paperwork burden increased by about 10 million burden hours during this period—from 109 million burden hours to 119 million burden hours. EPA expected that its paperwork burden would continue to increase during fiscal years 1999 and 2000. At the end of fiscal year 1998, more than two-thirds of the agency's 119 million burden hours were imposed on businesses, nearly three-quarters were related to information collections intended to determine compliance with regulatory requirements, and about 80 percent were associated with mandatory information collections. EPA had more than 300 active information collections at the end of fiscal year 1998, but just 14 of those collections accounted for more than 60 percent of the agency's total burden-hour estimate.

EPA's Estimated Paperwork Burden Exceeded 100 Million Burden Hours

As of September 30, 1998, federal agencies estimated that they imposed about 7 billion burden hours of paperwork on the American public. As shown in figure 1, about 81 percent of the 7 billion burden hours (or 5.7 billion burden hours) was associated with paperwork requirements from the Department of the Treasury, virtually all of which was from the Internal Revenue Service (IRS). Most of the non-Treasury paperwork burden was associated with information collections from six agencies, one of which was EPA.

Figure 1: The Department of the Treasury Accounted for Most Federal Paperwork Burden as of September 30, 1998



Legend:

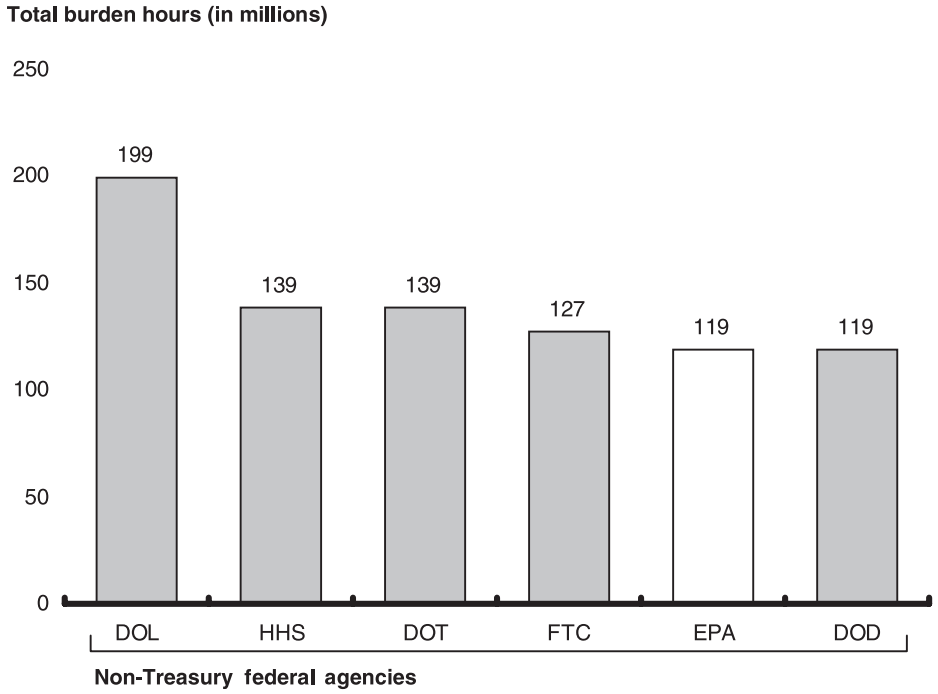
DOD Department of Defense
DOL Department of Labor
DOT Department of Transportation
EPA Environmental Protection Agency
FTC Federal Trade Commission
HHS Department of Health and Human Services

Note: Total burden-hour estimate governmentwide = 7 billion burden hours.

Source: OIRA's ICB for fiscal year 1999.

As shown in figure 2, six non-Treasury agencies estimated their paperwork burden at more than 100 million burden hours as of September 30, 1998. EPA's paperwork requirements alone accounted for about 119 million burden hours, or about 9 percent of the non-Treasury total.

Figure 2: EPA Was One of Six Non-Treasury Agencies Whose September 30, 1998, Paperwork Estimate Exceeded 100 Million Burden Hours



Legend:

DOD Department of Defense
DOL Department of Labor
DOT Department of Transportation
EPA Environmental Protection Agency
FTC Federal Trade Commission
HHS Department of Health and Human Services

Source: OIRA's ICB for fiscal year 1999.

Increases in EPA Burden-Hour Estimates Are Expected to Continue

As previously noted, the PRA envisioned a 25-percent reduction in governmentwide paperwork burden between September 30, 1995, and September 30, 1998. OIRA set each agency's 3-year burden-reduction goal at 25 percent. By the end of the period, some agencies had exceeded the goal. For example, the Department of Agriculture reduced its paperwork burden estimate from 131 million burden hours as of September 30, 1995, to 72 million burden hours as of September 30, 1998—a 45-percent reduction. The Department of Veterans Affairs' paperwork burden estimate decreased from 11.1 million burden hours to 2.6 million burden hours—a 77-percent reduction.[13] Overall, agencies outside of the IRS had

[13]However, the ICB for fiscal year 1999 indicated that most of the burden hours that the Departments of Agriculture and Veterans Affairs reduced from their estimates between fiscal years 1997 and 1998 represented information collections that the agencies continued to use in violation of the PRA after their OIRA authorizations had expired.

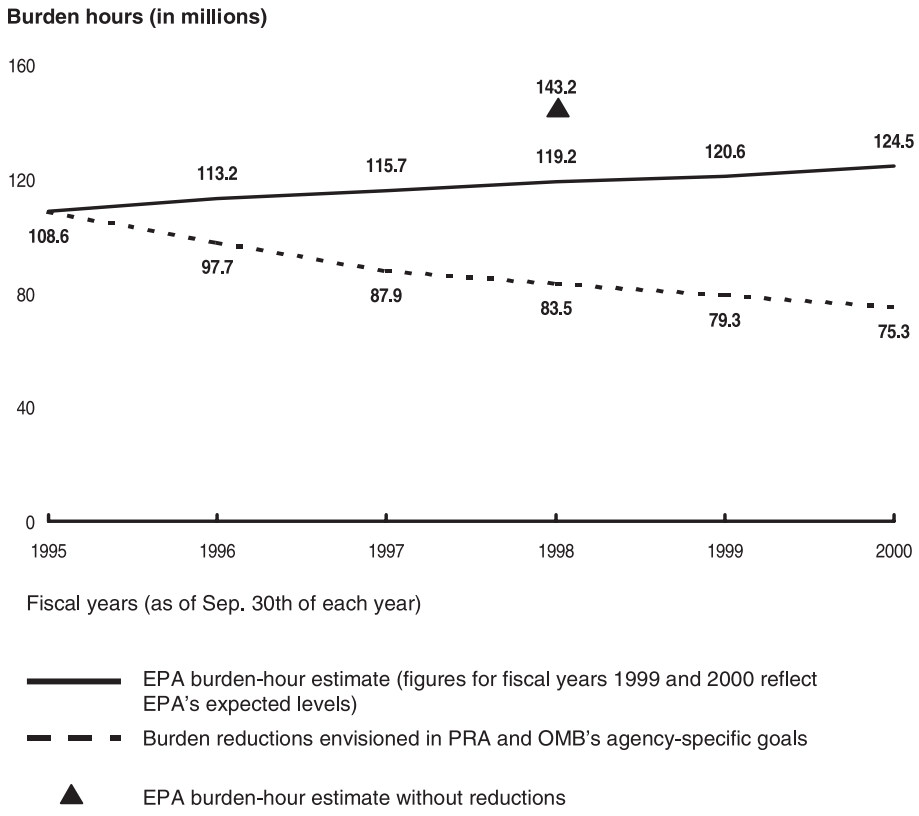
reduced their burden-hour estimates by more than 23 percent between fiscal years 1995 and 1998. However, because IRS constituted about 80 percent of the governmentwide burden-hour estimate during this period, a 6.9-percent increase in IRS' estimate nearly offset the other agencies' burden-hour reductions.[14]

Some non-IRS agencies did not reduce their paperwork burden estimates between September 30, 1995, and September 30, 1998. As shown in figure 3, EPA's paperwork estimate increased during this period from nearly 109 million burden hours to 119 million hours—an increase of about 10 million burden hours.[15] As a result of this increase, EPA's estimate of its paperwork burden was almost 36 million hours greater than the level envisioned by the 25-percent burden-reduction goal that OIRA established for the agency (about 84 million hours). However, EPA officials noted that the agency's September 30, 1998, burden-hour estimate would have been even greater (about 143 million burden hours) if it had not simultaneously eliminated about 24 million burden hours of paperwork during this period. Figure 3 also shows that EPA anticipated its burden-hour estimate would increase during fiscal years 1999 and 2000.

[14]See GAO/T-GGD-99-78.

[15]Other agencies whose burden-hour estimates increased during this period include the Department of Commerce (from 8.2 million to 13.5 million burden hours) and the Federal Communications Commission (up from 22.6 million to 30.3 million burden hours).

Figure 3: EPA's Burden-Hour Estimates Have Exceeded Its Burden-Reduction Goals



Source: GAO analysis and OIRA's ICBs for fiscal years 1998 and 1999.

In the ICB for fiscal year 1999, EPA said that new statutory requirements were one reason that its burden-hour totals continued upward during this period despite the agency's burden-reduction efforts. For example, EPA noted the following:

- Provisions in the Toxic Substances Control Act (as amended by the Residential Lead-Based Paint Hazard Reduction Act of 1992) added nearly 2.5 million burden hours for lead hazard education in fiscal year 1998.
- Amendments to the Safe Drinking Water Act would add 0.5 million burden hours for the control of new contaminants by the drinking water program in fiscal year 1999.
- The Clean Water Act requires the addition of 96,000 small construction sites and 4,000 small municipalities to the National Pollutant Discharge

Elimination System program, adding about 1.8 million burden hours for the discharge monitoring reports in fiscal year 2000.[16]
However, EPA also noted in the ICB that "…the largest projected increase reflects the Agency's priority in expanding both the Toxic Release Inventory (TRI) program and the Chemical Testing Program." [Underscoring supplied.] For example, EPA noted that the adoption of its proposed TRI rule for persistent bioaccumulative toxics would increase the program's burden by about 1.3 million burden hours. EPA also said that the High Production Volume and Children's Health Effects chemical testing programs would increase burden by about 2 million burden hours.

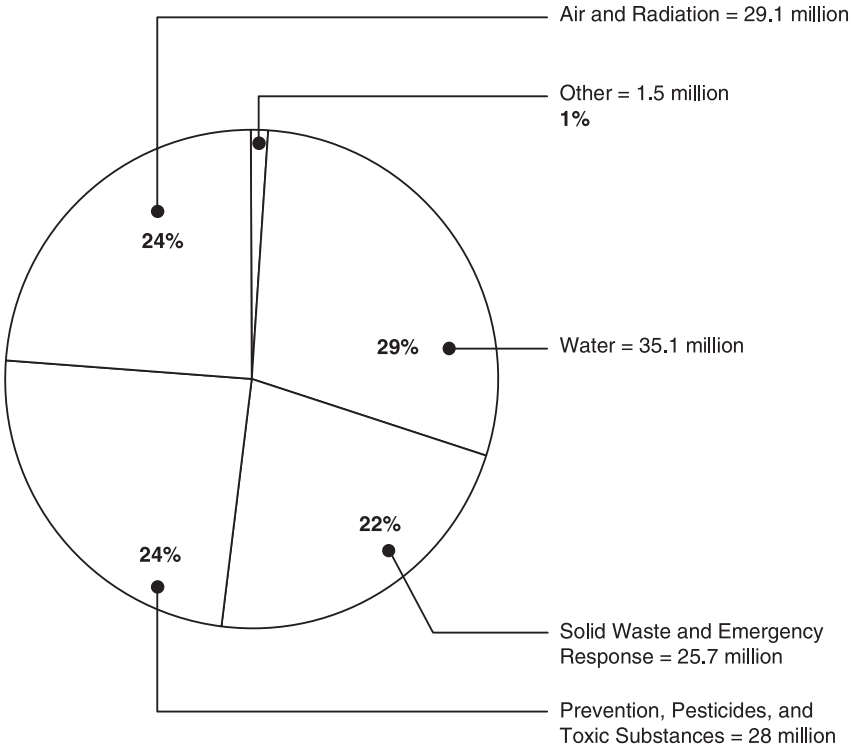
Most EPA Burden Hours Were in Mandatory, Regulatory, and Business-Directed Collections

The amount of burden imposed by EPA's information collections as of September 30, 1998, varied substantially. EPA estimated that some of the collections would require less than 100 burden hours each year, but EPA said others would annually require more than 10 million hours to complete. Although EPA had more than 300 active information collections at the end of fiscal year 1998, just 14 of these collections, each with at least an estimated 1 million annual burden hours or more, accounted for nearly 74 million of EPA's 119 million burden-hour estimate.

EPA's information collections also varied in terms of their subject matter, with requirements involving the agency's air, water, pesticides, and solid waste programs. As evidence of that diversity, figure 4 shows that EPA's burden-hour estimates as of September 30, 1998, were fairly evenly distributed among its four main program offices—ranging from about 26 million burden hours for the Office of Solid Waste and Emergency Response's collections to about 35 million burden hours for collections initiated by the Office of Water.

[16]We did not determine how much discretion these statutory requirements provided EPA in the development of the related information collections. However, we have previously noted that the amount of regulatory discretion that statutes provide agencies can vary significantly. See Regulatory Burden: Some Agencies' Claims Regarding Lack of Rulemaking Discretion Have Merit (GAO/GGD-99-20, Jan. 8, 1999).

Figure 4: EPA's Burden-Hour Estimate Was Distributed Among the Main Program Offices



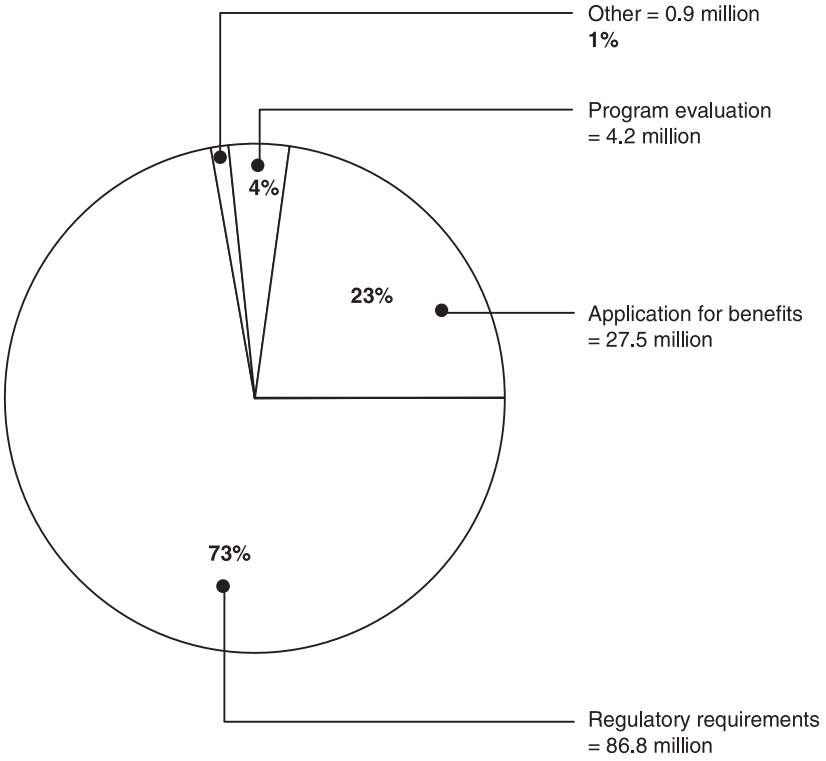
Does not total 119.2 million burden hours due to rounding.

Note: The "other" category includes such units as the Office of the Administrator, the Office of Administration and Resources Management, and the Office of Enforcement and Compliance Assurance.

Source: RISC.

Although EPA's information collections were quite diverse, they can be described in terms of several general dimensions in the RISC database, including the purpose of the collections, the affected entities, and the respondent's obligation to respond. As figure 5 shows, nearly three-quarters of EPA's estimated 119 million burden hours in place as of September 30, 1998, were associated with collections that were intended to track compliance with regulations or laws. Most of EPA's remaining estimated burden was associated with information collections that involved applications for benefits (e.g., grants or financial assistance).

Figure 5: Most EPA Burden Hours Were Used to Track Compliance With Regulatory Requirements



Does not total 119.2 million burden hours due to rounding.

Note: The "other" category includes program planning, general statistics, audit, and research.

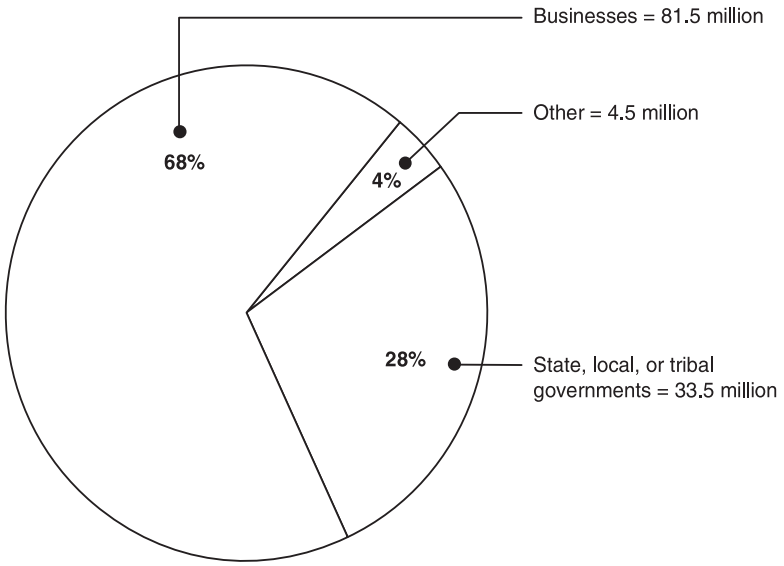
Source: RISC.

As shown in figure 6, EPA's information collections primarily affected businesses—about 68 percent of the estimated 119 million burden hours of paperwork in place as of September 30, 1998.[17] Most of the agency's remaining burden (about 28 percent of the total) was imposed on state, local, or tribal governments. There were some differences among the program offices regarding those affected by their paperwork burden. For example, about half of the 35 million burden hours associated with the Office of Water's information collections primarily affected state, local, or tribal governments—nearly twice the rate of any of EPA's other offices. Also, virtually all (97 percent) of the 3.3 million burden hours that EPA

[17]RISC data do not differentiate between large and small businesses.

imposed on farms were because of information collection requirements from the agency's Office of Prevention, Pesticides, and Toxic Substances.

Figure 6: Most EPA Burden Hours Were Directed Toward Businesses



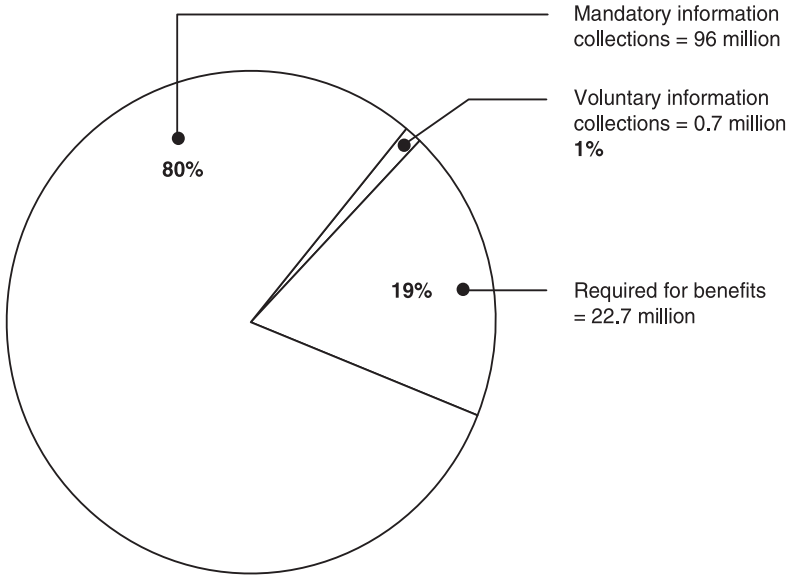
Does not total 119.2 million burden hours due to rounding.

Note: The "other" category includes the paperwork requirements imposed on individuals, farms, not-for-profits, and the federal government.

Source: RISC.

As figure 7 shows, about 80 percent of the 119 million burden hours that EPA estimated it had in place as of September 30, 1998, were associated with information collections for which responses were mandatory. In these mandatory collections, the affected members of the public must respond to EPA's request for information or potentially face civil or criminal sanctions. About another 19 percent of the agency's burden-hour total was associated with information collections that respondents were required to complete to obtain or retain a benefit, such as a grant or financial assistance. The remaining burden hours were voluntary information collections in which the recipients were under no federal obligation to respond.

Figure 7: Most EPA Burden Hours Were for Mandatory Collections



Does not total 119.2 million burden hours due to rounding.

Source: RISC.

Large EPA Burden-Hour Estimates Were Systematically Developed

EPA used a systematic process to develop annual burden-hour estimates for each of its 14 largest information collections. That process involved breaking each collection into specific tasks and subtasks and, for each such unit, developing estimates of the amount of time required for the activity, the number of respondents, and the frequency with which the activity must be performed each year. The assumptions that EPA used to develop those estimates were based on a combination of existing information, past programmatic experience, information and comments provided by the public, and, to a certain extent, "best guesses." We could not gauge the credibility of all of EPA's burden-hour estimates because most of the organizations representing respondents that we contacted did not comment on those estimates. However, the organizations that provided comments said that five of the seven EPA burden-hour estimates they reviewed were generally accurate but that two of the estimates were too low.

Burden Estimates Were Based on Data, Experience, Public Comments, and "Best Guesses"

As previously noted, 14 EPA information collections, each with at least 1 million burden hours, accounted for about 74 million (about 62 percent) of the 119 million burden hours associated with the agency's paperwork requirements that were in place as of September 30, 1998. As shown in table 1, EPA's largest program offices each had at least 3 of these 14 information collections.

Table 1: EPA's 14 Largest Information Collections as of September 30, 1998

Burden hours in millions

EPA program office/Information collection title	Estimated burden hours
Office of Water	
Discharge Monitoring	13.3
Safe Drinking Water	12.5
National Pollutant Discharge Elimination System: State Programs	1.0
Subtotal	**26.8**
Office of Solid Waste and Emergency Response	
Underground Storage Tanks	6.3
Land Disposal Restrictions	3.4
Community Right-to-Know	3.0
Subtotal	**12.7**
Office of Air and Radiation	
Air Operating Permits	5.3
Preconstruction New Source Review	4.7
Acid Rain	2.8
Subtotal	**12.8**
Office of Prevention Pesticides and Toxic Substances	
Toxic Release Inventory Reporting, Recordkeeping, Supplier Notification, and Petitions	8.0
Residential Lead-Based Paint Hazard Disclosure	7.1
Asbestos in Schools and Model Accreditation Plan Programs	2.4
LBP Hazard Education Before Renovation	2.3
Polychlorinated Biphenyls Disposal Amendments	1.8
Subtotal	**21.6**
Total	**73.9**

Source: RISC.

EPA prepared burden-hour estimates for its 14 largest information collections in a systematic manner. In each case, EPA developed a detailed list of tasks, and in most cases subtasks, delineating the specific types of information to be collected and the methods of collection. For each task and subtask, EPA estimated the number of hours per response, the number of respondents, and the frequency of reporting each year. EPA developed the burden-hour estimate for each collection as a whole by multiplying these factors together and adding the totals.

For example, as shown in table 2, EPA determined that the information collection requirements associated with the disposal of polychlorinated biphenyls (PCB) amendments had three major categories of tasks: (1) general requirements related to the collection (e.g., reading the rule and providing training); (2) reporting activities; and (3) recordkeeping responsibilities. EPA divided the first task into the different respondent groups that it anticipated would be affected by the information collection. For each group, EPA estimated the average number of hours that each respondent group would be required to devote to these general responsibilities (e.g., 672 hours for each investor-owned utility) and the number of respondents (e.g., 265 utilities). EPA then calculated the total number of burden hours that would be required of all respondents for that task (178,080 burden hours). EPA divided the second and third tasks, reporting and recordkeeping, into 24 subtasks for which respondent burden hours could be estimated.[18] For each subtask, EPA estimated the number of burden hours per activity, the number of respondents, and the subtask's resultant burden-hour total.[19] EPA's nearly 1.8 million burden-hour estimate for the information collection was the sum of all the subtask estimates.

[18]EPA actually divided the reporting task into 43 subtasks. However, EPA determined that some of these subtasks did not apply to the known respondents. Because EPA did not estimate any burden hours for these subtasks, we did not include them in table 2.

[19]EPA also estimated that each activity would occur once a year.

Table 2: Collection Activities and Burden-Hour Estimate Associated With EPA's Information Collection on Disposal of Polychlorinated Biphenyls

Collection activity/task	Estimated burden hours per subunit	Estimated number of respondents	Total estimated burden hours
Task 1: General			
Read rule/Determine applicability/Provide training/ Update procedures			
Investor-owned utilities	672	265	178,080
Rural electrical cooperatives	200	922	184,400
Municipal and other governmental entities	200	2,000	400,000
Industrial/Commercial entities	44	11,000	484,000
Subtotal for general task			**1,246,480**
Task 2: Reporting			
Register PCB transformers			
Industries	2	62,500	125,000
Utilities	10	3,005	30,050
Notify the National Response Center of voltage regulator fire	0.15	20	3
Submit annual voltage regulator reports			
Existing regulators	2	1,700	3,400
Newly discovered regulators	0.25	17	4
Report PCB contaminated natural gas pipeline	20	5	100
Prepare notification to exceed storage for reuse limitation	550	1	550
Notify public service notification program about abandoned natural gas pipes	0.25	50	13
Submit notification to obtain identification number for disposal research and development projects involving PCBs	1.5	25	38
Obtain approval for limited research and development involving PCBs	6	20	120
Obtain approval for self-implemented remediation	100	100	10,000
Submit notification of changes in remediation projects	2	10	20
Provide certification of remediation projects	0.25	100	25
Notify waste management facility of PCB waste shipments	2	100	200
Submit copy of deed restriction	4	100	400
Obtain approval to exceed storage for disposal limitation	3	38	114
Certify modifications to commercial storage facility	1.5	10	15
Obtain a Toxic Substances Control Act (TSCA) PCB coordinated approval	36	36	1,296
Submit changes in the non-TSCA waste management document	8	5	40
Notify EPA of request for class exemption to manufacture PCBs	9	25	225
Request renewal of class exemption	9	2	18
Notify EPA of research and development manufacture of PCBs	1.5	3	5
Submit annual report for waste disposed of by waste generators	84	7	588
Submit modifications form for PCB waste-handling facilities	1.5	200	300
Subtotal for reporting task			**172,524**
Task 3: Recordkeeping			
Voltage regulator records	2	1,700	3,400

Collection activity/task	Estimated burden hours per subunit	Estimated number of respondents	Total estimated burden hours
Natural gas pipeline records	4	100	400
Contaminated articles stored for reuse records	1.5	189,225	283,838
Large capacitor records	0.1	200,000	20,000
Research and development for PCB disposal records	12	25	300
Retain waivers	0.15	100	15
Remediation records	1	10	10
Deed notices	3	100	300
Remediation site activities records	20	100	2,000
Sampling/Analysis records	4	26	104
Disposal attempts records	4	38	152
Prepare Spill Prevention, Control and Countermeasure plans—first year	60	500	30,000
Adapt existing plan	2	2,700	5,400
High efficiency boiler records	12	1	12
Industrial furnace readings	3	100	300
Decontamination validation records	2	4	8
Decontamination sampling records	2	100	200
Manufacturing, processing, and distributing PCBs in waste materials	12	25	300
Equipment transfer records	12	150	1,800
Subtotal for recordkeeping task			**348,539**
Total estimated burden hours for collection			**1,767,543**

Source: EPA.

EPA officials told us that the agency's estimates of the number of burden hours per activity and the number of respondents for this collection and other collections were based on a combination of existing data; past programmatic experience; information and comments provided by the public; and, where data and experience were lacking, the agency's "best guesses." For 13 of the 14 information collections, EPA officials were able to direct us to a database that they used to determine the number of respondents or the number of events associated with each collection.[20] For example, for the information collection on residential lead-based paint, EPA used databases developed and maintained by the U.S. Bureau of the Census and the Department of Housing and Urban Development to estimate the number of buildings affected by the collection and, therefore, the number of respondents. EPA officials were also able to identify the sources for the agency's estimates of the time it would take to complete each particular task and subtask in these collections. In many cases, the

[20]EPA officials were unable to identify any database that the agency used to calculate the burden-hour estimate for the safe drinking water collection because all of the staff involved in developing the original estimate had left the agency.

estimates were based on trend data for either previous versions of the information collection or related data provided by other sources.

EPA officials also said that they frequently consult with the regulated community during the development of an information collection request to estimate the burden hours associated with the collection more accurately. They noted that the PRA generally requires agencies to provide a 60-day comment period for their proposed information collections, and a separate 30-day comment period while the collection is being reviewed by OIRA. However, the officials also noted that the extent and nature of the agency's public consultations is limited by the PRA's requirements. The PRA (44 U.S.C. 3502) defines a "collection of information" in the following manner.

> "…obtaining, causing to be obtained, soliciting, or requiring the disclosure to third parties or the public, of facts or opinions by or for an agency, regardless of form or format, calling for…answers to identical questions posed to, or identical reporting or recordkeeping requirements imposed on, ten or more persons…."

Therefore, a survey or a series of meetings with 10 or more potential respondents to a proposed information collection would itself constitute a collection of information, thereby triggering the OIRA approval process and adding the burden associated with the collection to the agency's total.[21] EPA officials said that at some point in the burden-estimation process they often run out of data and previous experience, and given the consultation limitations imposed by the statute, program officials must make a best guess regarding the burden associated with a collection.

Respondent Organizations Often Considered EPA Burden Estimates Accurate

We contacted 20 organizations representing respondents to EPA's 14 largest information collections to gauge the credibility of the key assumptions in the burden-hour estimates for those collections. Seven of the organizations provided us with comments on the accuracy of EPA's burden-hour estimates for seven of the collections.[22] We did not attempt to verify these organizations' comments or to resolve any differences between their views and the assumptions that EPA used in its analyses.

The respondent organizations indicated that the burden-hour estimates for five of the seven collections (TRI, residential lead-based paint, air

[21]In fact, OMB's instructions for submitting information collection requests state that "agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (10 or more) of potential respondents is desirable."

[22]Twelve organizations either did not respond to our request for information or said they could not provide information. Comments we received regarding one other collection were principally about the cost of collecting the information requested, not the accuracy of EPA's burden-hour estimates. Some organizations provided comments about more than one information collection.

operating permits, acid rain, and underground storage tanks collections) were generally accurate. For example, one of the organizations agreed that it typically takes respondents about 180 hours to complete a form used in the TRI program, and called EPA's burden-hour estimate "fair." A representative from another organization said that EPA's paperwork estimate for the underground storage tanks collection was "on target," and said that he had not seen any agency estimates that were "off base." Another organization said that four of the five elements in the air operating permit program were generally in line with industry estimates. Although the organization said that EPA's estimate for one element of the collection was "too low," the organization did not indicate what it considered a more accurate estimate.

However, the respondent organizations indicated that EPA's burden-hour estimates for the other two collections—safe drinking water and hazard education before renovation—were too low. Regarding the safe drinking water program, two organizations said that EPA's burden-hour estimates did not reflect what they considered to be the real paperwork burden imposed by the information collection because the estimates frequently did not reflect the real-life conditions under which respondents operate. Representatives from one of the organizations said that the agency's estimates of the time required to collect, analyze, and report the results of drinking water samples appeared to be accurate at the most basic level (e.g., the time that it takes a lab technician to perform the analysis). However, they said that EPA did not appear to take into account other factors that often increase the amount of time required to complete these tasks. They said that there are often several reviews of the analysis performed by other lab and water facility officials, and that more testing may have to be done to corroborate the results of the first analysis before being submitted to EPA. The respondent organization representatives said that none of these possibilities seem to be accounted for in EPA's burden-hour estimate for the collection, and that any one of them could greatly affect the time it would take a respondent to complete the activities necessary to comply with the agency's paperwork requirements.[23]

Representatives of two other respondent organizations were even more critical of EPA's estimate of the burden associated with the hazard education before renovation information collection. They noted that EPA had broadly defined covered "renovations" to include all projects that

[23]In commenting on this report, EPA said that its burden-hour estimate for the safe drinking water collection does not include respondent activities that go beyond what the agency requires for lab analysis.

disturbed a space of two square feet or greater. As a result, they said that the program's information collection requirements included a much wider range of renovation projects (e.g., small home repairs) than they believed EPA envisioned when it made its burden-hour estimate. The representatives also said that EPA had underestimated the amount of time required to notify residents of a renovation project and obtain a certification attesting to the receipt of the notice and related information. They said EPA's estimate that these actions would only take about 2 minutes per resident is possible only if one assumes that all of the residents are at home at the first notification attempt, and that they are all willing to sign the certification immediately. In reality, they said, it commonly takes the renovator or property owner much longer to accomplish these tasks than EPA estimated.

Many EPA Burden-Hour Reductions Were Not Agency Initiatives or Had Little Real Effect

Although EPA's estimate of its paperwork burden rose between fiscal years 1995 and 1998, the agency eliminated about 24 million burden hours from its estimate during this period. In its 1998 annual report, EPA said that it had reduced its paperwork burden on the public by streamlining processes, eliminating outdated provisions, and consolidating duplicative requirements, and that the reductions had saved businesses and communities hundreds of millions of dollars. We examined 13 actions that accounted for 71 percent of the 24 million burden hours that EPA eliminated during this 3-year period. Most of the reductions were because of (1) revisions of previous agency estimates that had no impact on the burden borne by the public, (2) changes in the economy or technology for which EPA should not claim credit, or (3) the planned maturation of the program requirements over time. Respondent organizations disputed EPA's assumptions underlying two of the burden-hour reductions but said that the underlying assumptions for four other information collections were credible. Lastly, EPA's new Office of Environmental Information—which has incorporated the REI initiative—began operations less than 6 months ago, and EPA is still in the process of developing an action plan for the office.

EPA Eliminated 24 Million Burden Hours From Its Estimate Between Fiscal Years 1995 and 1998

EPA's burden-reduction efforts predate the goals envisioned in the PRA of 1995. In March 1995, the EPA Administrator committed to reducing the agency's January 1, 1995, estimated paperwork burden by 25 percent by June 30, 1996. EPA subsequently estimated that its January 1995 burden-hour total was about 101 million hours, so the agency's goal was to reduce its paperwork burden by about 25 million baseline hours. However, EPA officials told us during this review that the agency recognized these reductions would be offset by new statutory requirements added during this period.

After the PRA was enacted in May 1995, EPA officials decided to meld the agency's burden-reduction efforts with the governmentwide goals envisioned in the PRA and the agency-specific goals that OIRA later established pursuant to the act. Because EPA had estimated that its paperwork burden was about 109 million burden hours as of September 30, 1995, EPA's goal was to reduce the agency's burden estimate by 25 percent (about 27 million hours) to 82 million burden hours by September 30, 1998. In the ICB for fiscal year 1999, EPA said that "…by the end of fiscal year 1998, program changes and adjusted burden estimates reduced overall burden by more than 24 million baseline hours." However, EPA said that despite its burden-reduction efforts, the agency's total paperwork burden estimate had increased by millions of burden hours since fiscal year 1995 "due to new statutory requirements and new right-to-know collections."

In its 1998 annual report, EPA presented a somewhat different picture of the agency's burden-reduction efforts during this period.[24] In that report, EPA said that it had exceeded its original paperwork reduction goal by nearly 2 million hours "by streamlining processes, eliminating outdated provisions, or consolidating duplicative requirements." EPA said that these reductions "should also save businesses and communities an estimated $807 million a year."[25] Finally, EPA said that the reductions had offset additional requirements that had taken effect in recent years, so "the overall burden associated with environmental regulations is about the same as it was 4 years ago."[26] However, EPA noted that the burden "would be considerably higher without the Agency's concerted effort to rid the system of unnecessary requirements that do not yield environmental or public health protection benefits."

We based this section of our report on EPA's claim in the ICB for fiscal year 1999 that it had reduced the agency's paperwork by 24 million burden hours by September 30, 1998. According to OIRA, the ICB is the mechanism by which OMB and agency chief information officers establish agency burden-reduction targets and measure the burden associated with federal information collections.

[24]Reinventing Environmental Protection: 1998 Annual Report, EPA (Mar. 1999).

[25]EPA reiterated these statements in a July 1999 report entitled Aiming for Excellence: Actions to Encourage Stewardship and Accelerate Environmental Progress.

[26]In fact, EPA's burden-hour estimate for the end of calendar year 1994 was about 80 million hours—about 40 million burden hours less than at the end of fiscal year 1998.

Thirteen Actions Accounted for Most of EPA's Estimated Burden-Hour Reductions

EPA provided us with a listing of all of the actions that contributed to the 24 million burden hours that the agency eliminated between fiscal years 1995 and 1998. Thirteen of these actions, each involving reductions of at least 400,000 burden hours, accounted for about 17 million (72 percent) of the 24 million burden hours that EPA eliminated from its estimate. As shown in table 3, these 13 actions involved information collections from each of EPA's main program offices.

Table 3: EPA's Largest Estimated Burden-Hour Reductions Between Fiscal Years 1995 and 1998, by EPA Program Office

Burden hours in millions

EPA program office/Information collection title	Estimated burden hours reduced
Office of Water	
Discharge Monitoring	4.7
National Pretreatment	0.6
Subtotal	**5.3**
Office of Solid Waste and Emergency Response	
Land Disposal Restrictions	1.7
Underground Storage Tanks (1)	1.5
Underground Storage Tanks (2)	1.3
Oil Pollution Act Facility Response Plan	0.6
Industrial Furnaces	0.5
Subtotal	**5.6**
Office of Air and Radiation	
Air Operating Permits	3.0
Conformity of General Federal Actions to State Implementation Plans	0.5
Subtotal	**3.5**
Office of Prevention, Pesticides and Toxic Substances	
Agricultural Worker Protection Standards	1.1
Maximum Residue Level Petitions on Food	0.7
TRI Reporting, Recordkeeping, Supplier Notification, and Petitions	0.5
Data Generation for Registration Activities	0.5
Subtotal	**2.8**
Total	**17.2**

Source: EPA.

One of the 13 burden-reduction actions that we reviewed involved changes to EPA's TRI program, which reduced the agency's burden-hour estimate by about 500,000 burden hours. However, our review of the documents that EPA submitted as part of this action indicated that final approval for this change occurred between February 1995 and June 1995—3 to 8 months before the September 30, 1995, implementation of the PRA. Therefore, the burden hours that EPA eliminated were not in the September 30, 1995, baseline from which PRA-relevant burden reductions could be subtracted. We did not examine the credibility of this burden-

hour reduction because the action did not occur within the time period that we reviewed.

Program Changes Often Reflected Planned Evolution of Programs

As previously noted, OIRA classifies changes in burden-hour estimates as caused by either "program changes" or "adjustments." Program changes are the result of deliberate federal government action (e.g., the addition or elimination of questions on a form), whereas adjustments are changes in burden estimates that are caused by factors other than changes in the actual paperwork requirements (e.g., revisions of previous burden estimates). As table 4 indicates, of the 12 large EPA burden-reduction actions between fiscal years 1995 and 1998 that we reviewed, 6 were program changes and 6 were adjustments. Two of the six program changes were EPA initiatives designed to lessen the burden associated with the agency's discharge monitoring reports program and its land disposal restrictions program. The other four program changes reflected the planned evolution or "maturation" of the underlying programs.

Table 4: EPA's Largest Estimated Burden-Hour Reductions Between Fiscal Years 1995 and 1998, by Type of Reduction

Burden hours in millions

Type of reduction	Program name	Estimated burden hours reduced
Program changes		
Agency initiatives	Discharge Monitoring	4.7
	Land Disposal Restrictions	1.7
Subtotal		**6.4**
Program maturations	Air Operating Permits	3.0
	Agricultural Worker Protection Standards	1.1
	OPA Facility Response Plan	0.6
	Data Generations for Registration Activities	0.5
Subtotal		**5.2**
Total		**11.6**
Adjustments		
Reestimations	National Pretreatment	0.6
	Industrial Furnaces	0.5
	Conformity of Federal Actions to SIPS	0.5
	MRL Petitions on Food	0.7
Subtotal		**2.3**
Other adjustments	Underground Storage Tanks	1.3
	Underground Storage Tanks	1.5
Subtotal		**2.8**
Total		**5.1**
Grand total		**16.7**

Source: GAO analysis on the basis of data from EPA.

Discharge Monitoring Reduction Was Less Than Initially Estimated

EPA's largest paperwork burden-hour reduction between fiscal years 1995 and 1998 came about as a result of a change to requirements in the Office of Water's discharge monitoring program. Before 1996, EPA regulations for the program required permitted municipal and nonmunicipal point-source dischargers to collect, analyze, and submit data on the amount of their wastewater discharges at least once per year and the frequency was determined on a permit-by-permit basis. For example, major dischargers submitted these data on a monthly basis. In 1996, EPA issued new guidance that allowed some facilities to report less frequently. Specifically, major dischargers that had maintained effluent discharge levels below the maximum levels and had no history of poor compliance or enforcement issues were allowed to decrease their reporting frequency from monthly to bimonthly, quarterly, semiannually, or even annually. EPA said that these facilities could continue to report less frequently as long as they maintained the prescribed effluent levels. In 1996, EPA estimated that this program change would reduce the burden imposed on respondents by 4.7 million burden hours per year—that is a 26-percent reduction from the agency's previous estimate of about 18 million burden hours for these reports.

However, officials in EPA's Office of Water told us during this review that this program change had actually produced "significantly less" than 4.7 million burden hours of reduced paperwork each year, although they could not say precisely how much less. The officials said the original 4.7 million burden-hour reduction estimate was a goal that could have been achieved if all eligible facilities reported as infrequently as they were allowed under the new policy. However, they said that many discharge facilities are not taking advantage of the program's reduced reporting option, so the full 4.7 million burden-hour reduction had not taken place. For example, they said that some facilities may be continuing to prepare reports as frequently as they were prior to the 1996 change pursuant to state or local requirements. Other facilities may have internal reporting systems established to prepare the reports at a certain frequency, and the facilities may have decided that it would be too expensive to change those systems. They said still other facilities may have determined that monthly monitoring and reporting was needed to ensure that they maintained the proper level of discharges.

EPA Was Confident in Land Disposal Restriction Reductions

The other EPA burden-reduction initiative involved the agency's land disposal restrictions program. Before 1997, EPA required generators of certain types of hazardous waste to provide notification and certification for each shipment of hazardous waste. EPA officials said that they received numerous complaints from the affected public about how burdensome it was to submit this notification for every waste shipment,

particularly when the information that had to be reported rarely changed. In 1997, EPA revised the regulation to require such notifications only for the first shipment of each kind of waste to any given facility. No additional notifications were required as long as there were no changes to the waste, the process generating the waste, or the receiving facility for treatment or disposal of that waste. EPA estimated that this program change would reduce paperwork burden on hazardous waste generators by about 1.7 million burden hours or about 33 percent from the agency's previous burden-hour estimate.

EPA officials told us during this review that they were confident that their burden-reduction estimate for land disposal restrictions was accurate. In fact, they said that their estimate might understate the actual reduction in annual burden that has occurred. Unlike in the discharge monitoring program, the officials said the 1.7 million hour reduction in the agency's burden estimate for land disposal restrictions accounted for the possibility that about 20 percent of covered facilities may want or need to continue submitting notifications on a more frequent basis than the program allows.

Maturation Changes Reflect Planned Evolution of Programs

According to EPA, some of its information collections impose more paperwork burden on respondents in the first years of implementation than in subsequent years. For example, businesses seeking environmental permits may spend a significant amount of time preparing their initial permit applications, but much less time getting those permits renewed at a later date. An EPA regulatory program may require wide-scale training of employees or the posting of notices in the first year, but only limited training or notices in subsequent years. Because of these kinds of program maturation, the average annual burden during the first 3 years that the associated information collections are authorized is greater than the average annual burden in subsequent 3-year periods.

Four of the large EPA burden-hour reductions that we reviewed were caused by the maturation of the underlying programs over time, thereby reducing EPA's estimate of the programs' paperwork burden when the information collection requests were submitted to OIRA for reauthorization.

- When EPA applied for OIRA reauthorization of the information collection associated with its air operating permits program, the agency reduced its estimate of the average annual burden associated with the program by about 3 million burden hours. EPA said this reduction was possible because most facilities requiring air operating permits had completed the initial labor-intensive work necessary to obtain the required permits.

Therefore, EPA expected the average annual burden to be less in the program's second 3-year period than it had been during the program's first 3-year period.

- EPA reduced its estimate of the burden associated with Oil Pollution Act facility response plans by about 600,000 hours when it sought reauthorization of the program's information collection in 1997. The agency said that upkeep of the response plans during the second 3-year period would be significantly less labor intensive than the development of the plans during the program's first 3-year period.

- Also in 1997, EPA reduced its estimate of the burden associated with its data generation for registration activities collection from more than 500,000 hours to less than 40,000 hours. EPA said it did so because four of the five phases of the reregistration process had been completed during the period covered by the previous information collection authorization.

- In 1998, EPA reduced its estimate of the burden associated with worker protection standards by 1.1 million burden hours because the startup burden associated with initial program implementation was no longer applicable in the program's second 3-year period.

Several of the Burden-Hour Reductions Were Adjustments to Original Estimates

Six of the 12 large EPA burden-hour reductions that occurred between September 30, 1995, and September 30, 1998, were adjustments, and 4 of these adjustments were reestimates of the agency's initial burden-hour estimates. The two other adjustments reflected changes that had occurred in the regulated industry.

Reestimates Corrected Errors in Original Calculations

EPA's reestimates of the number of burden hours associated with its information collections were important to ensure that the agency's paperwork requirements are measured as accurately as possible. However, none of these reestimates had any substantive impact on the collections' respondents; the underlying requirements did not change. Three of the four EPA burden-hour reestimates were fairly straightforward.

- In 1996, EPA reduced its previous paperwork estimate for the industrial furnaces information collection by nearly 500,000 burden hours primarily because the agency changed its assumption regarding the number of expected respondents.[27]

[27]However, as part of the collection's reauthorization in 1999, EPA discovered a math error in the 1996 burden-hour estimate. EPA has subsequently increased its burden-hour estimate to account for this error.

- In its original estimate of the paperwork burden associated with the development of state implementation plans, EPA included the burden imposed by the collection on federal agencies. However, the PRA does not include burden imposed on federal employees within the scope of their employment. When the error was discovered as part of the collection's reauthorization process in 1998, EPA reduced its burden-hour estimate for this collection by about 500,000 hours.

- When EPA developed its original estimate of the burden associated with Maximum Residue Level (MRL) petitions on food, the agency made certain assumptions regarding the number of respondents that were later determined to be an overestimate. In 1996, EPA implemented a new database that changed these assumptions that contributed to a reduction of the agency's burden estimate for the collection by more than 700,000 hours.[28]

However, EPA's fourth reestimate during this period was somewhat more complicated. EPA initially estimated that the information collection associated with the national pretreatment program imposed about 2.3 million burden hours on the public. When EPA sought reauthorization of the information collection in 1996, the agency reduced its estimate of the paperwork burden by nearly 600,000 hours. The documents that EPA submitted to OIRA indicated the reduction was primarily accomplished by converting the burden hours associated with work done by contractors into dollars and reporting those costs in another part of the form that the agency submitted to OIRA. However, this "monetization" of burden hours is inconsistent with draft guidance that OIRA subsequently issued in 1997 on how agencies should calculate burden hours. That guidance says the following:

> "Burden hours are measured taking into account the full array of personnel required to plan, develop, prepare and fulfill an information collection...this includes the time devoted by the respondent, all employees, partners and associates of the respondent, and the time of outside consultants, contractors, legal and financial advisors hired for the purpose of responding to the collection of information." [Underscoring supplied.]

OIRA officials and staff told us during our review that EPA submitted this proposed burden-hour reduction for approval in 1996, shortly after the enactment of the PRA when guidelines on calculating burden hours had not been developed. They said that it was not a conscious decision on OIRA's part to approve a burden-hour reduction that monetized burden

[28]Some of this burden-hour reduction was also caused by the maturation of the MRL program and other factors.

hours. They noted that they subsequently disapproved other EPA attempts to reduce their burden-hour estimates by monetizing burden, and that if a similar burden-hour reduction was submitted to them today it would probably be disallowed.[29]

Other Adjustments Reflected Changes in Economy or Technology

The last of the 12 largest burden-hour reductions between fiscal years 1995 and 1998, were 2 adjustments in EPA's underground storage tank program totaling 2.8 million burden hours. Our review of agency documents and conversations with EPA officials who were responsible for the program indicated that these adjustments were primarily caused by two factors: (1) reductions in the number of underground storage tanks in the economy and (2) the industry's development of new, less burdensome technologies for developing the information needed for the collection.

Like the agency's reestimates, these adjustments were needed to more accurately measure the burden associated with EPA's information collections. However, the two adjustments differed from the agency's reestimates in at least one respect; they reflected real reductions in the amount of paperwork burden borne by the affected public.

Respondent Organizations Said Some Burden-Hour Reductions Were Credible

To gauge the credibility of the reductions taken, we contacted 13 organizations representing respondents to 10 of the 12 information collections involved in these large burden-hour reductions.[30] Representatives from 6 organizations provided information on 7 of the 10 burden-hour reductions.[31] We did not attempt to verify these organizations' comments or to resolve any differences between their views and the assumptions that EPA used in its analyses.

The respondent organizations indicated that four of the seven burden-hour reductions (worker protection standards, air operating permits, and the two underground storage tank actions) were generally credible. For example, a representative from one organization agreed that the information collections related to the underground storage tank program were less burdensome than in the past because of, among other things, a

[29]OMB subsequently disallowed two other EPA attempts to reduce their burden-hour estimate by monetizing burden hours. One was in the discharge monitoring program in which EPA was attempting to reduce its burden-hour estimate by about 7 million burden hours. The other was in the underground storage tank program in which EPA was trying to reduce its burden-hour estimate by 5.7 million burden hours.

[30]We did not contact respondents regarding the math error in the industrial furnaces collection or the erroneous inclusion of federal paperwork burden in the state implementation plans collection.

[31]Respondent organizations for the remaining three burden-hour reductions either did not respond to our request for information or said they had no information to provide.

decline in the number of such storage tanks and the use of new leak-detection technology in the industry. Another representative told us that the paperwork burden associated with EPA's worker protection program had declined because most of the program's paperwork-intensive requirements had been completed.

However, the respondent organizations disagreed with EPA's burden-hour reductions regarding two other collections—discharge monitoring reports and data generation for registration activities, and could not either agree or disagree with the collection on the MRL program. Regarding discharge monitoring, representatives of one organization said that EPA's assumption that the number of burden hours should be reduced by 26 percent was erroneous. Just as EPA program officials told us during our review, the respondent organizations said many fewer respondents had been able to take advantage of the less frequent reporting options than EPA had anticipated because of continued state or local reporting requirements, the expense associated with changing the businesses' established processes, or for other reasons.

As previously noted, EPA reduced its annual burden-hour estimate for the data generation collection in 1997 from more than 500,000 hours per year to less than 40,000 hours per year because four of the five phases of the process had been completed. Two respondent organizations that we contacted said that EPA's current estimate of the annual paperwork burden still associated with this program was too low (and, therefore, the burden reductions should not have been taken) for a variety of reasons. First, they said program respondents are having to resubmit data for the first phases of the data generation program because data they had previously submitted (1) had become dated because of a backlog at EPA, (2) had been lost by EPA staff, or (3) was improperly prepared because of unclear and changing EPA requirements. They also said that the fifth phase of the data generation process would be much more burdensome than EPA estimated. Therefore, they said that EPA should not have eliminated the more than 500,000 burden-hours in paperwork associated with this collection that was removed in 1997, and that the original estimate was too low.

Most EPA Office of Environmental Information Efforts Are Still in the Planning Stage

In the ICB for fiscal year 1999, EPA said that several agencywide initiatives had the potential for large burden reductions within the next 3 to 5 years. The agency said that the most encompassing of these initiatives was a recently initiated reorganization plan that would bring together all of the agency's information programs into a new office to better manage the agency's information resources. Another initiative described in the ICB

was the agency's REI initiative, which EPA described as focused on data quality and building the infrastructure needed to identify and eliminate obsolete, duplicative, and unnecessary paperwork requirements.

EPA officials told us during this review that the REI initiative had been merged with the creation of the new Office of Environmental Information, which was officially launched in late October 1999. Projects that had been started under the REI initiative, such as data standardization, electronic reporting, and facility registration, are now being administered by the Office of Environmental Information. EPA officials said the new office has four main organizational units responsible for (1) information policy and collection; (2) information technology and services; (3) information analysis and access; and (4) information planning, resources, and outreach. Overall, they said the office would ultimately be responsible for improving the quality of data used within EPA and provided to the public and for developing and implementing the goals, standards, and accountability systems needed to bring about these improvements. To this end, they said the Office of Environmental Information would

- ensure that the quality of data collected and used by EPA is known and appropriate for its intended uses,
- reduce the burden on the states and regulated industries of collecting and reporting data,
- fill significant data gaps, and
- provide the public with integrated information and statistics on environmental and public health issues.

We recently reported on the status of EPA's Office of Environmental Information. In April 1999, we said that the creation of the new office to make fundamental improvements in the agency's data management activities was a step in the right direction.[32] However, we said that the success of the office depended on EPA's (1) providing the office with the necessary resources and expertise, (2) empowering the office to overcome organizational challenges, (3) balancing the agency's need for data with calls to reduce reporting burden, and (4) working closely with the states to design and implement improved information management systems. We noted that EPA had not developed an information plan to show how the agency intended to achieve the goals established for the new office.

[32]Environmental Protection: Status of EPA's Efforts to Create a Central Information Office (GAO/T-RCED-99-147, Apr. 13, 1999).

In September 1999, we again supported the creation of the new Office of Environmental Information but said that one of the office's most pressing challenges would be to develop a plan that identifies clear priorities for the office and the resources it will need to make significant improvements in information management.[33] We recommended that the EPA Administrator direct the program manager of the new office to develop an action plan detailing the key steps that the agency needs to take to ensure that EPA's environmental and regulatory data are sufficiently complete, compatible, and accurate to meet its needs. EPA concurred with our recommendation and said that its forthcoming information strategic plan should provide the overall strategy needed to ensure the completeness, compatibility, and accuracy of the agency's environmental data. EPA officials told us during this review that the Office of Environmental Information expects to finalize its fiscal year 2000 action plan by April 2000. They said the plan would include priorities and milestones for the new office for the remainder of fiscal year 2000 and will be a basis for the broader information strategic plan.

Although EPA indicated in the ICB that the new Office of Environmental Information had the potential to reduce the agency's information collection requirements in the next 3 to 5 years, officials in that office told us that most of their efforts were still in the planning stage. For example, they said that the agency is developing a central receiving facility that will allow respondents to report environmental information electronically through a single, standard point of entry. We continue to believe that the development of an action plan for the Office of Environmental Information detailing the strategies, resources, benchmarks, and milestones for completing specific actions would help ensure that EPA meets its information management goals.

Conclusions

Although EPA's paperwork burden-hour estimate as of September 30, 1998, represented less than 2 percent of the governmentwide estimate, EPA was one of only six non-Treasury agencies with an estimated 100 million-plus burden hours. Furthermore, EPA's paperwork burden is expected to grow even larger in the future. The size of the agency's burden-hour estimate, the frequent mandatory nature of the reporting requirements, and the fact that the paperwork is primarily used to determine compliance with environmental statutes and regulations underscore the importance of understanding how accurately EPA's

[33] Environmental Information: EPA Is Taking Steps to Improve Information Management, but Challenges Remain (GAO/RCED-99-261, Sept. 17, 1999).

paperwork burden is measured and whether EPA is doing all it can to keep the burden as low as possible.

Our review of the process that EPA used to develop paperwork burden-hour estimates for its largest information collections indicated that the agency is preparing the basic elements of those estimates in a logical and systematic manner. EPA usually identifies dozens of tasks and subtasks that must be performed as part of the collections and uses available data and experience to develop estimates of the time required for each element and the number of respondents. The respondent organizations that we contacted said that most of the burden-hour estimates on which they could comment were generally accurate.

However, some of the respondent organizations said that two of EPA's burden-hour estimates were not realistic. We could not independently determine whether these organizations' concerns about these collections were valid or representative of most respondents' views. According to EPA officials, the agency frequently consults with the regulated community during the development of its information collection requests, but these officials said that EPA is constrained in this endeavor by the PRA's definition of a collection of information. We recognize that the PRA limits EPA's efforts to obtain large amounts of information regarding the burden associated with its information collections. Nevertheless, the contacts that EPA says it already has with its "consultative partners" should provide the perspectives needed to improve the perceived quality of EPA's burden-hour estimates without requiring a new collection approval.

A substantial portion of the burden hours that EPA reduced from its estimates between fiscal years 1995 and 1998 were because of revisions of previous estimates, changes in the targeted industries, or the expected maturation of programs. EPA's revisions of agency paperwork estimates had no real impact on the burden being borne by the public. The underlying reporting and recordkeeping requirements did not change, only EPA's method of measuring their effect. Also, adjustments reflecting changes in the underground storage tank industry, while important to ensure the accuracy of the agency's burden estimates, are reductions in burden hours for which EPA should not claim credit. In fact, OIRA does not consider reestimates and adjustments relevant to determining whether agencies are making progress toward the burden-reduction goals envisioned in the PRA. Finally, reductions in burden-hour estimates because respondents no longer have to develop initial permits or repost one-time notices, although technically "program changes," are quite different than reductions resulting from conscious efforts on the part of

the agency to reduce the frequency of reporting requirements or the length of those requirements.

Therefore, EPA's claim in its annual report that it had reduced its paperwork burden "by streamlining processes, eliminating outdated provisions, or consolidating duplicative requirements" was misleading. More than 60 percent of the burden hours that EPA reduced during fiscal years 1995 and 1998 were not in these categories. Also misleading was EPA's statement that these reductions had saved businesses and communities hundreds of millions of dollars. Reductions in agency burden-hour estimates because of math errors, erroneous assumptions, and conversion of burden hours to dollars on a form that the agency submits to OMB have no effect on businesses' or communities' paperwork requirements or their expenditures. Also, changes to burden-hour estimates because initial, paperwork-intensive program phases have been completed should not be characterized as saving respondents time or money.

The ICB is the official record of agencies' information collection requirements. Under OIRA's burden-measurement procedures, both program changes and adjustments are used to estimate the burden associated with an agency's information collections, and both are reflected in the year-end estimates printed in the ICB. Therefore, federal agencies could have reduced their total burden-hour estimates by 25 percent (or more) between fiscal years 1995 and 1998 solely by revising those estimates. Although not the case at EPA, agencies may achieve these reductions by continuing to collect information in violation of the PRA after their OIRA information collection authorizations expire.

Obtaining an accurate measure of agencies' paperwork requirements is important. However, it is not clear that burden-hour reductions that are based on reestimates, changes in the economy, or violations are what Congress had in mind when the PRA was enacted. Therefore, if Congress and the public want a fuller picture of how the PRA's burden-reduction goals are being implemented, they will have to carefully review the information in OIRA's ICB reports to determine which agencies are accomplishing burden-hour reductions via substantive program changes, adjustments, or as a result of violations of the act. In the ICB for fiscal year 1999, OMB provided information that, for the first time, allowed readers to calculate the extent to which changes in agencies' burden-hour estimates between fiscal years 1997 and 1998 were caused by program changes, adjustments, and violations.

Although most of EPA's burden-reduction actions were consistent with OIRA's burden-measure procedures, we concluded that one such action was not. We believe that the nearly 600,000 burden hours that EPA subtracted from its estimate for the national pretreatment program in 1997 by converting contractor burden hours to dollars should be added back to the agency's burden-hour estimate. This "monetization" practice is contrary to current OIRA guidance on how burden hours should be measured, and OIRA staff said the reduction would not currently be allowed.

Recommendation

We recommend that the Administrator of EPA correct the agency's burden-hour estimate for the national pretreatment program in the RISC database and future editions of the ICB by including in its estimate the nearly 600,000 burden hours that were converted to dollars.

Agency Comments and Our Evaluation

On February 10, 2000, we sent a draft of this report to the Administrator of EPA and the Director of OMB for their review and comment. OIRA officials only suggested several technical and wording changes that we incorporated as appropriate, but the OIRA Deputy Director said neither OIRA nor OMB would comment on the draft report's findings or recommendation.

On February 24, 2000, the Director of EPA's Office of Information Collection provided written comments on the draft report, which are reproduced in appendix II. The Director said that EPA would examine the report's recommendations and make the necessary corrections to its information collection requests. He also said that the report appeared to be accurate in its characterization of EPA's information collection requests and burden hours. However, he also said that EPA had two overarching comments on the report. First, he said the comments from the 10 respondent organizations were not a representative sampling of the regulated entities and should be clearly portrayed as anecdotal views. Second, he said that consistent with OMB guidelines, EPA calculates burden and burden reductions on the basis of agency requirements, and does not consider state and/or local government requirements or respondents' voluntary actions when making those determinations. In addition, he said that although our "assertion that [EPA's] burden-reduction estimates are misleading is technically correct," the agency believes that the finding is too narrowly focused and fails to fully acknowledge the agency's other burden-reduction efforts, such as compliance assistance centers and changes in EPA's audit policy.

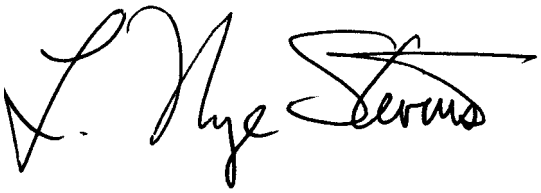
We stated in the Objectives, Scope, and Methodology section of the draft report EPA reviewed that the views of the respondent organizations we contacted were not intended to be representative or exhaustive of all entities required to respond to the agency's information collections. We also said that we did not attempt to resolve any differences between their views and the assumptions that EPA used in its analyses. In this final report, we noted that we did not verify these organizations' comments, and we added similar language in two other sections of this report.

We also eliminated a recommendation that was in the draft report on which the Director's second comment was based. Although EPA collects more paperwork through its discharge monitoring program than the agency's current burden-hour estimate, some of that paperwork is based on state or local government requirements or is voluntarily submitted and, therefore, is not technically a federal information collection. Finally, the other types of EPA regulatory burden reduction efforts that the Director mentioned, while important, were outside the scope of our review of the agency's information collection requirements.

As arranged with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days after the date of this report. At that time, we will send copies of this report to Senator John F. Kerry, Ranking Minority Member, Senate Committee on Small Business; Representatives David McIntosh and Dennis J. Kucinich, Chairman and Ranking Minority Member, Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs, House Committee on Government Reform; the Honorable Carol M. Browner, Administrator of EPA; and the Honorable Jacob J. Lew, Director of OMB. We will make copies available to others on request.

If you have any questions regarding this report, please contact me or Curtis Copeland on (202) 512-8676. Key contributors to this assignment were Joseph Santiago and Ellen Grady.

Sincerely yours,



L.Nye Stevens
Director, Federal Management and
Workforce Issues

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Abbreviations

EPA	Environmental Protection Agency
EPCRA	Emergency Planning and Community Right-to-Know Act of 1986
FIFRA	Federal Insecticide, Fungicide and Rodenticide Act
FQPA	Food Quality Protection Act
ICB	Information Collection Budget
IRS	Internal Revenue Service
MRL	maximum residue level
NPDES	National Pollutant Discharge Elimination System
OIRA	Office of Information and Regulatory Affairs
OMB	Office of Management and Budget
PCB	polychlorinated biphenyls
PRA	Paperwork Reduction Act of 1995
RCRA	Resource Conservation and Recovery Act
REI	Reinventing Environmental Information
RISC	Regulatory Information Service Center
TRI	Toxics Release Inventory
TSCA	Toxic Substances Control Act

Program Descriptors

One part of our review of the Environmental Protection Agency's (EPA) paperwork requirements focused on the agency's 14 information collections with the largest burden-hour estimates as of September 30, 1998. Another part of the review focused on the agency's 13 largest burden-hour reductions between September 30, 1995, and September 30, 1998. As table I.1 shows, the 21 EPA programs underlying these collections involved the agency's 4 main program offices, and some programs were represented in both the largest collections and the largest burden-hour reductions sections of the report. Each of these 21 information collections is briefly described following table I.1.[1]

Table I.1: EPA Programs Affected by Reviewed Information Collections

EPA program office/Information collection	Burden-hour estimates	Burden-hour reduction claim
Office of Water		
Discharge Monitoring	X	X
National Pretreatment		X
National Pollutant Discharge Elimination System: State Programs	X	
Safe Drinking Water	X	
Office of Solid Waste and Emergency Response		
Community Right-to-Know	X	
Land Disposal Restrictions	X	X
Underground Storage Tanks	X	X
Industrial Furnaces		X
Oil Pollution Act's Facility Response Plans		X
Office of Air and Radiation		
Air Operating Permits Program	X	X
Pre-Construction New Source Review	X	
Acid Rain Program	X	
Conformity of General Federal Actions to State Implementation Plans		X
Office of Prevention, Pesticides, and Toxic Substances		
Toxic Release Inventory Reporting, Recordkeeping, Supplier Notification, and Petitions	X	X
Residential Lead-Based Paint Hazard Disclosure	X	
LBP Hazard Education Before Renovation	X	
Asbestos in Schools and Model Accreditation Plan Programs	X	
Polychlorinated Biphenyls Disposal Amendments	X	
Agricultural Worker Protection Standards		X
Data Generation for Registration Activities		X
Maximum Residue Limit Petitions on Food		X

[1]These program descriptors were developed using information obtained from EPA program officials and the EPA Internet sites for the various program offices.

Note: There were two underground storage tank burden-reduction claims between September 30, 1995, and September 30, 1998. In addition, our initial review included a burden-reduction claim pertaining to the toxic release inventory. This claim is not included in our final burden-hour reduction analysis because it occurred before the time period of our review.

Source: EPA.

Office of Water

Discharge Monitoring

EPA's National Pollutant Discharge Elimination System (NPDES) program, established by the Clean Water Act, prohibits the discharge of pollutants through a "point source" (e.g., a pipe or a ditch) directly into United States waters unless dischargers have an NPDES permit. Permits are issued by EPA-approved states or by EPA regional offices. One way that EPA monitors compliance with the program is by collecting information from permitees on the amount of their discharges.

National Pretreatment Program

The national pretreatment program is a cooperative effort of federal, state, and local environmental agencies to protect water quality and is administered by EPA as part of the NPDES program. The purpose of the national pretreatment program is to reduce the level of pollutants discharged by industry and other wastewater sources into municipal sewer systems. To ensure that their discharges do not exceed the established limits, some sources must pretreat their wastewater discharges to reduce the level of pollutants before releasing the discharges to the publicly owned treatment works. The information collected as part of the pretreatment program includes data from industrial users on the content of the discharges, their schedule for installing pretreatment equipment, and anticipated discharges of wastes that violate pretreatment standards.

National Pollutant Discharge Elimination System: State Program

State NPDES-permitting authorities may also administer a sludge management program within their jurisdictions, including all of the monitoring, reporting, and recordkeeping associated with the program. To obtain authority to operate a sludge program, a state must submit a description of its program to EPA, a draft memorandum of agreement with the EPA regional office, and copies of the state's relevant statutes and regulations.

Safe Drinking Water

The Safe Drinking Water Act, as amended in 1996, contains several major areas of emphasis, including (1) improving the way that EPA sets drinking water safety standards and develops regulations on the basis of various factors, including good science and data, sound risk assessment, and effective risk management; (2) establishing new prevention approaches,

including provisions for operator certification, capacity development, and source water protection; (3) providing better information to consumers, including consumer "right-to-know" reports; and; (4) expanding funding for states and communities. When a state or public water system seeks a variance or exemption from the act's requirements, EPA requires them to submit information to determine whether the variance or exemption is appropriate.

Office of Solid Waste and Emergency Response

Community Right-to-Know

The Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) establishes requirements for federal, state, and local governments and industry regarding emergency planning and reporting on hazardous and toxic chemicals. The community right-to-know provisions are designed to help increase the public's knowledge and access to information on the presence of hazardous chemicals in their communities and releases of these chemicals into the environment. Some of EPCRA's reporting requirements include (1) requiring local emergency-planning committees to develop a contingency plan for responding to chemical emergencies, (2) requiring facilities to immediately notify the state and local governments of releases of certain hazardous chemicals, (3) ensuring public access to material safety data sheets, and (4) requiring certain facilities to annually report their releases of specified toxic chemicals by completing a toxic chemical inventory form.

Land Disposal Restrictions

The Resource Conservation and Recovery Act (RCRA), as amended in 1984, established the authority for EPA's land disposal restriction program. The program is designed to protect groundwater from contamination by requiring hazardous wastes to be physically or chemically altered to reduce their toxicity before disposal. The program requirements apply to most hazardous wastes once a treatment standard has been established. At the point at which the waste is created, the generator must determine the waste characteristics for deciding on its proper treatment and disposal methods. To track the waste that is generated, treated, transported, stored, or disposed, EPA imposes notification, certification, and recordkeeping requirements on generators and others.

Underground Storage Tanks

RCRA required EPA to develop a comprehensive regulatory program for underground storage tanks containing petroleum or other hazardous

substances. EPA's underground storage tank program requires owners and operators of such tanks to record and report certain activities. For example, owners and operators must keep records on inspections and test results, repairs or upgrades, and site assessment results after closing a tank. Also, owners must notify state or local authorities of the existence of these tanks, their leak prevention and leak detection measures, and the permanent closure of any of these tanks.

Industrial Furnaces

EPA regulations promulgated under RCRA require owners and operators of boilers and industrial furnaces that burn hazardous waste to obtain operating permits and to maintain certain records demonstrating that they meet the agency's requirements. For example, the regulations require them to (1) maintain records of all hazardous wastes from boilers and industrial furnaces showing how the waste was treated, stored, or disposed and (2) develop and maintain contingency plans to minimize unanticipated damage from any of these processes.

Oil Pollution Act's Facility Response Plan

The Oil Pollution Act of 1990 requires owners or operators of oil storage facilities that are classified as "substantial harm facilities" to prepare a plan for responding to a worst-case discharge of oil or substantial threat of such a discharge into navigable water bodies or onto adjoining shorelines. The act also requires facility response plans to describe training and periodic unannounced drills or exercises. EPA requires the owners and operators of these facilities to develop and implement a corresponding training and drill/exercise program. EPA regulates non-transportation-related facilities, while the Coast Guard regulates marine transportation-related facilities and vessels.

Office of Air and Radiation

Air Operating Permits Program

Pursuant to the Clean Air Act, all states are required to develop and implement air operating permits programs under EPA's guidance. In these programs, major stationary sources of air pollution are required to obtain operating permits to ensure compliance with the act. The permits are comprehensive documents that consolidate all federal, state, and local requirements applicable to air pollution sources, and that include a schedule of compliance, monitoring, and reporting requirements.

Pre-Construction New Source Review

Air pollution permits under the Clean Air Act are also required for businesses that build new pollution sources or make significant changes to existing pollution sources. Referred to as "preconstruction" or "new source review" permits, they are intended to ensure that new emissions do not cause significant health or environmental threats, and that new pollution sources are well controlled. Like the air operating permits, the new source review permits include a schedule of compliance, monitoring, and reporting requirements.

Acid Rain Program

The 1990 Clean Air Act amendments established the acid rain program to reduce emissions of sulfur dioxide and nitrogen oxides—the primary pollutants that cause acid rain. The acid rain program sets a permanent cap on the amounts of these pollutants that may be emitted by electric utilities nationwide and allows flexibility for individual utility units to select their own methods of compliance. The information collection requirements for this program include monitoring emissions, transferring allowances, and completing annual compliance certifications.

Conformity of General Federal Actions to State Implementation Plans

EPA established national air quality standards under the Clean Air Act, and state and local governments are responsible for developing and implementing plans to attain these national standards. However, there was concern that certain federal actions, such as the leasing of federal land or construction of federal office buildings, would interfere with state and local plans. Therefore, Congress amended the act in 1990 to prohibit the federal government from taking actions that do not conform with state plans. As a result, EPA requires federal entities to collect certain information and to follow specific procedures in making conformity determinations. Although most of the information needed to make these determinations is developed by federal entities, some information is obtained from private organizations.

Office of Prevention, Pesticides, and Toxic Substances

Toxic Release Inventory Reporting, Recordkeeping, Supplier Notification, and Petitions

EPCRA and the Pollution Prevention Act direct EPA to require owners or operators of certain facilities that manufacture, process, or otherwise use any of over 600 listed toxic chemicals and chemical categories to report annually to EPA and to the states on their chemical transfers and releases into the environment and their waste management activities for such chemicals. The information gathered in this report is stored in a database

	known as the Toxic Release Inventory, which is maintained at EPA, is available through the Internet and is used by EPA and parts of the public sector.
Residential Lead-Based Paint Hazard Disclosure Requirements	Under the Residential Lead-Based Paint Hazard Reduction Act of 1992, sellers or lessors of housing constructed before 1978 are required to disclose known information on the presence of lead-based paint and lead-based paint hazards. In addition, the sellers or lessors must provide purchasers and renters with an EPA publication on lead awareness before selling or leasing the housing unit.
Residential Lead-Based Paint Hazard Education Before Renovation	Pursuant to the Toxic Substances Control Act (TSCA) and the Residential Lead-Based Paint Hazard Reduction Act, individuals or firms that conduct renovation activities on pre-1978 housing must obtain a signed acknowledgment from the owner/occupant of that housing unit before conducting most renovation activities. To comply with this requirement, contractors performing renovations in common areas of multifamily housing or individual units must also provide copies of EPA's publication on lead awareness to the appropriate owners and occupants.
Asbestos in Schools and Model Accreditation Plan Programs	Under the Asbestos Hazard Emergency Response Act of 1986, public and private schools are required to (1) develop and maintain a management plan that addresses how the school will protect the occupants from exposure to asbestos and (2) ensure that persons who inspect for asbestos, develop management plans, and design or conduct response actions are properly trained and accredited. EPA requires that the management plan be made available to all concerned persons, such as faculty, staff, parents, or other interested parties. The model accreditation plan assures that persons who inspect for asbestos, develop the management plan, and design or conduct response actions are properly accredited, and that states will adopt appropriate accreditation programs.
Polychlorinated Biphenyls Disposal Amendments	TSCA directs EPA to regulate the marking, disposal, manufacturing, processing, distribution, and use of polychlorinated biphenyls (PCB). PCBs are chemicals found in items such as common household appliances, electrical transformers, and fluorescent lights. EPA's PCB regulations contain information collection requirements to ensure that PCBs are managed in an environmentally safe manner.
Agricultural Worker Protection Standards	Under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA), EPA works in partnership with the states to implement programs designed to protect workers from risks posed by pesticides. One of these programs—worker protection standards—is intended to reduce the risk of

pesticide poisonings and injuries among agricultural workers and pesticide handlers, reduce or eliminate exposure to pesticides, and establish procedures to respond to exposure-related emergencies. The standards require basic safety training and distribution and posting of information about pesticide hazards as well as pesticide application information.

Data Generation for Reregistration Activities

Under FIFRA, EPA must assess the health and safety data for pesticides originally registered before November 1984. Before 1984, only acute testing or short-term environmental testing was required for many pesticides before registration. However, EPA later determined that data on chronic health effects and long-term environmental effects were necessary in many cases. Therefore, FIFRA established a process for EPA to obtain or develop the information that it needed to reevaluate the previous registrations. EPA is responsible for determining, with the use of updated information on a chemical, whether a pesticide product could cause an unreasonable adverse effect on human health or the environment. Pesticide registrants seeking to reregister their products are required to generate (and report to EPA) a level of data on the previously registered pesticides that was equivalent to what was now required of new registrations. In addition, pursuant to the Food Quality Protection Act (FQPA), which amended FIFRA, when reevaluating these pesticide reregistrations, EPA must consider the potential toxic effects of these pesticides on infants and children.

Maximum Residue Limit Petitions on Food

Under the Federal Food, Drug, and Cosmetic Act, as amended by FQPA, before a pesticide can be registered for use on food or feed, EPA must establish a tolerance for the maximum amount of pesticide residue permitted. Paperwork requirements under this program include the submission of a request for a tolerance or an exemption from a tolerance and the submission of data so that EPA can make its tolerance determination.

Comments From the Environmental Protection Agency

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

FEB 14 2000

OFFICE OF
ENVIRONMENTAL INFORMATION

L. Nye Stevens, Director
Federal Management and Workforce Issues
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Stevens:

I am submitting the Environmental Protection Agency's (EPA) comments on the draft General Accounting Office (GAO) report "EPA Paperwork: Burden Estimate Increasing Despite Reduction Claims." Before commenting I would like to emphasize that EPA is strongly committed to reducing burdens on the public.

In general, the report appears to be accurate in its characterization of EPA's Information Collection Requests (ICRs) and the burden hours created by these collections. However, we have two overarching comments on the report. The first comment concerns the information provided to GAO by a small number of organizations on the burden imposed by EPA. The comments from the ten respondent organizations portrayed in the report are not a representative sampling of the regulated entities and therefore should clearly be portrayed as anecdotal views. Our second overall comment concerns the issue of whether burden reductions claimed by EPA are, in fact, real if the reduction provisions are not implemented by other government entities. Consistent with OMB guidance, we have calculated burden and burden reductions based on the amount of burden resulting solely from EPA requirements. We do not count the burden imposed by additional state and/or local government requirements and we count burden reductions based on the relief provided by the changes to the federal requirements without regard to whether the state and/or local governments, over which we have no control, choose to implement the burden reduction provisions.

GAO's review highlights the complexity involved in estimating regulatory burden, and correctly suggests that burden reduction estimates are most relevant when they reflect changes that have a direct impact on regulated parties. GAO points out that EPA's estimate for hours of burden reduced as featured in the report, *Reinventing Environmental Protection*, does not reflect the criteria for real "impact" suggested above because it represents the sum of program changes and program adjustments. While GAO's assertion that our burden reduction estimates are misleading is technically correct because it includes all type of reductions, we believe this finding is too narrowly focused and fails to fully acknowledge the Agency's burden reduction efforts. In recent years, EPA has acted aggressively to reduce burden through a variety of

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innovative activities. These efforts may not be typically counted in burden reduction estimates, but they clearly have that effect. As the following examples show, these activities reduce burden by providing environmental managers with more choice and assistance in meeting their environmental responsibilities.

- Compliance Assistance Centers. Now up and running over the Internet for eight small business sectors and local governments, these Centers provide quick, easy access to information about environmental regulations and policies, compliance checklists, links to vendors of innovative technologies, and tools and tips for preventing pollution. In FY 1999, the Centers were visited on average more than 750 times a day, resulting in a total of 260,000 user sessions.

- Audit policy. This policy encourages companies to conduct their own environmental evaluations. The idea is to have them find and fix problems on their own, rather than at the direction of a regulator. If they do, EPA will waive or reduce the potential enforcement penalty as long as the company was not involved in criminal behavior. During the past four years, 675 companies have come forward to disclose potential violations at more than 2,700 facilities. Many have already had penalties waived or reduced as a result of their proactive efforts.

- Regulatory compliance options. Increasingly, EPA is featuring compliance options in its regulations. One category of options are market-based approaches, like pollution trading, which provide more flexible, cost-effective means for achieving the desired environmental goal. Trading options are featured in many of our air regulations, and based on their proven effectiveness, we're now using this approach to provide options in addressing other problems, like water pollution and wetlands loss.

In addition, we have been implementing a plain language initiative to help make our regulations and guidances more understandable, we have established flexible alternative approaches in lieu of strict regulatory standards, and we often reduce requirements between proposed and final rules in response to comments from the public and more refined Agency analyses. These changes will not show up in the inventory of burden reductions but they provide the public with less burdensome requirements. While it may not be possible to quantify the impact of such actions, the extent to which they are relieving regulatory burden cannot be ignored. They continue to simplify the job of environmental management within businesses and communities nationwide.

A key component in facilitating future burden reduction at EPA is the creation of the Information Integration Initiative (I-3), which is being led by the new Office of Environmental Information. This initiative will build an information network that will establish a fundamentally new approach to integrating and managing environmental information. I-3 will reduce burden and transaction costs for States, Tribes, regulated businesses, and the general public.

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Thank you for the opportunity to comment on the draft report. We will examine the recommendations and make the necessary corrections to our Information Collection Requests with OMB. If you have any questions on these points, please contact Rick Westlund at 202-260-2745 or Lynn Johnson at 202-260-2964.

Sincerely,

Mark A. Luttner, Director
Office of Information Collection

cc: Margaret Schneider
Al Pesachowitz

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