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BEFORE THE SUBCOMMITTEE ON SUPERFUND, TOXICS, RISK, AND WASTE
MANAGEMENT, SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
JULY 31, 2002

Good morning, Chairman Boxer and Members of the Subcommittee. I am Nikki Tinsley, Inspector General of the Environmental Protection Agency (EPA). I am pleased to speak to you today about the Office of Inspector General's report on funding needs to clean-up non-Federal National Priority List (NPL) Superfund sites and discuss how my Office went about conducting our work.

On April 17, 2002, the OIG received a letter from Congressmen John D. Dingell and Frank Pallone, Jr., of the House Committee on Energy and Commerce, requesting OIG assistance in identifying the funding needs of each non-federal Superfund NPL site. In the letter, the Congressmen expressed their concerns that EPA was falling short of its cleanup goals in fiscal year 2002 and was reducing their target further for fiscal year 2003. Accordingly, the Congressmen requested that the OIG:

- 1) Identify and summarize the funding needed for each non-Federal Superfund NPL site so that clean-up activities could be initiated, continued, or expedited; and
- 2) Provide the remedial action prioritization list for each region and any similar nationwide document.

They asked us to provide a response in a very short time-frame and, in light of this time-frame, we did not conduct the type of detailed analysis and verification that we would generally do in a typical audit or evaluation.

In describing the results of our review, it is important to keep in mind that these figures are accurate as of the date the OIG completed its fieldwork. If the same information were requested today, some of the figures could be different because EPA Headquarters provides funds to the regions on a quarterly basis. Additionally, EPA periodically de-obligates funds from some sites and uses them to fund cleanup activities at other sites. So, in essence, the report represents a snapshot in time.

I have attached the OIG's complete report to this written testimony so I won't go into great detail on the specifics of the review. In summary, we found that for Fiscal Year 2002, EPA regions requested \$450 million for remedial actions and EPA Headquarters allocated \$224 million. Also, for Fiscal Year 2002, the regions requested \$46.7 million for long-term response actions, and received \$33.2 million

In responding to the first request, the OIG obtained information on remedial actions and long-term response actions from EPA Headquarters and each regional office. We developed a series of questions which we asked Superfund officials in each of EPA's ten regions. The questions were designed to obtain information about the processes for requesting and allocating funding; the officials' perspectives and/or concerns regarding these processes; and the officials' views on the impact of not receiving requested funds. We obtained information on the amount requested by the region and the amount allocated by Headquarters for each non-Federal Superfund site on the NPL.

We then compared the information from the regions to information EPA Regions had previously reported to the Congress. Prior to finalizing our information on funds requested and allocated to specific sites, we sent the data back to EPA regional officials for verification. Finally, senior auditors who had not worked on this assignment, traced the amounts requested and allocated back to the source documents provided by EPA.

In responding to the request for regional and national remedial action prioritization lists, we found that EPA regions provide a listing of sites to EPA Headquarters and the National Risk Based Priority Panel develops the prioritized list. EPA considers this prioritized list to be "enforcement confidential," meaning that if the document were to be released it could potentially jeopardize enforcement negotiations. EPA also maintained that this document should be withheld under guidance provided by the Department of Justice under the Freedom of Information Act. In compliance with the Department of Justice, we did not provide this document in our response.

As our report indicated, EPA regional offices did not receive the full amount of funding requested to conduct remedial actions. When sites are ready for cleanup and the funding estimated are accurate, not providing sufficient funds can

impact the program by causing delays or preventing important work needed to protect human health and the environment. For example, at the time of our fieldwork, a Region 4 official expressed concern about two partially-funded sites that will require an additional \$6 million this fiscal year to maintain clean-up progress. That official, as well as officials in Regions 6 and 8, expressed concern over the lack of funding for sites ready to start remedial activities. Further, a Region 7 official told us that the remediation phase for several mega-sites may be lengthened because sufficient funds are not available. For example, the Region may need to stretch a five-year, \$100 million cleanup over 10 years given the current funding levels. Above all the operational concerns, however, is the concern that when sufficient funds are not provided, the risk presented by the site is not fully addressed.

Madame Chairman, that concludes my remarks. Thank you for the opportunity to participate today. I would be happy to respond to any questions the Committee may have.

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