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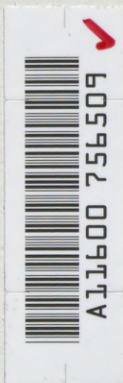
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INTEGRATED ENVIRONMENTAL ASSISTANCE ACT OF 1979

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HEARING BEFORE THE SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

NINETY-SIXTH CONGRESS

SECOND SESSION

ON

S. 1136

A BILL TO AUTHORIZE A FLEXIBLE ENVIRONMENTAL PROGRAM OF INTEGRATED FINANCIAL ASSISTANCE TO STATES AND LOCAL GOVERNMENTS TO PLAN, MANAGE, AND IMPLEMENT ABATEMENT AND CONTROL STRATEGIES IN A MORE EFFICIENT AND EFFECTIVE MANNER

JANUARY 22, 1980

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CONTENTS

OPENING STATEMENTS

	Page
Culver, Hon. John C., U.S. Senator from the State of Iowa.....	1
Randolph, Hon. Jennings, U.S. Senator from the State of West Virginia...	3
Muskie, Hon. Edmund S., U.S. Senator from the State of Maine.....	1

WITNESSES

Crane, Larry E., executive director, Iowa Department of Environmental Quality.....	29
Prepared statement.....	156
Costle, Hon. Douglas, Administrator, Environmental Protection Agency...	4
Potter, Neal, chairman, Montgomery County Council, Montgomery County, Md.....	20
Shepherd, Hon. David, mayor, Oak Park, Mich.....	32
Prepared statement.....	166

ADDITIONAL MATERIAL

S. 1136:	
Section-by-section analysis.....	39
Reprint of.....	50
Support for.....	68
Comments from:	
State of:	
Georgia.....	72
Oregon.....	76
South Dakota.....	78
Louisiana.....	80
Utah.....	81
Maine.....	82, 98
Maryland.....	83
Indiana.....	84
Vermont.....	86
North Carolina.....	89
Kentucky.....	92
California.....	102
Hawaii.....	103
Iowa.....	105
Illinois.....	108
Michigan.....	114
Arkansas.....	116
Colorado.....	117
Alaska.....	118
Washington.....	120
Delaware.....	121
Statements:	
National Association of State Budget Officers.....	125
Environmental Policy Center.....	127
Sierra Club.....	129
National Association of Regional Councils.....	136
American Lung Association.....	141
National Association of Counties.....	142
Council of State Governments.....	144

IV

Statements—Continued	Page
Council of State Sanitary Engineers.....	146
Citizens Advisory Committee.....	150
National Conference of State Legislatures.....	151
County of Fairfax, Va.....	153
Office of Management and Budget.....	154
Advisory Commission on Intergovernmental Relations.....	155
National Governors' Association.....	162

INTEGRATED ENVIRONMENTAL ASSISTANCE ACT

TUESDAY, JANUARY 22, 1980

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION,
Washington, D.C.

The committee met, pursuant to notice, at 10:12 a.m., in room 4200, Dirksen Senate Office Building, Hon. Edmund S. Muskie (chairman of the subcommittee) presiding.

Present: Senators Muskie, Randolph, and Culver.

OPENING STATEMENT OF HON. EDMUND S. MUSKIE, U.S. SENATOR FROM THE STATE OF MAINE

Senator MUSKIE. The committee will be in order.

The hearing this morning provides an opportunity for the subcommittee to receive comments on the administration's legislative proposal to increase the efficiency and innovation of State and local environmental programs.

This is the first hearing held in either the House or the Senate on this proposal. At a time when the public is calling for less redtape and the removal of regulations that serve as a barrier to intelligent program management, this legislation will have some appeal.

At the time the administration submitted this legislation, a section-by-section analysis was also submitted. I ask that that be included along with the text of the bill as part of this hearing record. (see p. 39)

As with any legislative proposal, this bill will be subject to refinement and improvement. We hope that the comments of the witnesses can help determine whether this legislation is necessary and desirable. If the answer to those two questions is yes, then your comments may be helpful in refining the legislative language.

Let me also thank the witnesses who have joined us today. Because of scheduling problems last year, this hearing was canceled twice. I hope the rescheduling has not caused any great inconvenience to our guests.

Do my colleagues wish to make comments?

OPENING STATEMENT OF HON. JOHN C. CULVER, U.S. SENATOR FROM THE STATE OF IOWA

Senator CULVER. Thank you, Mr. Chairman. I want to express my appreciation to you for holding this hearing on the Integrated Environmental Assistance Act. This bill, I think, offers at least the pros-

pect of an innovative approach to the problem of implementing EPA programs more efficiently and effectively at the State and local level.

As the chairman has indicated, easing the unnecessary paperwork and regulatory burdens is, I think, a very appropriate concern of the Congress at the present time, not only in the very area of environmental laws, but across the entire spectrum of governmental regulations.

To help accomplish this goal, I introduced legislation that passed the Senate a year ago, the Regulatory Flexibility Act. The effort there, of course, is to try to bring about Federal agencies designing and tailoring their regulatory programs to fit the particular entity being regulated—small communities, small business.

I want to emphasize that we want to bring this about, at least in my judgment, without retreating or backing away from important policy goals. This point, I think, should be properly emphasized. We will not, at least I will not be one to tolerate unwarranted attacks upon important substantive environmental objectives and goals, like clean air, like clean water, or the control of toxic and hazardous substances under the guise of regulatory reform.

Legitimate efforts, as the chairman has suggested, to improve the regulatory process, to ease the paperwork requirements, and the admitted and excessive burden that currently exists in the administration, application, processing, and implementation of programs is to be encouraged so that we make sure that scarce resources are used in the best way to meet the real needs, to carry out public goals without weakening the commitment to the protection of our natural resources.

It seems to me that at least, hopefully, we are anxious to hear from you, Mr. Costle and other witnesses, today, to examine in greater detail whether in fact this is likely to be accomplished through this proposal, and where you seek to give States this flexibility, to direct a larger share of these EPA funds to high priority programs while assuring an adequate commitment to the environmental objectives of all the currently existing Agency programs.

It seems to me, Mr. Chairman, that several aspects of the legislation—I know you share this belief—do warrant close scrutiny in this regard. To mention one example, it seems to me that adequate safeguards must be built into this legislation to assure the transfer of funds away from specific categories that are now currently being administered will not result in jeopardizing those successful program administrations.

The overall purpose of this act to promote the development of coordinated and environmental programs at the State and local level, and the easing of these regulatory requirements where appropriate, of course, should be encouraged. I am also interested in knowing why this concept, so meritorious on its face, is not one that is not currently being carried out on the initiative of local governments in close coordination with your offices without the necessity for additional Federal legislation in this area.

So we look forward to hearing from you and other witnesses this morning on these and other points that might come up.

Thank you, Mr. Chairman.

Senator MUSKIE. Thank you very much, Senator Culver. I would like to associate myself with the emphasis that you put on assuring what we do is reduce redtape without creating other redtape and at the same time not sacrificing environmental goals now written into law.

Senator Randolph, the distinguished chairman of the full committee, I note, comes here after a month's recess, looking obviously trim and fit. He must have been running over the hills of West Virginia. I take it he has lost a little weight and he looks ready for business.

**OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR
FROM THE STATE OF WEST VIRGINIA**

Senator RANDOLPH. You are very gracious and too generous. Thank you, Mr. Chairman.

I have come this morning, and I will be unable to sit with you and Senator Culver, but my presence is to indicate an intense interest and a very deep concern in the subject matter that Administrator Costle, his associates, and others will provide for this subcommittee. I understand that your agency, Administrator Costle, administers approximately 16 grants-in-aid programs.

As I understand the thinking, we are trying to see if there is a viable approach to cutting the redtape which Chairman Muskie has mentioned, so that those programs can reach out to the people, to the communities, and to the affected areas.

This is a very significant beginning of a discussion which we will have on this subject. I, once again, commend you, Administrator Costle, for your willingness to consult with the Members of the Senate and Members of the House on a personal basis about problems that surface in their districts or in their States relative to industries that have problems and are sometimes reluctant to move and to spend dollars in connection with grants in aid under this program. I think there are too few people in positions such as yours that would be willing to do that.

But where we have determined, and you know of instances of which I speak, where millions of dollars have been spent by a concerned company, trying, not so much to evade the law which is upon the books, but to be out there ahead of time and try to meet some of these problems, and then to have the help of the Federal Government in this very carefully designed legislation, which I hope can be strengthened. For that reason, and I don't want to be repetitive, I do think this hearing, Chairman Muskie, will be, in a sense, the breaking of ground, perhaps, for that which we learned over a period of years and an agency of Government learns over a period of years. That is that the end product which goes to the people, to the community, to the region, that the quality of life which Chairman Muskie and Senator Culver believe in so much, and which they championed, can be done in a more orderly and a prompt and a valid manner.

I thank you, Mr. Chairman.

Senator MUSKIE. Thank you, Senator Randolph, very much. It is appropriate that our first witness should be the Administrator of the Environmental Protection Agency. He shares with us the uncomforta-

ble fact that the environment does not hold a priority interest of the country. He still has the responsibility of administering them, maintaining their validity and integrity at a time when other priorities seem to threaten. We are still here.

It is appropriate that you should lead off our first hearing of the year, Mr. Costle. I take this opportunity to wish you well in your primary responsibility and look forward with interest to your testimony on this bill.

**STATEMENT OF HON. DOUGLAS COSTLE, ADMINISTRATOR,
ENVIRONMENTAL PROTECTION AGENCY**

Mr. COSTLE. Thank you, Mr. Chairman. I appreciate your opening remarks. I think we can say the laws which you labored to bring forth are alive and well, in spite of the fact there are lots of pressures and lots of tensions with other national goals. I am absolutely convinced that they are essentially compatible goals, and it would be irresponsible if we don't make them so. I think it would be giving away, in effect, the trust that people who have supported this legislation have placed in us. And I see no essential conflicts that cannot be resolved. It is less a question of technology. It is not increasingly a question of economics. I think of the energy area, particularly. It is a question of political will.

I think this is a period in which, if we stick by our guns, we will show that we can have adequate energy and at the same time do it in an environmentally sensible way and protect the environmental values that increasing numbers of people obviously take to heart.

There are far more people today who are environmentally minded than there were 10 years ago when EPA's current legislation was put on the books. They increasingly cut across the whole political and economic spectrum, although there seems to be a narrow band from which the activists come. What I see are signs that environmental values are becoming a part of our political value system. There will always be questions raised as to whether we have chosen the right methods or whether we are administering the laws in the most efficient and effective ways. That is open for debate. In terms of the compatibility of national objectives, I think the policies we have been pursuing are quite positive, and I look forward to an opportunity perhaps in this session of the Congress to come up and explore that in more detail with you.

My purposes this morning is to appear before you in behalf of a bill we sent up last year, the Integrated Environmental Assistance Act. With me this morning is Mr. Bill Drayton who is EPA's Assistant Administrator for Planning and Management, and I am particularly delighted to have with me also Peter Berle, former commissioner of the New York State Department of Environmental Conservation and a colleague for many years when I was environmental director for Connecticut.

Peter has been working very closely with us in the development of this Legislative package over the last 9 months.

EPA was created nearly 9 years ago to develop an environmental program a coherent approach capable of solving a difficult and inter-

twined set of problems. The real world of problems which drive our programs has made it ever more apparent that we must close the circle, that we must deal with the whole problem instead of a fragmented set of problems each perceived to be independent of the other. If I can cite just one example which represents a pattern that I believe may force us to modify how we do our job over the coming decade, I would take a pollutant such as lead. It comes from the land, through the waters, from food cans and pipes and through the air. It is only one of thousands of pollutants to which we are exposed in a complex set of mixtures every day in our daily life. I think one part of the answer to that problem, to pollutants that, in effect, do not respect institutional or media boundaries, must be to effectively integrate programs among jurisdictions and across environmental media.

In the field, however, our programs are often implemented through separate, uncoordinated categorical grants. Each categorical grant tends quickly to become a guarded turf defined in terms of the grants in both EPA's and the recipient's organizations.

Traditionally these specialist branches have negotiated the terms of the coming year's grants chiefly with one another, submitting an altogether too thick document to their policy officials for ratification.

This process makes cross-program collaboration difficult and trade-offs almost impossible. This familiar organizational pattern has been largely set in motion and is constantly reinforced by the numerous, different and characteristically narrow requirements of our grants.

The problem is getting worse, not better. When EPA was formed, we had three State and local assistance program grants. After 8 years of responding to newly understood problems one after another, and as Chairman Randolph pointed out, we now have 16 separate State and local categorical grant programs.

Over time, the suborganizations responsible for each of these grants tend to become more comfortable and resistant to change. This process has commonly come to be described as "hardening of the categories."

I would like to give you an example of the ill effect of this from my own experience as commissioner of environmental protection in Connecticut. Soon after we established our State environmental protection agency, we found that we could not enforce the environmental laws as effectively as we would like. There were a variety of problems. Our legislature, after considerable and intense hearings, authorized us to design a new approach, one that would apply to all our programs and help unify these programs. We needed, however, roughly \$150,000 to hire the added staff necessary to design that new set of enforcement regulations, to help us redesign our day-to-day enforcement effort; and to help our staff as they went through the inevitable start-up difficulties inherent in any new approach.

I came down to see Russ Train and several of the assistant administrators of EPA at that time and asked for help. I think we then were receiving probably \$2 to \$3 million a year from EPA in grant assistance, none of which, as it turned out, was available to help us cover the cost of trying to come up with this innovative new approach to enforcement. It took well over 1 year to extract funds from EPA since our proposal was a new approach for combining air, water, wetlands

and solid waste programs; none of those separate organizations wanted to contribute.

The story time after time was: "It sounds like a promising idea, but that is not what my grant is for."

The truth of the matter is, had not Russ Train insisted on contributions from the various program grants, the project probably never would have received funds. In fact Connecticut was privileged in that instance because I happened to know the Administrator personally and was able to make a personal appeal to him.

As you know, this committee was able ultimately to use one of the innovations that came out of that project, that delayed compliance penalties which you enacted in the 1977 amendments to the Clean Air Act.

Our grant programs are extremely important. Nearly 85 percent of the environmental regulators in the country are, in fact, state, county and local officials. How we structure these grants seriously affects our combined ability to get the job done.

Our proposed bill, the Integrated Environmental Assistance Act, we feel, will reinforce that importance and will at the same time strengthen environmental management. It also will foster innovation, with more ideas like the enforcement project in Connecticut.

There is absolutely nothing that says that all ideas have to come out of Washington. In fact, it might very well work in just the opposite fashion.

We think it provides an opportunity to elevate decisionmaking to a policy level not only at EPA but also at the State level. We anticipate it will reduce the duplicate reporting and paperwork, since one application will take the place of many. Finally, it will allow flexibility, a modest amount of flexibility but an important first step, to fit resources with needs. Those needs do vary from State to State and from time to time.

Integrated assistance, as we foresee it, would work fairly simply. Each grantee that wanted to participate would prepare an integrated plan for whatever programs it chose to have covered. This plan would spell out how the previously separate pieces would be better when fitted together. It could propose a shift of up to 20 percent of the funds currently allocated to any covered program to others or to new crosscutting programs—a common inspection program, a common laboratory, or a common enforcement program, for instance.

EPA and the grantee would discuss those ideas during a joint planning process. The States, for example, would probably use the State-EPA agreements that we have been developing over the last two years as a principal form in which to integrate programs and raise new and innovative ideas. Once EPA and the grantee together agree on a plan, EPA would then award the recipient a single grant covering whatever categorical grants were included in the State plan. This grant would have one cohesive set of requirements.

For new approaches to problems, or innovative cross-cutting projects, our grantees could apply for support from the supplementary assistance fund the act would authorize. No one would have a vested right to this assistance, nor would the fund be used to support continuing work. It would go instead to the State and local governments

with most promising ideas for strengthening their environmental programs.

Let me give you two examples—inspections and emergencies.

State inspectors commonly spend up to 40 percent of their time in transit. If they were trained to inspect all the grantee's environmental problems, rather than, say, its water problems, we could clearly increase efficiency on inspections. It would also tend to reduce the hassle for business that multiple, partial inspections create.

Inspections are especially significant when you realize in the last 10 years Congress has created 20 new regulatory agencies. We are not just talking about a few inspectors from EPA—we are talking about a constant flow of people into these businesses from many agencies for a variety of purposes, everything from OSHA to EPA.

Developing multidisciplinary inspectors would often require modifying local and State procedures and retraining their work force. Water inspectors typically are not qualified to inspect an air problem. The change would also require special staff efforts incurring a number of startup costs. Supplementary assistance might make the difference in getting that program off the ground. Also, I would add, supplementary assistance would allow States to avoid negotiating with as many as 16 different grant officers at EPA, trying to persuade them that change is sensible and should be funded.

Coping with environmental emergencies is a second example where supplementary assistance would be helpful. Such emergencies are becoming more frequent and complex. They often require skills of personnel distributed throughout an agency's staff. An integrated grant is the logical source of funds for these crosscutting activities. Supplementary assistance could help the agency plan for its response capability; for example, it could interconnect its data bank, with existing chemical databanks and undertake other startup work.

We think supplementary assistance could become terribly important. It would allow us to invest in innovation, to encourage our best front-line managers in the States to try new ways of getting the job done. There have been few managers that I talked to, incidentally, who haven't been frustrated by their inability to quickly move funds to respond to emergencies or to address a new idea and put the necessary staff work into it.

Given the diversity of problems that you find in emergency circumstances and the constant rapid changes we face in dealing with environmental problems, we need such venture capital.

Supplementary assistance will also strengthen our State-EPA agreements by giving both the EPA and the States new tools with which to try the ideas that joint thinking and joint undertakings can produce.

If I may, I can give you an example of the kind of innovation that we might expect to get. A year ago we and several other agencies pooled \$4 million for U.S. cities to test new ways to accommodate growth while maintaining progress toward attaining air quality goals. We wrote to several mayors and asked them to compete for that pool. Within months, we had received an outburst of new ideas and soon will have practical examples, I think, of new approaches. This sort of innovation could not have come from Washington.

Giving the environment's front line managers the flexibility, the encouragement, and the resources to manage and improve their programs should allow them to better fit their resources to their own needs. It will also stimulate them to imagine and implement new, better integrated approaches and strengthen their ability to manage.

We have worked closely with your staff and many other people to build safeguards into the bill to make sure the benefits of integrated assistance do not risk weakening Congress original intent. I would like to summarize the most important of these safeguards.

First of all, the program is not mandatory. Grantees will participate only if they elect to do so. Moreover they can choose which of their programs should be included so long as they include at least two. Of course, we must agree with their proposal before they can proceed. Categorical support will continue for programs not included. Grantees can even decide to apply for only one integrated grant or for two or more separate ones if more are appropriate. A grantee who chooses not to participate at all will continue to qualify for categorical grants.

Second the Integrated Environmental Assistance Act will not change our current methods of requesting funds from the Congress or our methods of allotting funds to our recipients. Rather, the bill will allow any participant to propose some adjustments in the amounts to be available under any program, subject to approval by EPA. If a grantee later does not continue in the integrated grant program, it will immediately become eligible for categorical assistance.

We have been pleased with the show of support for the bill from many interested groups and individuals.

We understand a number of these parties requested the opportunity to testify but were unable to due to time constraints.

If I may, Mr. Chairman, I would like to submit to you a collection of the letters of interest and support we have received from all over the country.

Senator MUSKIE. Without objection, they will be included in the record. (See p. 68.)

Mr. COSTLE. We feel quite sincerely, Mr. Chairman, that passage of this bill will provide a valuable tool, not a panacea. We don't want to sell it as the answer to all our problems. It is, in fact, a modest bill that moves importantly in the right direction and with the kinds of safeguards to allow us to use it for its intended purpose.

I would urge members of the committee to report this bill favorably.

Mr. Chairman, this concludes my prepared statement, and we would be happy to respond to questions.

Senator MUSKIE. As I understand the mechanism of the bill, it would provide up to 20 percent and not more than 20 percent of the funding for a particular categorical program. How do you answer this question: How is it possible to do that without reducing the funds available for the objectives of that categorical program?

Mr. COSTLE. Increasingly, we find if you are dealing with a water problem or a hazardous waste problem you may do better if you treat the two areas as related. A categorical grant officer in Boston may not have much of an insight into that relationship. At the present time, the State administrator has no particular incentive to try to draw that connection. He, instead, must go to each grant officer and get a

checklist of all the things that grant officer wants done. This bill would give the State managers a vehicle to go up and say these are interrelated problems, we ought to be working on them jointly, and we need the flexibility in the use of our funds to allow us to do that. This approach puts crosscutting issues as legitimate priorities for the use of the categorical grant money. It doesn't necessarily mean any diminution in the ability to carry out the objectives for which the categorical grants themselves were set up.

Senator MUSKIE. Let me ask you this question: I can understand a case where two categorical programs with two complementary objectives could be better served by a single approach to both objectives. That is what you are saying when you describe inspection as a possibility. Something else of that sort.

One of the purposes of this bill, in addition, is to enable States and communities to deal with environmental problems not now dealt with by categorical programs. Is that not so?

Mr. COSTLE. Yes.

Senator MUSKIE. It seems to me if you use funds now provided for two categorical programs to deal with an environmental problem not contemplated by either of those two programs, the effect is to reduce the funding for those two programs. That would seem to be a logical conclusion, I set it up to be knocked down.

Mr. COSTLE. In some instances we have had situations——

Senator MUSKIE. Could you give us an example?

Mr. COSTLE. Well, Washington, D.C., is an example that comes to mind. The amount of actual Federal categorical grant they receive comes to them through formulas. In one program they are probably overfunded and in another program they are underfunded. Their relative priorities, in terms of what they can do with Federal dollars and their personnel each year to make the most environmental impact, changes from year to year, as they ought to, if Washington is making any progress. If they had flexibility to move those funds, subject to our approval, they could be applying underutilized resources in one program to fill out a hole in the other program.

Obviously where a State is underfunded in all of its programs, then there may be no logical benefit except in terms of increased management flexibility to move some resources around to address the highest priorities. In that situation, we have the fundamental problem of having to prioritize the work to be done anyway, and flexibility may be even more urgently needed. When we look at crosscutting types of issues, it may be more important to deal with a set of environmental problems, rather than simply pursuing a set of checklists in each categorical program.

Senator MUSKIE. In effect, if you use two authorized categorical programs to serve a new environmental goal, is that not giving to the administrative agencies legislative authority to create programs that the Congress did not create?

Mr. COSTLE. Within the context of those 16 laws, I doubt that there is indeed an environmental problem that those laws do not contemplate in some respect. In any event, the safeguard to that is they cannot spend money for which EPA does not have legislative authority. In my judgment, they could have justified Connecticut's civil penalties program under virtually any of the statutes, because

they all contain adequate authorizing language. The fact is we couldn't get anybody interested enough to put up the front-end money to do the job. The only way it happened, quite candidly, was that Russ went around and tapped every one's till. He said everybody would give a certain amount. It took the Administrator to do that. It should not have been necessary. It should not have taken a year to say, look, all our programs are not going to get from here to there unless we improve our ability to enforce them.

We ought to be looking increasingly at accommodating the needs of our recipients and our categorical legislation restricts our flexibility to do that. States may have air, water, and solid waste problems; instead of approaching them as separate problems where the solution of one may simply ameliorate the other, we should get together at the State level and make sure we know what the relationship of each problem is to the others. Believe me, that has actually happened. In Connecticut, for example, we had a situation where an air data base, water data base and a solid waste data base each had inconsistent data in them for a particular company. We had to send a team of inspectors to sort it out. We eventually came up with a set of pollution control requirements for that plant which balanced all three.

We got a one-time resolution for the company that addressed all of its problems. To make that happen, however, with 12,000 sources in Connecticut, you can't have the administrator of the State agency doing that for all 12,000. You have got to be able to design a system that allows more flexibility.

Senator MUSKIE. In order to pursue this objective of integrating, you also provide for supplemental assistance. To what extent do you conceive of supplemental assistance as being necessary?

Mr. COSTLE. I think it is a necessary incentive to encourage States to integrate their programs.

Senator MUSKIE. To the extent you provide the sweetener, don't you dilute the incentive in order to find funding from existing funding?

Mr. COSTLE. I think pressures are there now to find the flexibility within existing funding. The purpose of supplementary assistance is to give special recognition to people who are coming up with innovative ideas that need to be developed and tested. The Connecticut civil penalties program is a good example. When we first hit on that idea there was a lot of homework to be done. I couldn't get the agency to divert resources from existing programs, even though we all agreed the idea was promising. That situation was a logical candidate for one-time supplementary assistance. Other cases are the startup of a new inspection service or a training program on a one-time basis. We must look at proposals in the context of what else the State agency is supposed to accomplish that year. They may really have their hands full, really be distressed in some areas—and not be able to use pollution control funds for such activities; they could seek supplementary assistance.

Supplemental assistance can also give us an opportunity to put some money in promising innovations and to acknowledge that trying something new involves startup costs.

Senator MUSKIE. Let's talk about orders of magnitude. You are talking about 16 programs, not including grants for waste treatment.

Mr. COSTLE. Waste treatment construction grants are excluded from integration by the bill.

Senator MUSKIE. What is the total funding now of 16 programs?

Mr. COSTLE. I think last year State grant assistance was in the neighborhood of \$300 million which is about a 100 percent increase over the last 3 years.

Senator MUSKIE. So the 20 percent would amount to \$60 million?

Mr. COSTLE. That is correct.

Senator MUSKIE. What did you have in mind for the supplemental assistance?

Mr. COSTLE. I am sorry, Mr. Chairman, I was making sure that 300 figure did not include 205(g) money under the FWPCA and it does not.

Senator MUSKIE. Does the bill include a figure for supplemental assistance?

Mr. COSTLE. The bill has a proposed authorization of \$25 million, which is what we submitted last year.

Senator MUSKIE. So you are talking about using \$85 million for this purpose as against a program which is now at the \$300 million level.

Mr. COSTLE. That is assuming that the 20 percent—

Senator MUSKIE. Is used.

Mr. COSTLE. Is used, in fact. That would be the maximum that States could redirect. The \$25 million is not part of the current \$300 million appropriation.

Mr. DRAYTON. The 20 percent is not all going to be used in the same direction by all the different States and municipalities.

Senator MUSKIE. I understand that. I just wanted to get some notion, one, whether it is too much money you are talking about, or, two, whether it is enough. We want to examine both implications. I do want to yield to Senator Culver. There will be other opportunities to ask other questions.

Senator CULVER. Thank you, Mr. Chairman. On this supplemental \$25 million why can't you make available those incentives through the R. & D. program of the administration that you currently have? When you see a promising proposal or an idea, you want to have seed money to encourage and stimulate, isn't that an appropriate vehicle for providing that kind of stimulation?

Mr. COSTLE. A plain answer to that, Senator, is the R. & D. budget is stretched so thin right now. I could construct sensibly an R. & D. budget twice the size of what we now have in terms of investing and trying to understand the basics of some of the problems that we are wrestling with. In fact, if I can be frank, I have suffered because some of these investments were not made in the past. I continually have to make decisions often on a weak data base. Also, R. & D. is not normally targeted to State and local governments, but rather goes to universities and other research institutions.

Senator CULVER. I have the R. & D. Subcommittee and Defense. We had \$13 billion last year and it will be up to \$16 billion this year. I am

a great believer in R. & D. investment. I think what you are really talking about is an R. & D. budget, as I hear you.

My concern here, Mr. Chairman, is that on this supplemental assistance, this \$25 million, you are talking about 50 States in the Union, and I was interested in the authorization you sent in last year's bill, the proposed authorization. What is in the President's budget coming up this week on this particular item? Any money?

Mr. COSTLE. I can't divulge the President's budget. The administration, if we get an authorizing bill, will, in fact, propose funding for supplementary assistance.

Senator CULVER. A supplemental or what? Is it in the budget?

Mr. COSTLE. The issue is asterisked in the budget. Essentially the asterisk will say if the Congress acts favorably on this legislation we will submit a supplemental to fund it. We did include it in last year's budget request, but, of course—

Senator MUSKIE. You say you did include it?

Mr. COSTLE. We did include it, but Congress didn't get to it.

Senator MUSKIE. You provided 25?

Mr. COSTLE. Yes. This year the commitment to submit a specific supplemental proposal to fund this initiative is firm if the bill is enacted.

Senator CULVER. I wonder, if your objective is to try to stimulate more creative, comprehensive approaches of innovative nature to deal with these problems that crosscut these current categorical grants, aren't there really more simple ways to provide those incentives than a new bill?

First of all it seems to me that any environmental quality director in any State, and any Governor with any real commitment to this approach would be fighting, and successfully, among the categorical administrators in that department to put these packages together. Clearly that is an ongoing and proper responsibility, and to beat the heads together of these bureaucratic fiefdoms. That is really why you have an administrator over all these individual people. If you cannot win, go to the Governor, so forth, and get it resolved. It seems to me that the incentives by way of simplified expedited administration, perhaps some sort of marginal incentive or bonus for this kind of initiative could be considered, give you some flexibility in that area to stimulate that.

I guess my problem is, whether you need a whole new legislative scaffolding to bring this about, you talk about this \$25 million and you have 50 States and I notice here in the bill, while you rule out construction, you do talk about money for preliminary facility and site planning where consistent with the requirements of a covered program, so forth. It seems to me it would not be hard to expend this money in two or three situations given the kind of experience I have had in these areas. And you really do not have enough to do much.

You are not going to get any more given our budgetary constraints. I just wonder if there isn't a simpler way to skin this cat through directives from EPA, through more imaginative program administration.

Mr. COSTLE. Senator, you raise a good point. An aggressive Governor or aggressive environmental administrator with responsibility over all these programs does exactly what you say he ought to be

doing. The trouble is it doesn't pay him to do it. He still has to work within the constraints of categorical grants. He doesn't have the legal flexibility to move moneys. He may try to do it and indeed some may try to do it in such a way it doesn't show up in the books.

Senator CULVER. Let's take a problem. What about the case of pollution of groundwater, which is a problem that cuts across a number of different categories. You may have hazardous waste, you have clean water program.

Mr. COSTLE. Drinking water.

Senator CULVER. Safe drinking water program. You have three, let's say. Are you saying to us it defies the imagination of a routine administrator to say this is our problem, we should draw on these three categories, we can effectively get a critical mass on that problem by taking x dollars from that program, y dollars from that program, z dollars from that program and still have it be compatible with some of our overall goals, objectives and priorities? And come to the environmental director of the State agency, say, this is how we are going to do it. Now, I can see the frustration they may run into at the administrative end. But this doesn't require 20 percent here, 20 percent there. It is just a piece of the action that makes sense. Reciprocity is an ongoing internal, administrative adjustment of priorities to attack a particular problem, where they get plenty of—

Mr. COSTLE. This is exactly what this bill would allow him to do.

Senator CULVER. He can—

Mr. COSTLE. It is not that easy for him.

Senator CULVER. No, that is an administrative problem rather than financial; isn't it?

Mr. COSTLE. It is both.

Mr. BERLE. I was a State administrator and faced just that kind of problem. The problem is both administrative and financial. And some of the administrative difficulty relates to the existing form of the legislation. Let me give you an example.

Taking the hypothesis of putting various people together to deal with groundwater is what the State administrator does every day. Putting those people in a single unit, he finds he may have somebody who is being paid from a number of these programs. He may then find out that, as the result of the current scheme of things, he keeps four or five sets of books on that single individual, because he keeps a set of books on each program and he has a separate State match for each of those programs.

This bill would enable him to put a single, comprehensive program together and cut out a lot of paperwork, which only keeps the auditors busy—

Senator CULVER. I don't understand.

Mr. BERLE. Under the existing scheme of allocations for air, water and solid waste, each with separate legislative authority, there is a direct requirement for specific accountability.

Senator CULVER. What about legislation that addresses the paperwork aspect of it, greater efficiency and streamlining. You may want to move more than 20 percent from one category to another if you are going to attack it sensibly and meet other goals. You are going to have goals in safe drinking water, you are going to have goals in

hazardous waste, goals in all these categories. Maybe an enlightened, progressive, intelligent decision would dictate 30 percent in a given year out of that category and you shouldn't take more than 10 out of this one and get the right combination and the right rationalization of contributory funding, but this arbitrary straitjacket, leads to more bureaucracy.

Mr. BERLE. I would suggest the 20-percent figure as the ceiling. One reason is to make sure the integrity of the programs themselves, which Senator Muskie referred to when we began, is not eroded. On the other hand, to be able to simplify and combine in a way which provides the ability to get more done for less money is essential. We are spending a lot of time keeping separate sets of books as we try to perform integrated functions because of the strictures we are now under.

With respect to new money, there is a need for venture capital. The best example is the problems we are running into in toxics. There is no separately funded toxic program. To deal with growing day-to-day problems, there is a great deal to be gained if one has enough flexibility to develop a means of dealing within the current system.

Senator CULVER. How should that be coordinated with your current R. & D. programs? Why shouldn't that be a logical part of that effort, if you need more funding, what you do is come in and make your case. Why set up another category of bureaucracy betting on these other innovative efforts, sweeteners here, sweeteners there. It is all part of R. & D., coordination, is the R. & D. shop going to know what this fellow is doing? We got a great idea, and we will do something on toxic. What is R. & D. doing on toxic? Does it fit? It is an inefficient administration of limited funds? Are you getting the best bang for the buck? If you set up another pigeonhole, another watering hole—

Mr. BERLE. At least speaking from the perspective of State experience, R. & D. money has traditionally gone in areas of technical research and data gathering. Frequently the problem at the state level is not to set up a new research program but to develop an integrated permit system or to develop a waste disposal siting system. That is not new research, but rather is a question of implementing and developing programs to deal with changed circumstances.

Mr. COSTLE. The R. & D. appropriations we get are not directed in that fashion; we do not make R. & D. grants, for example, to States. Theoretically, Senator, you could increase the R. & D. budget and pass authorizing language saying that we can use so much of the increase to fund innovative administrative experiments on the part of State and local governments. Realistically the authorizing committees for R. & D. have a somewhat different perception of the purpose of those moneys and they tie strings to those moneys. Nor would this theoretical approach really solve the problem.

Senator CULVER. On my subcommittee, we handle your R. & D. budget. I don't think we ever experienced any trouble talking sense on that subject, have we? You have and good support.

Mr. COSTLE. We have had good support, but I was referring to our authorizing committee, not our appropriations committee.

Senator CULVER. Mr. Chairman, I have another question here, if I might, that is unrelated as long as I have Mr. Costle. I would like to ask the question with regard to this rural fugitive dust issue. As you know, we have worked very closely with you to try and fashion a new policy concerning this issue and this, of course, is of particular importance to my State and a number of other agricultural States. I want to express my appreciation for the consideration that the Department has given in recognizing the special problems we face where we really could not implement our plans without putting major restrictions on agricultural practices without extensive surfacing of our foreign markets, roads, so on.

As you are aware, as a result of our discussions the new fugitive dust policies, I think, will prove to provide the needed flexibility and protection of the public health at the same time and environmental goals without the necessity for really drastic controls, that I referred to. How far along, Mr. Costle, is EPA now in formally drafting its new fugitive dust regulations?

Mr. COSTLE. It is now down at Research Triangle Park for final technical review and I expect it, in fact, on my desk either this Friday, or Monday at the latest. I would like to thank you, Senator, for your help on that. We are coming to a very good resolution of the issue. As soon as it comes to me, I will concur and we will get it out to the regions and to the States and implement it immediately.

Senator CULVER. When do you anticipate giving final approval to the Iowa implementation plan as it relates to the attainment of the secondary standards?

Mr. COSTLE. Iowa has not, as yet, submitted that portion of their State implementation plan that deals with this, but I am told they will as soon as our guidance hits the street. We are prepared to respond expeditiously.

Senator CULVER. I appreciate that because I think it is extremely critical that we act as promptly as we possibly can for obvious reasons.

Thank you.

Mr. COSTLE. Senator, one last point on what we were discussing earlier, I think your description of what an environmental administrator ought to do is exactly right. I do not think it will happen in many States, though, unless we have this bill. What it postulates is that we can agree upfront with a State in the context, for example, of the State/EPA agreement.

I would have loved to had this opportunity with EPA when I was in Connecticut. Without it, I would have come into EPA and said I have to reorganize to deal with this ground water problem and I want to take so much from this pot, so much from that pot, and so much from this pot. They might have agreed to it, but I would have had to negotiate with 15 different people and keeping 15 sets of books—which is nutty.

Senator CULVER. We can handle the administrative paperwork side it seems to me.

Mr. COSTLE. Not without a change in the statute.

Senator CULVER. We are really talking about some other aspects of it. I wonder how far we should burden the taxpayer for compensating for incompetent bureaucracy. If you say a good administrator doesn't

need this law, should we reduce to the lowest common denominator and let the taxpayer make up the difference because you have got dumb governors and poor administrators? How much sweeteners should you burden the American public to compensate for inferior, poor choices, incompetent people.

If we start operating on that basis, there isn't enough money in the bank, and we ought to have incentives that reward the excellence and competence, rather try and dip down and shore up a system that is just inherently sick and full of dryrot.

Mr. DRAYTON. I think that is exactly what this program is designed to do.

Senator CULVER. To make moist rot out of dryrot.

Mr. DRAYTON. To allow those administrators who do have ideas, who are able to come up with solid, well thought through proposals to move on them. I sense that you really want to allow those people who are good administrators, the Costles, Berles, the State of Iowa, the short list we are all reasonably familiar with, the flexibility to develop the new ideas, to set the pace for everyone else. One of the big differences between this approach and what we have been doing before, as Doug says, is that it presumes that initiative can come from somewhere other than Washington.

Senator CULVER. That won't come as a great shock to me.

Mr. COSTLE. This bill will reward, with a little venture capital, the States and local governments with imaginative and environmentally effective programs. There would be restrictions, obviously, on the number of States and communities that could qualify for it, but it is essentially a positive inducement to say, all right, a categorical grant-in-aid program has inhibited your ability to deal explicitly and organizationally with the interrelationship of environmental problems. We are going to give you the flexibility now to do that with upfront agreements, simplified audits, and simplified administrative procedures. We will be able to say, "it looks like you have an interesting new idea there that nobody has tried before. We think that it merits funding from supplementary assistance."

Right now we are locked into dealing with formula allocations to each State and it means you come much quicker to the kind of problem that Senator Muskie was pointing to. What do you take away from Peter this year to pay Paul? In many instances, having a modest amount, in Connecticut's case, \$150,000, can make a great improvement without any reduction in a State's abatement and control efforts. What I needed in Connecticut was a little over and above what I was getting that year through the categorical programs and at that time, of course, the categorical programs were underfunded. I couldn't have done it without that added money.

Senator MUSKIE. Train did it.

Mr. COSTLE. In that case.

Senator MUSKIE. The question I think Senator Culver is pressing is if it was possible to do it in that case, why can't that precedent be built upon administratively rather than legislatively? He and I have been around here long enough to know legislative solution isn't always the best one. We may create more redtape than we eliminate.

Mr. COSTLE. I suspect what would tend to happen is the State's lawyers would say that we had better keep 16 separate sets of books;

we haven't got an explicit legal authority to do this kind of thing. That is the problem, and the source is in our separate categorical programs.

Senator MUSKIE. Let me look at another aspect of it. It is one thing to write legislation that simplifies the paperwork problem. It is another thing to provide supplemental assistance, and so on. But in that case, so far as the funding is concerned, what was the total funding for these categorical programs in Connecticut at the time?

Mr. COSTLE. I am trying to remember. I believe it was a total of \$2.5, \$3 million across all the programs.

Senator MUSKIE. You got about 71½ percent.

Mr. COSTLE. Yes; but the distribution of our total grants was very distorted. We would get a few pennies in drinking water. We got no money in solid waste. We had a lot of money in water and we had a growing air allotment but a set of demands from the Federal Government in air that we couldn't hope to keep up with, given the level of funding. The frustration was I couldn't move that money around without having to sit down with my accountants and my lawyers, or cover my trail pretty carefully. It was a hassle factor, in spite of the fact that I had good relationships with the Boston regional EPA office and good relationships with the Washington EPA. I am sure every State administrator has gone through that dilemma, and you are going to hear from the States this morning, I gather.

Senator MUSKIE. In your statement you cite lead as a pollutant with which we might deal more effectively with this legislation. How does this legislation relate to that problem? How would the State use the authority of this bill to move against it?

Mr. COSTLE. Increasingly, the problems we will deal with in the future, as we turn the corner on the so-called conventional pollutants that have preoccupied us the first 8 years—for example, biological oxygen demand in water—will be the legacy of the chemical revolution; toxic chemicals are the problem of the future.

I used the example of lead, but you could substitute for lead any range of chemicals that now show up in all areas of the environment.

Senator MUSKIE. You are really not going to be able to deal with that massive problem through this bill.

Mr. COSTLE. No; but it would allow, for example, a State administrator to figure out, as Peter pointed out, how do we get a handle on toxic chemicals. We are trying to deal with it through this program and that program, and we still have not succeeded in putting together the front-end thinking that says is it better to deal with chemical in the air or the water, or at the manufacturing stage. I am having that trouble, frankly, right now at headquarters in trying to track chemicals through the total pathway of exposure to the public.

Every one of our major programs is turning increasingly toward the issue of toxic chemicals, whether they are in air, water, or hazardous waste. We have enforcement involved in it. We have each specific program involved. The businesses are trying to pull together an integrated national strategy for toxic chemicals; the problem taxes all our imaginations.

I frankly think that State and local governments may be able to crack the information and administrative coordination problem, faster; one, they are smaller; two, they are dealing with a real prob-

lem as they find it in the real world, as opposed to pieces of papers representing problems that cross my desk. We ought to give them the flexibility to do that. Right now there is no categorical item anywhere in the budget that says toxics.

Senator MUSKIE. Don't we have on the books a Joint Funding Simplification Act, not just the environmental field but across the whole grant-in-aid field? How does that apply to this program? Have you examined it?

Mr. COSTLE. My understanding, and I have to check, is that it does not apply to this. Apparently that act would not allow the funding flexibility—that is, the movement of funds between categories—but rather allows you to package several programs in a single document.

Frankly, we have been through that without success. Connecticut was the first State in New England that applied to EPA for a consolidated grant. All it amounted to, as it turned out, was taking all the separate categorical grants, putting them all in one stack, and sending them in. When we attempted to establish the bridgework necessary to integrate our programs, we were told we could not do that because it is not really the Air or Water Act's mandate. That is what led me to come down to Russ Train and say, unless you knock heads and tap these guys for \$150,000 we are not going to be able to develop this potentially valuable program.

Senator MUSKIE. Who administers that?

Mr. COSTLE. That statute? Apparently each agency administers the statute where appropriate.

Senator MUSKIE. Somebody said yes or no. Somebody said no to you. Who said no?

Mr. COSTLE. I ought to let this gentleman answer.

Senator MUSKIE. I would like to have for the record—

Mr. COSTLE. I will.

Senator MUSKIE. I would like to have for the record from those who have the authority and the responsibility of administering that act, what the limitations of that act are which do not permit the kind of thing you are seeking here.

Mr. COSTLE. We will be happy to supply this information.

Senator MUSKIE. We keep passing this legislation. That was supposed to be a great step forward in breaking down—

Mr. COSTLE. I think the keys are probably—

Senator MUSKIE [continuing]. Barriers between programs. I would simply like to know why that is inapplicable. It may be that modification of that legislation may do the job.

Mr. COSTLE. We will be happy to submit—

Senator MUSKIE. Somebody on the floor is going to raise the question, why don't you use that. I would like to have the answer in the beginning.

Mr. COSTLE. There are essentially two key issues; one in the authority to transfer funds among categories. Second, there is no authority in the Joint Funding Simplification Act to waive matching fund requirements or the specific matching formula that is already there. This bill would submit a single match across the categorical programs if the State opted to come in.

Senator MUSKIE. We will pursue that one.

Senator CULVER. How will that single match be done? You have different matching under different categories of program. How do you determine and divide what the Federal match is and State is if you have the checkerboard?

Mr. DRAYTON. The bill proposes a very simple approach, saying whatever the match was the year before the State came into an integrated program would be the base. That would continue unchanged so long as the State continues to receive integrated assistance. You add up whatever the match is for the various component pieces that went into the integrated program and the States would have to maintain whatever that base is.

Senator MUSKIE. So the agreement would be simply that the State's funds could be used for this integrated approach, but it is the measure of its match, that would be that the category in which the State provided matching funds.

Mr. DRAYTON. There were three programs in the earlier example; if one had a million match, one a 10 million match, and one a 2 million match, the base match would be \$13 million. If that State decided to end its participation in integrated assistance, it would revert back to the matching requirements of each categorical program.

Senator MUSKIE. Incidentally, there are other Senators who could not be present this morning and would like to submit questions in writing. Without objection, that will be permitted.

It is obvious that there are a lot of questions to be examined. What the final judgement will be, I am sure, is premature to say. I think the real questions have been raised and I would like to get together three witnesses. I am sure there will be ample contact between the subcommittee and the administration on these issues.

I would like to make the point, Mr. Costle, under section 103 of the Clean Air Act, you do have authority to make grants for purposes of research, section 103(E) (3). I don't know to what extent that language is inadequate.

Mr. COSTLE. What we have to do, obviously, is to look at the appropriation which tends to be more by line item. It is one thing to have the authorizations, it is another thing to have the appropriation to match that authorized function. Therein lies the rub.

Senator MUSKIE. I think Senator Culver's point was the Congress could provide R. & D. money. You have the authority to make grants to States. Whether or not that is the best way to proceed to implement the objective is still a question, but you do have the authority, now, to make grants.

Thank you very much, gentlemen. I am sure we could keep you much longer with other questions. I do want to turn to the other witnesses, if I may.

Mr. COSTLE. Thank you, Mr. Chairman.

Senator MUSKIE. Our next witness is Mr. Neal Potter, a member of the Montgomery County Council, Montgomery County, Md. Mr. Potter, it is a pleasure to welcome you this morning.

**STATEMENT OF NEAL POTTER, CHAIRMAN, MONTGOMERY COUNTY
COUNCIL, MONTGOMERY COUNTY, MD.**

Mr. POTTER. Mr. Chairman, Senator Culver, I am Neal Potter, chairman of the Montgomery County Council of Montgomery County, Md.

Senator MUSKIE. You are now chairman?

Mr. POTTER. Yes, I really just left that job. That is a misstatement. I have served over the past year.

I appear today on behalf of the National Association of Counties as chairman of the water resources subcommittee of the environment and energy steering committee. NACo would like to thank you and the committee for providing the opportunity to present our views regarding the proposed Integrated Environmental Assistance Act of 1979, S. 1136.

We have supported and worked for most of the Federal legislation, the implementation of which would be integrated under S. 1136. We took an active role in consideration of the Clean Air Act, the Clean Water Act, the Resource Conservation Act, and the Noise Control Act. Naco policy continues to support the fulfillment of these measures to protect the Nation's public health and environmental quality.

At a time when each of the three principal environmental programs—clean air, water quality, and waste management—are in the implementation stage, it makes sense to encourage policymakers and program managers alike to address "cross program consequences." For instance, high level wastewater treatment takes the pollution out of our rivers, but the resulting large quantities of sludge must be burned or buried in the land (under present technologies), thereby creating serious air or land pollution problems.

For another instance, cost-effective wastewater treatment facilities may require concentrated development, yet dispersed development may be the easiest way to attain air quality standards. In this example of course lies another important consideration: Integrated environmental management must be effectively coordinated with growth and land-use policies established by county, city, and State governments.

S. 1136 provides the flexibility for integrated grant recipients to implement programs for meeting a variety of public health and environmental challenges. NACo supports this objective, but has reservations as to whether S. 1136 will result in effective intergovernmental cooperation or implementation by general purpose local governments which provide public services and manage community growth. Integrated environmental legislation should contain three major elements.

First, it should provide the mechanism for truly integrating the management of pollution control programs. Here the emphasis should be placed on implementation or management rather than planning.

The objectives of an integrated program plan outlined in section 6 of the bill are to: increase the effectiveness of separate, categorical programs; focus a portion of governmental resources on problems that cut across categorical programs, simplify administration, encourage new approaches, and promote consistency of Federal decisions.

We applaud three important incentives toward these objectives: first, the development of the integrated program plan would be a State

and local responsibility. They would establish priorities and tailor solutions to their needs.

Second, applicants could set program priorities and transfer up to 20 percent of the funds among the various environmental programs. This approach recognizes the diversity and complexity of environmental problems, and provides some recognition that implementation priorities must be defined at the State and local level if goals are to be achieved and the national public health protected.

Third, supplementary assistance authorized by section 13 is also an important incentive for preparing and managing programs which meet cross-program consequences and demand consistent solutions.

A second important element for integrated legislation should be the clear recognition that achievement of environmental goals will depend on the political commitment and technical capacity of general purpose local governments to employ their authorities and provide related community services.

Enactment and enforcement of nonpoint water pollution control ordinances and the implementation of best management practices, for example, is a county and city responsibility. Reconciliation of economic development and clean air attainment is and will continue to be achieved through the commitment of local elected leaders. Collection, disposal or recovery of solid waste and enforcement of hazardous waste controls can be most efficiently achieved by communities in cooperation with States. Cities and counties build waste treatment plants, collect and dispose of solid waste, enforce building codes, put many transportation control measures into effect, and implement agricultural runoff control programs.

This bill provides insufficient recognition of these facts. It provides State governments with the opportunity and overriding initiative to develop integrated programs and allocate Federal assistance without sufficient participation safeguards for cities and counties. Local governments may receive integrated funding directly from EPA or through the State if the State agrees, if the State does not participate itself, or if in the Administrator's judgment the State's program does not provide "adequately for participation of local governments."

The result of this approach is that States could provide a minimum amount of assistance to local governments while obtaining effective control over program funds now available directly to local governments from EPA to meet congressional mandated requirements. These programs include section 208 water quality management planning grants to assist implementation, section 105 Clean Air Act enforcement assistance—much of which goes to county health departments and city and district air pollution control agencies—and section 175 funds for local clean air attainment programs.

Recent history gives local governments great concern over the intentions of State governments. In New York, for instance, the State, with the agreement of EPA's regional office, designated local and regional 208 agencies, thus reserving funds for use by the State water pollution control agency. This arrangement under the so-called State/EPA agreement for New York concerns local governments both as to the role envisioned for them by States and the attitude on the part of EPA not to enforce the best interests of local governments. This was

accomplished without consultation with or participation by the counties and cities in New York.

In other States, such as Ohio, the minimal consultation process was initiated too late in the development of the agreement for local governments to participate fully.

While section 10 of S. 1136 requires the EPA Administrator to assure that State or Federal funds are provided "to the extent a local government is given responsibility by a State for activities under the State's integrated program plan," this provision could be narrowly construed by a State to be limited to actions for which only States should have responsibility and which would not be delegated to local governments.

Let me give you an example from a current program. The administration and EPA regulations restrict the availability of assistance to local governments under subtitle D of the Resource Conservation and Recovery Act to implement action of State program elements. The State must inventory open dumps and sanitary landfills, and enforce standards for closing or upgrading sites not meeting Federal guidelines and State regulations. So unless local governments actually do the inventory or operate the State's permit system, no funds are available to them. The result is that very little subtitle D funds are or will be reaching cities and counties, though they are responsible for collecting and disposing of solid waste, upgrading old disposal sites, protecting against hazardous waste dumping, or acquiring, monitoring and managing new sites.

To meet this deficiency, this bill should require a minimum percentage of all funds going to a State to be made available to local governments both to achieve the mandates of covered programs and the objectives of an integrated approach. Requiring the granting of a minimum of 10 percent of the supplementary assistance under section 13 is clearly insufficient recognition that local governments will actually work in implementing integrated programs. Recognizing that Federal environmental mandates are now in the implementation stage, Naco believes that not less than 40 percent of all assistance, both categorical and supplementary, should be made available to local governments to implement environmental programs. Without clear, statutory direction on this point, there is unlikely to be cooperation among State and local governments.

The third important element of an integrated environmental approach is a clearly defined set of procedures for assuring cooperation among State agencies and local governments. As with most of the covered programs, S. 1136 delegates most of the authority to State governments, but recognizes the need for an effective partnership with cities and counties. Section 9's requirements that the "State shall provide for consultation with local governments." is clearly inadequate however, given recent events. It is clear that the priorities set by the State and the resources allocated toward each area will affect the environmental quality and the health of the citizens of local governments of which the State is comprised. With effective consultation, both State and local governments can make the best use of State and local funds, as well as Federal funds. State governments should approach environmental problem solving in this way, and develop the necessary responsiveness to local problems.

Experience in New York has already been recounted. In other States development of an agreement between the State and the Regional Administrator was accomplished without the knowledge or participation of local elected officials even though Federal program guidance requires otherwise. Since the development of the agreement is a State responsibility, the initiative should be on the part of the State to let local governments know how the priorities set in the agreement will affect them. The nationwide development of these agreements has been less than satisfactory given the partnership envisioned by the clean air, water quality, and solid waste legislation. NACo urges this committee to closely examine the current State/Regional Administrator agreement process before acting on S. 1136.

Little or no consultation has occurred for instance in New Jersey. Under section 175, of the Federal Clean Air Act, New Jersey attempted to unilaterally designate the State transportation agency to do local planning for nonattainment areas, while the statute delegates this responsibility to local governments under an arrangement to be worked out with the State. Most local governments have never heard from their State about their responsibilities to participate in the reclassification of areas subject to significant deterioration requirements.

At a minimum, Mr. Chairman, this bill should establish a set of procedures for fostering cooperation among States, counties, and cities, with clear responsibility and powers lodged with the EPA Administrator for their ultimate enforcement. Those procedures should include: opportunities for local governments to know about and participate in the development of the integrated plan, where the State decides to develop one;

Second, joint determination by the State and local governments of key issues for allocation of responsibilities and financial assistance to implement the plan;

Third, creation of a statewide group or other suitable forum of local and State representatives to make key decisions; this group must be involved from the start of the planning; and consensus reached in this group should not be discarded without justification and, finally, a right of local government appeal to the EPA Administrator if the State fails to follow these minimum procedures.

This minimum process would be the basis for a more effective partnership and would provide certainty to all parties of what was expected, and a way to evaluate State agencies on the consultation process. Experience under Federal categorical legislation makes clear that EPA needs a minimum set of procedures embodied in law in order to assure that all States will work effectively with local elected governments.

This completes my formal statement. Thank you for the opportunity to appear today. I would be glad to respond to questions you may have or to offer examples of related environmental problems we have.

Senator MUSKIE. You make this statement on behalf of NACo?

Mr. POTTER. Yes.

Senator MUSKIE. With respect to the procedural recommendations contained in it, were those brought to the attention of EPA in the development of S. 1136?

Mr. POTTER. I think we have consulted with them, yes.

Senator MUSKIE. Did they specifically reject them?

Mr. POTTER. I don't believe so, no. I think you could get the details from Mr. Costle.

Senator MUSKIE. I suggest to the staff we get EPA's response to those recommendations so at least we have their side of it.

With respect to the statement in which you say "not less than 40 percent of all assistance, both categorical and supplementary, should be made available to local governments." You are talking about the \$300 million we were talking about earlier, 40 percent of the \$300 million should go to State and local governments.

Mr. POTTER. Yes.

Senator MUSKIE. Mr. Costle testified total current funding for all 16 categorical programs, other than waste treatment.

Mr. POTTER. Right, I understand.

Senator MUSKIE. Amounted to \$300 million and you intended that reference to apply to the \$300 million, is that right?

Mr. POTTER. Yes.

Senator MUSKIE. That goes, of course, beyond the scope—it barely goes to the fundamental legislation dealing with environmental programs. In other words, we would have to amend each of the other environmental programs and their statutory formulas in order to achieve that objective.

Mr. POTTER. I think that is correct and different percentages, I think generally higher than 40 percent, would be required in some of the categories. Solid waste and liquid waste disposal, for instance, is very high percentage in local governments.

Senator MUSKIE. If that were done, if \$120 million of the \$300 million were appropriated directly to State and counties, how would the division be made as between local governments and county governments? Some parts of the country, county government is local government. In other parts of the country, you have both, county and other local governments.

How would the division between counties and local governments be made?

Mr. POTTER. As between counties and cities, for instance, with the varying responsibilities in the different States?

Senator MUSKIE. That is right.

Mr. POTTER. I don't know, I think that would have to be worked out administratively because there are so many different situations. Even in Maryland, there are some important responsibilities that the cities carry apart from the counties. Even Rockville in Montgomery County has substantial responsibility in solid waste and liquid waste disposal.

Senator MUSKIE. In those States where there are State matching funds, what would be the effect of such change in Federal law upon the availability of State matching funds? We can't write State law.

Mr. POTTER. I suppose that would vary with the States and we will have to examine that.

Senator MUSKIE. Would the States provide matching funds for funds that were appropriated by Congress directly to local government?

Mr. POTTER. In some cases they do. In Maryland—

Senator MUSKIE. That would be the effect of their present legislation, I think.

Mr. POTTER. Pardon?

Senator MUSKIE. That would be the effect of their present legislation. If money was diverted from State to local governments, the State match would still be provided under State law.

Mr. POTTER. I think that would vary with the State.

Senator MUSKIE. It would depend upon whether the legislatures in reaction to our action change State law, too.

Mr. POTTER. Right.

Senator MUSKIE. That, it seems to me, is one issue, whether or not we ought to change the underlying environmental law to change the formulas as between State and local governments. I suspect it ought to be dealt with outside this legislation, but that is just a tentative situation.

Mr. POTTER. We, of course, for this bill, would be addressing the percentage indicated in section 13, minimum 10 percent.

Senator MUSKIE. You are talking about supplemental assistance?

Mr. POTTER. Yes.

Senator MUSKIE. Your suggestion is supplemental assistance should be divided in the same fashion, 40 percent to the State and local Governments and 60 percent—

Mr. POTTER. Local governments are so heavily involved, giving them at least a substantial share of that in the area of implementation, also the planning since they have to implement.

Senator MUSKIE. With respect to the requirement for consultation, should that requirement be as rigid with respect to that portion of supplemental assistance that goes direct to local governments as with respect to that which goes direct to State governments, or should they be independent? In other words, if local governments get 40 percent of supplemental assistance, should that eliminate the need for consultation either with respect to that portion that goes to local governments, or that portion which goes to State governments? How would you handle the administrative problem?

Supplemental assistance is designed, as I understand the Administrator, to fund innovative ideas and that sort of thing. That involves both levels of government, I would think, in almost all cases and yet you are going to divide the supplemental assistance up so that 40 percent of it is channeled through local governments and 60 percent through States. You would have to have some kind of a mechanism for pooling those funds, wouldn't you? If you had an innovative idea for dealing with a problem in a particular region of a State or locality of a State, whose supplemental assistance funds should be tapped, should the supplemental assistance funds be pooled, wouldn't you be creating another ambiguity that could create problems?

Mr. POTTER. I think by setting a minimum which is reasonable, we leave a degree of flexibility just to show that at least that much has been attained. As I said, in most of these fields, the local governments provide the majority of the implementation. They are the ones who do the jobs in public transportation, waste disposal, waste water disposal and, therefore, we feel that 40 percent is not so high as a minimum that a higher percentage wouldn't generally be justified, and if it would be easy to show, 50, 60, 70 percent of the action was local, which is generally the case, there would be no question of having achieved a 40 percent.

Senator MUSKIE. If you were to succeed in strengthening the local government's participation in the decisionmaking role, would you really need to split up the funds in these different pockets? There is not much money at best, you are talking about \$120 million in supplemental assistance.

Mr. POTTER. I think we would feel that the requirements for minimum participation, cooperation and joint decisionmaking is a big help and the ability to shift funds to the priority areas that have immediate needs are both important aids.

Senator MUSKIE. Suppose the council that you propose setting up will protect the interest of localities will reach one judgment on a suggested innovative approach and the State agency another judgment and the funds were also split. How would that be resolved?

Mr. POTTER. I am sure there will be initially difficult agreements most of which can be worked out. As a last resort, it can be appealed to EPA as we suggested, to settle any insoluble problems.

Senator MUSKIE. Apart from the division of responsibility and funds, resources between the two levels of government, Mr. Potter, do you think the incentives in this bill are sufficient to stimulate a real State and local effort in the direction of integrated environmental assistance?

Mr. POTTER. Yes; I think that generally there is a good deal of need that we feel in trying to develop solutions to want the integrated programs anyway. I think as Administrator Costle indicated, there are sometimes initial costs to put things together where the sweetener funds, as he calls it, or I would say a start-up fund, could be a real facilitator. I think it would be a strong move in this direction anyway in the interest of efficiency, to be able to direct funds to the most important needs that are felt locally and to save paperwork.

Senator MUSKIE. Thank you very much, Mr. Potter.

Senator Culver?

Senator CULVER. Thank you, Mr. Chairman.

Mr. Potter, I guess I would ask you essentially the same question I posed to Mr. Costle, and that is, if we agree with your basic premise to ensure sound and desirable environmental programs we should have a maximum consultation and coordination in their conception and their implementation, why isn't that being done now? Why do we need a legislative fiat to bring that about? Everywhere I go when I talk to county officials, local officials, State officials, they have one common lament, the burden of redtape imposed by government, senseless, stupid regulations and requirements that hamstring and frustrate us from doing the commonsense thing. Now you are saying that something commonly common sensical as the ability to talk to each other can only be brought about by once again Big Brother Federal Government coming in and dictating the fact that you shall talk to each other and that the normal political process that operates on the State level, with give and take, with all their imperfection, is just unable to bring that about to a desirable degree and resolution, therefore, what we need is another law to accomplish that. As stupid as that may be, we need another law and then fragment up all the money so that everybody has 10 cents and can't do anything sensible with it anyway and when the constituent comes to you when you are seeking reelection and says, "Don't blame me, that is that stupid Congress, Senator, you ought to get rid of them, show them the Maryland way."

Sometimes it is useful to have more than just questions. You share opinions, judgments and have the kind of communication that ought to be ongoing at the local and State levels, too.

Mr. POTTER. I guess I would respond in two ways. First, the Federal Government has taken the initiative, and, especially, I think, the work of members of this committee, to do something about our environment. Also, I think, most environmental problems are interstate. There is no way of avoiding that. So the Federal Government has to look at how we can work out solutions that are possibly successful and economical.

In the States, we too often, I think, have conflicting and narrow laws or interests where the departments are not talking to each other so that we get requirements in air quality which pose enormous problems of solid waste disposal and groundwater protection. Our county is struggling in the throes of that now having been, I think, subjected to excessively strict air quality regulation without adequately looking at the consequences.

EPA is a focus where the various environmental concerns are brought together. In our State, we do not have that. I guess that is true of a lot of other States. So we have an instrumentality and agency working to solve these problems together for the optimum advantage and the most economical possible solutions and thus actively directed to looking at those interrelationships. I think that would be the natural instrument to encourage what commonsense would dictate, as you would say.

Senator CULVER. I must say, as you sense from my observations, I don't have a burning enthusiasm for this proposal. It seems to me the kind of obvious necessity for political cooperation and coordination, communication can best be achieved through the local governmental process. I cannot see where arbitrarily, mechanistically dividing up what little change in the piggybank for this is the formula for anything but inefficiency and waste. We have 99 counties in our State, so I am not insensitive to the political power of county government. It seems to me, if you have a problem there, want to take some initiative, you go down to the State office and discuss it. If they are unresponsive, you get a State legislator who can make them be more responsive. You work it out. You may not work it out until you get a different committee chairman. But that is the system. I must say, I cannot see the kind of imposed consultation here. We have more communities under 10,000 in our State than any other State. We have 99 counties. The chairman suggested, I think, just a few of the problems that we face in trying to rationally allocate anything that makes any sense. But I really think if you cannot bring enough political muscle within your own State, with your own State legislature, with your own political processes at that level to get a fair shake, you ought to get a different State legislator, or you ought to get a different county commissioner, you ought to elect a different Governor. Those seem like more sensible remedies to me in the course of human events than to keep layering on legislative scaffolding to bring about these things.

I think we have a much more fundamental threshold question, Mr. Chairman. That is whether this makes any sense. I can see some desirable objectives here, but whether this is the way to go, I doubt it. There ought to be other simpler ways, not another law to provide

certain kinds of incentives. I do not think the Federal Government has an overriding obligation to legislatively direct coordination and communication and consultation that ought to be ongoing anyway at the local level. If it isn't, it ain't the Fed's fault. And I don't see how it is common assistance that we get too many strictures imposed on local and State government anyway, much less we don't balance our budgets, ought to have constitutional amendments, getting it six ways to Sunday while they have surpluses.

Mr. POTTER. Senator Culver, if I could respond, the local governments are those which primarily deal with these problems on a daily, year-round basis. The State governments are largely in the position of imposing regulations, very often as with Federal regulations, without telling you any way how you can meet them. A lot more R. & D. is needed for EPA to tell us how we can really clean up our rivers and what we do with the sludge when we do. Those are near insoluble problems that have been put on our backs.

The Federal legislation, most of it is, I suppose it looks naturally to the next lower level of government and puts certain responsibilities and funds to the States. But the actual implementation is at the local level, and I guess we are pleading and I think the EPA people know we mean that it is primarily between the environmental agency and the local governments that the problem has to be worked out.

We are saying that the States should be brought to recognize and work with those who actually have to do the job.

It is very easy to take a posture for super clean air or super clean water in the State legislature—

Senator CULVER. If you took a delegation of your county and local officials to the Governor's office, to the equivalent of the environmental quality agency of your State and ask for a meeting—

Mr. POTTER. We have several, unfortunately.

Senator CULVER. You have State legislators who control the purse strings. You can't figure out a way to get the mule's attention short of having another Federal law which will then be the subject of continual criticism because we are doing something as stupid as requiring this, requiring that, filing this, filing that, more paperwork, more reporting requirements.

Mr. POTTER. We get their attention. Of course, they work within the severe constraints of things like proposition 13.

Senator CULVER. What constraints do you think we work within?

Mr. POTTER. What I am saying is that that has their primary attention.

Senator CULVER. As long as there are those of us who try to resist things like constitutional conventions, we are still here to try to resist them.

Mr. POTTER. Good. I think that is a wise posture on that, but what I am saying is that the State has a different responsibility, they are not involved in these things, they do not understand the problem. We can get their attention, yes, but they need the basic education which I think only those involved in these environmental problems and doing the work of solving them day-by-day understand nearly as well. For that, the local governments are primary and we are saying we think there ought to be some greater recognition in the orga-

nization that is fostered here and in the allocation of funds to enable those of us who have to solve the problem ultimately to do the work to get ahead of it.

Senator MUSKIE. Thank you, Mr. Potter. We appreciate your testimony.

I wonder if I might ask the last two witnesses to come up together and each present their statement. Then we can question both of them together rather than spread out the question time. Mr. Larry E. Crane, executive director of the Iowa Department of Environmental Quality and Hon. David Shepherd, mayor of Oak Park, Mich.

I would like to invite Senator Culver to introduce Mr. Crane.

Senator CULVER. I am pleased to introduce Mr. Crane who serves as executive director of the Iowa Department of Environmental Quality, and Mr. Crane is a graduate in civil engineering, I believe, from Iowa State. For 5 years before serving as executive director of the Iowa program, he served here in the Environmental Protection Agency. He has testified before a number of our subcommittee hearings in the State. He has been extremely helpful in assisting us with some of our hazardous waste disposal problems where we have an acute situation in Charles City, Iowa. I believe he has a unique background in terms of the firsthand experience that this has brought him in the desirability and necessity to bring to bear on a problem a medley of program resources.

I think he has been a leader to a significant degree at the local and State levels in integrated environmental planning, and I hope his testimony will be of interest to the subcommittee. It is a pleasure to welcome you here today, Mr. Crane.

STATEMENTS OF LARRY E. CRANE, EXECUTIVE DIRECTOR, IOWA DEPARTMENT OF ENVIRONMENTAL QUALITY AND HON. DAVID SHEPHERD, MAYOR, OAK PARK, MICH.

Mr. CRANE. Thank you, Senator Culver.

Senator MUSKIE. I join in that welcome, Mr. Crane.

Mr. CRANE. It is indeed my pleasure to be here. I appreciate the opportunity to comment on the Integrated Environmental Assistance Act. In addition to the comments that I will be making on behalf of the State of Iowa and the department of environmental quality, I have also been authorized to present the general position of support of the National Governor's Association.

Attached to my testimony is a copy of a letter of support for the legislation signed by Governors Carroll, Lamm, and Snelling.

I would indicate that several State environmental directors have been involved in the efforts in this legislation along with the Environmental Protection Agency, the Office of Management and Budget and the National Governors Association.

First of all, I would like to express my total support for the concept of the act and hopefully I can clarify perhaps why it is important to a State director to have this type of enabling legislation for us to get our jobs done. In particular, the benefits to be derived from the flexibility of the funding. I will try to zero in on that just a little bit more perhaps than the written testimony had even indicated.

Iowa has been a recipient of the grant program that Mr. Costle referred to as the consolidated grant. We have utilized this tool as more than just an opportunity to bring all of our applications together and put them in with one big staple and submit them. We do develop a total integrated environmental program for the State agency.

Unfortunately then, we do have to go back and make some modifications in that plan in order to make it fit with the funding patterns which is available within those categorical areas.

Senator MUSKIE. So you do use the joint funding simplification legislation?

Mr. CRANE. Pardon?

Senator MUSKIE. You do use the joint funding simplification legislation.

Mr. CRANE. If that is the legislation under which EPA has implemented the consolidated grant, yes, we do. It has been very beneficial as far as bringing about a change of thought pattern within our agency in looking at environmental problems in an integrated sense.

The example I would like to use and perhaps we can talk about a little bit when we get to the question and answer session is that looking at our current level of funding, we have about \$2.5 million in Federal grant funds within the various programs. Combined State and Federal funds are \$900,000 in air quality, \$1,150,000 in water quality, and \$230,000 in hazardous waste. Those are the combinations of the State and Federal funds allocated to those three programs during this fiscal year that we are operating in.

Hazardous waste, however, has certainly come to the forefront as a priority environmental problem. Such things as we have encountered with our Salisbury Laboratory situation that we are working with. A lot of the problems go back to other programs, such as protecting the water supplies and the water quality aspect as well. We can integrate some of our programs. As a matter of fact, we have utilized a situation on that particular problem of putting together a task force of people from these various program areas that did specifically address just Salisbury Laboratories. We do use our management capability to the extent that we can.

However, if we had some funding flexibility, even to the extent of 10 percent, we could move 10 percent of the air quality money and 10 percent of the water quality money, at least during an interim period, to the area of hazardous waste. We would not diminish those programs significantly, but we would enhance our hazardous waste program by quite a bit. The figures for total programs after adjustment would be \$810,000 in air quality, \$1,035,000 in water quality and \$435,000 in hazardous waste.

In fact, it would increase the level of effort in hazardous waste by about 90 percent. It is quite small in comparison to our other programs but something we need to focus our attention on. To a certain extent, the priorities in a national sense do not always fit the State situation. The national priorities are extremely significant, but we do have a problem in that the formulas by which the funds are then translated to the State do not necessarily address the priorities at the State level.

There are some specific areas in the act that I would like to just touch on in my testimony as well.

First addressing section 17 of the act which is the section that authorized \$25 million, I wanted to assure the committee that the funding is not necessary, in my opinion, to make the program viable. I should indicate on some of these points from here on, I am not addressing the National Governors Association position because they have not taken a position on some of these specific issues.

Since we already have our integrated program in place, we are ready to go if we could get some of the limitations on the Federal funding to be relaxed. We do not feel the funding aspect is essential in order to make this a viable program. This may not be true in some of the other States. I think it would depend on where they stand in the process of integrating their own programs.

One of the other concerns that I have is in regard to the formulas that are used to fund various grant programs. Most of the programs currently are funded under some type of a formula. There is an exception. Section 208 funds under the Clean Water Act are really not available to the State on a formula basis. It is on a need basis as established by EPA.

There is also a proposal going on within EPA where section 106, the basic water quality grant funds, are being looked at in a needs-type situation. There is what they refer to as a needs assessment going on right now.

I can only assume that the needs assessment is going to be directed at eventually coming up with the distribution of money to the States based on need. I have some difficulty in believing that this can, in fact, be done in these program areas. It is very difficult to try to come up with the needs in all the categorical program areas in 50 States and adequately address equitable allocation of moneys.

What I am urging is that the formulas be utilized to provide the level of funding for the States and that we use the mechanism of this act for the flexibility to move the funds, to some extent and to negotiate where those funds would go.

We should address the State and local priorities by utilizing this act for funds reallocation and leave the formulas as they have been in the past.

I would also like to comment on section 14 of the act which requires the States to not reduce their level of funding of the covered programs from the base year level. There is not a statement in this section which is fairly common in the other Federal laws, that allows States to reduce their level of funding proportionately if Federal funds are diminished by the State. It seems to me this would be a fair and reasonable thing to add to this section.

In regard to section 8 of the act, which was just discussed by Mr. Potter, on the granting of funds to local agencies, there is provision within this act for the Administrator to directly fund those local governments. I would urge as a precondition to local funding that there be concurrence by the State and a mechanism set up so if there is disagreement that a mechanism is available for resolving the disagreement. The act does not address this at this point. I think there will be disagreements, perhaps, in the future. I think they will be limited if there is open dialog between the various parties. Right now the act leaves it to the judgment of the Administrator. I feel this is an area where at least regulations should be developed.

Section 10 of the act, which Mr. Potter also addressed, is the part that requires funding of State and Federal sources to the local programs for those activities they are carrying out under the integrated program plan. What this fails to really clearly state is how this will be determined and what is the extent of the sharing of the funds. If it is to be a requirement I am afraid it would have to be spelled out in order to halt disagreements over what is a proportionate share. I think simple language would probably adjust that so it will be understood by everyone.

My last comment is on section 6 of the act which has as a requirement where the Governor must sign each of the applications for assistance under the act. I recommend that the section be modified so the Governor or the Governor's designee may sign. The Governor could then determine how to manage the program within the State. It provides the Governor the opportunity to designate someone else to carry out that responsibility.

In closing, I would like to, again, state my belief that this act will go a long way toward improving the State and Federal and, hopefully, the local cooperation in coming up with an integrated environmental program. I don't think any of us have enough resources to totally address the kind of issues we are all facing. We are going to need to attack those in some priority process.

I would indicate that I feel that the State-EPA agreement process is a legitimate process for utilizing this act to negotiate the terms of what the State is going to accomplish, what the Federal Government is going to accomplish and how these funds will be allocated in order to carry out the programs of the two agencies.

I believe the Congress has the responsibility and is doing an excellent job in setting the national priorities in these environmental areas. The national priorities, however, do have to be translated to the specific problems and the specific priorities in each of the State and local areas and programs established to carry those out.

Thank you for your time.

Senator MUSKIE. Thank you very much, Mr. Crane. Now we will hear from Mayor Shepherd.

Do you have any snow in Michigan?

Mr. SHEPHERD. No. We are coming to the Federal Government for some disaster assistance.

STATEMENT OF DAVID SHEPHERD

Senator MUSKIE. You will get some down here.

Mr. SHEPHERD. Mr. Chairman, members of the subcommittee, I am David Shepherd, mayor of the city of Oak Park, Mich., and a member of the National League of Cities' National Resources Policy Committee. On behalf of the Nation's municipalities, I appreciate this opportunity to comment on S. 1136, the Integrated Environmental Assistance Act.

Before I get into my comments on the act, I would also like to thank you on behalf of the National League of Cities and its members for your efforts last October to enact a sensible Energy Mobilization Board. We supported the Muskie-Ribicoff substitute and we appre-

ciate your efforts to protect the integrity of local, State, and Federal—

Senator MUSKIE. Thank you, Mr. Mayor, for having noted it. I hope the bill as finally comes out of the committee, will be a little more sensible than the one that is in conference.

Mr. SHEPHERD. NLC's national municipal policy, developed by the Nation's cities, generally supports the objectives of S. 1136 since the bill aims at a more comprehensive and flexible approach to the management of environment programs. An integration that will eliminate duplications, conflicts and redtape is long overdue. Local government officials are in an excellent position to see the need for a more integrated approach to problem solving, particularly in air, water, and solid waste management programs.

The NLC strongly supports provisions in S. 1136 that preserve the right of local governments to receive categorical assistance for which they are eligible in lieu of integrated assistance; that allow pass-through assistance in the State integrated plan to include program funds for which local governments would otherwise be ineligible; and that earmark for local government applicants 10 percent of the \$25 million of special integrated assistance funds.

However, we believe the subcommittee could make major improvements in S. 1136. The bill particularly does not address two major problems of environmental programs: Intergovernmental cooperation and adequate funding for local environmental programs. Without improvements in the bill in these areas, the subcommittee could not expect municipalities to support this bill.

This subcommittee should take advantage of the opportunity this bill presents to encourage statewide comprehensive environmental planning and implementation with all levels of government participating in the effort.

Throughout this decade, environmental programs have been conducted along categorical tracks with little encouragement for local and State policymakers to view these programs in their broader context. In fact, local involvement in the programs has been sporadic. In the mid-1970's, changes in the Clean Air and Clean Water Acts drew local officials into some environmental planning, as in the State air quality implementation plan revisions for nonattainment urban areas. But generally local involvement is still confined to a few categorical programs.

In short, there has been no real effort to have local and State officials jointly agree on a comprehensive program for controlling environmental pollution, as has been done in other fields such as housing and transportation. The subcommittee has the opportunity to change this. By mandating a truly integrated approach to environmental programs, you can draw local policymaking officials directly into the process and thus build a strong political base of support at the local government level for environmental programs.

I might say, without this strong local support, strong local involvement of local elected officials, environmental programs are in all likelihood headed for failure.

This can only be done if the local governments are given a meaningful and effective role in this legislation. Unfortunately, we do not be-

lieve that S. 1136 meets this test. The bill is strong on the end product, but weak on the process for getting there. Sections 5 and 6 carefully spell out the requirements for an acceptable integrated program plan. But it is the process for arriving at this integrated program that is most important to local governments. It is here that the bill falls short.

The only process requirement is in section 9 which directs that the "State shall provide for consultation with local governments" when developing an integrated program plan.

As a mayor and chairman of the Southeast Michigan Council of Governments, I have seen that "consultation" frequently means a very different thing to local officials than it does for the State government. Only occasionally does it mean significant involvement of local officials in State environmental policymaking; very rarely does it mean a joint and cooperative determination of important policy issues.

We believe that section 9 must be expanded to guarantee a significant role for local governments in developing a statewide integrated environmental program plan. It should include the following specific components of a consultation process for State integrated plans: Information dissemination to and education of local elected officials on the integrated program plan and its effects on local governments; an opportunity for the involvement of local elected officials in the development of the State plan; and an opportunity for joint resolution by local governments and the State of key issues in development of the State plan. Key issues would include the integrated plan requirements of section 6, the transferral of funds provisions of section 11, any element of the State integrated program that affects existing federally funded local environmental programs, and any element that requires local implementation or enforcement or the commitment of local resources.

Additionally, we believe that section 9 should guarantee local governments the right to appeal to the EPA Administrator or to petition for judicial review on the basis of a violation of the specified consultation requirements. Our experience with a similar judicial review provision in the Clean Air Act demonstrates that it is an effective method for insuring that local governments are adequately involved in statewide policymaking.

In some States, existing consultation processes will easily meet the consultation objectives listed above. And, it should be noted, the objectives we recommend are phrased in terms of States offering local officials an opportunity for involvement; States would not be required to require involvement by local officials who are not interested.

If our recommendations are incorporated into S. 1136, we feel confident that they will effectively bring local elected officials into statewide environmental policymaking for the first time on a statewide basis. They will help to build a strong local base of support to Federal environmental programs. They will also encourage local governments to take on a larger role in planning and implementation of environmental programs, particularly since section 10 of the bill guarantees adequate assistance to local governments that take on new responsibilities.

We have placed a great deal of emphasis in this testimony on local involvement in the State integrated program plan for two reasons. First, we believe that few local governments will be eligible to receive

integrated assistance directly and so will have to receive it on a pass-through basis through the State integrated plan. Few municipalities currently receive direct Federal assistance under more than one categorical program. EPA estimates that only three to six municipalities receive assistance under two or more programs; therefore, they are the only cities that would be directly eligible under S. 1136.

Furthermore, section 8(A)(2) narrowly limits direct integrated assistance to local governments. Essentially, direct integrated assistance can be obtained by an eligible local government only if the State permits it.

In our opinion, it would be better to eliminate these restrictions on direct integrated assistance to local governments. Instead, the cooperative process for section 9 consultation which we have recommended should be expanded to include consultation with the State by eligible local applicants developing a local integrated plan. This would insure that local governments could freely propose an integrated plan, but that it must be sufficiently coordinated with a State integrated plan or with State categorical programs.

Our second reason for emphasis on local involvement in the State integrated plan is that S. 1136 clearly encourages a statewide focus on environmental programs. It will probably change institutional relationships in environmental programs in subtle and unforeseen ways. It is essential that this subcommittee guard against any change that will lessen the role and involvement of local governments in Federal environmental programs.

Many local governments now receive Federal categorical funds on a passthrough basis from the State. The State integrated program plan may drastically change this, particularly if the State transfers significant funds out of several programs. It is important that this integration not be to the detriment of existing local programs without the consent of local officials.

We firmly believe that if this subcommittee wants to report integrated program legislation that will be successful, you must provide for a more cooperative local, State, and Federal planning process than S. 1136 does. Some may argue that the cooperative planning process we propose is too burdensome or cumbersome. However, the development of integrated program plans is too important to take any procedural shortcuts. S. 1136 envisions a complete and thorough alteration of institutional and programmatic relationships. This subcommittee should insure that this is done with the full involvement of affected parties, including local governments.

Because only three to six municipalities will be eligible for direct integrated assistance, the 10 percent of supplementary assistance funds earmarked in section 13(a) for local governments will benefit few cities. Therefore, we believe there should be a separate set-aside of State supplementary assistance grants for the vast majority of local governments that are ineligible to receive direct supplementary assistance. A set-aside of 20 percent for passthrough by the States would insure that local governments can also receive funding for special, innovative local environmental programs.

Because this legislation is in the nature of a demonstration, we also believe that the authorization for the program should be shortened from 5 to 3 years. This will provide sufficient time for the demonstra-

tion program to produce results and will provide Congress the opportunity to supervise, evaluate, and alter this important program before it goes into full operation.

Finally, if this subcommittee chooses not to act on integrated program legislation, we hope that you will examine in oversight hearings the administrative agreements that EPA has been negotiating with many States. These State-EPA agreements are aimed at achieving many of the legislative goals of S. 1136. Our concern is that these agreements are being negotiated without the consultation process requirements that we believe are necessary to a successful integrated environmental program. We hope the subcommittee will scrutinize these administrative agreements, which can have a significant impact on the operation of Federal environmental programs.

We firmly believe that if this subcommittee wants to report integrated program legislation that will be successful, you must provide for a more cooperative local, State, and Federal planning process than S. 1136 does. Some may argue that the cooperative planning process we propose is too burdensome or cumbersome. However, S. 1136 envisions a complete and thorough alteration of institutional and programmatic relationships. This subcommittee should insure that this is done with the full involvement of affected parties, including local governments. Because only three to six municipalities will be eligible for direct integrated assistance, the 10 percent of supplementally assistance funds earmarked in section 13(a) for local governments will benefit few cities.

The National League of Cities and I personally look forward to working with you and your staff on this and other bills.

Thank you.

Senator MUSKIE. Thank you very much, Mayor Shepherd. You and Mr. Potter, I think have made your point very clearly and very well. We will examine your proposals and their implications as we study the legislation. Fortunately or unfortunately, we are now being called to the floor for the first rollcall vote of this session of the Congress. I yield to Senator Culver who may have some observations or questions to put. We are going to have to rush to the floor. And this vote is to direct the Sergeant at Arms to compel attendance, so we would not want to miss that one.

Senator CULVER. Thank you, Mr. Chairman. I wondered Mr. Crane, at least for the record if you would provide us what your experience has been under that consolidated grant system as we look at this whole redtape aspect of trying to reduce the burden and create greater efficiency in that area. I think it would be helpful for us to get a better description of your experience and what additional steps might well be necessary to refine that process.

The other thing I wondered if you could provide for the record, you mentioned the Iowa DEQ has been making use of this integrated planning concept and that it has enabled you to more effectively identify major environmental priorities and needs problems and to implement policies more effectively.

I would also be interested in how you bring about better assistance and coordination with local communities, independently of legislative requirements, what the process is and the degree of satisfaction you think exists there as a result of this consolidated grant approach. (See p. 175.)

On this sharing of funds or pulling into these other pots, you mentioned you thought 10 percent may be better than 20 percent. I gather that addresses some of the earlier questions both the chairman and I posed whether or not 20 percent might threaten or constitute too substantial a diminution in fulfilling the objective of ongoing categorical problems. Do you think that might be one of the safeguards we might consider, to have our cake and eat it, too?

Mr. CRANE. The reason I used 10 percent was that it was a sufficient amount for the example that I was—

Senator CULVER. Hazardous waste.

Mr. CRANE. Right.

Senator CULVER. Was that one of the kinds of things we might consider to guard against this kind of raid on a particular category, and so forth? Do you think or not?

Mr. CRANE. Any amount of flexibility would be beneficial. Ten percent is certainly better than the existing situation of no flexibility.

Some of the States are actually in worse condition than the State of Iowa in that their moneys from the legislature are also tied into these categorical areas by virtue of the Federal grant. The legislature starts providing funds for air quality, water quality, and water supply with the result that the director becomes quite hampered in dealing with any new events. In Iowa, we get our State money in a block, so we can make some alterations with State money. Since this is our flexibility, I have to guard very carefully against the minimum match requirements in every one of the Federal grant areas. It is like putting together a very large jigsaw puzzle every year to try to figure out what our actual budget will be and whether or not we can address priority programs that have been identified.

Senator CULVER. You say, finally, that Iowa, in your judgment, does not require a separate integrated assistance sweetener or fund to use this consolidated approach.

Mr. CRANE. No. I would certainly jump at the opportunity and would be one of the first States to come in under this grant program, whether or not the \$25 million—

Senator CULVER. I understood you to say that \$25 million part, in your judgment, was not necessary.

Mr. CRANE. That is correct for Iowa. I can only speak for Iowa in that regard.

Senator CULVER. Is that because in Iowa we are doing what presumably all State environmental offices should be doing, and that is routinely coordinating their programs to assure they are meeting their objectives and not conflicting?

Mr. CRANE. A lot of the States are organized differently.

Senator CULVER. Yes or no on that, I am just curious. Is that why you don't need it in Iowa, because you are already doing it?

Mr. CRANE. We are already organized that way.

Senator CULVER. I think it would be extremely serious for this committee to learn that other States aren't doing it. There is really not much excuse for not doing it. I would like to ask you, therefore, the same question I asked Mr. Costle previously, why should States be rewarded for developing an integrated environmental program plan when they should have been doing this anyway in order to carry out their mandate in the most effective and economical way?

Mr. CRANE. In terms of reward, I would not say that a reward is what the situation would call for. I think what Mr. Costle is addressing is we already have institutional-type barriers set up in some States and a Governor could use the additional funding to bring about some of that integration.

Senator CULVER. Even though it is not necessarily in Iowa.

Mr. CRANE. The legislature created the department——

Senator CULVER. How about a recommendation to the State legislatures they do that, they want to have the maximum values on those State programs.

Thank you, Mr. Crane. Why don't you submit those earlier questions for the record.

Mr. CRANE. Thank you.

Senator MUSKIE. Thank you very much, Mr. Crane and Mayor Shepherd. It is good testimony. We get your point. Thank you.

[Whereupon, at 12:32 p.m., the subcommittee recessed, to reconvene subject to the call of the Chair.]

[The material submitted for the record by Senator Muskie and Mr. Costle, and the prepared statements of Mr. Crane and Mr. Shepherd follow:]

SECTION-BY-SECTION ANALYSIS
INTEGRATED ENVIRONMENTAL ASSISTANCE ACT
OF 1979

In his 1977 Environmental Message, the President directed the Environmental Protection Agency to prepare proposed legislation to integrate the Agency's various categorical grants supporting State and local environmental programs.

One of the principal objectives in creating EPA was to provide a framework to deal with interrelated environmental problems and to implement programs and solutions in a more effective and efficient manner. In an attempt to encourage integrated environmental programs, the Agency has allowed administrative integration of categorical State program assistance for several years. In fiscal year 1978, sixteen States were participating in this program, even though it does not provide flexibility for States to transfer funds to meet their own unique environmental priorities and needs.

The draft "Integrated Environmental Assistance Act of 1979" has been developed to alleviate the problems identified in EPA's attempt at integration under its administrative authority. The Act would allow States to

apply for integrated assistance, if they so desire, in lieu of separate categorical assistance. The Administrator of the Environmental Protection Agency is given the authority to award integrated assistance when a State submits a plan demonstrating that it can effectively implement an integrated environmental program.

Consistent with the President's commitment, the Act encourages integration of environmental planning by States and local governments and strengthens coordination between State and Federal programs. The Act also increases the recipient's flexibility to address its particular environmental priorities, to propose redirection of Federal assistance, and to simplify and improve administration of environmental programs.

Section 1 -- Short Title.

Self-explanatory.

Section 2 -- Declaration of Policy

This section declares the policy of Congress to be that comprehensive approaches to management of environmental programs are necessary at all levels of government - local, State, and Federal. Current program fragmentation often leaves gaps and allows over-laps which reduce environmental program effectiveness.

Section 3 -- Objective.

Section 3 states that the objective of the Act is to provide a mechanism to encourage EPA program recipients to design integrated environmental programs tailored to their specific needs.

Section 4 -- Definitions.

Section 4 provides basic definitions under the Act. In defining "covered programs" it establishes that integrated assistance may include program elements that address the objectives of any legislation for which the EPA Administrator is responsible (except for grants for the construction of wastewater treatment works). The integrated assistance program would permit use of assistance funds to support activities which are within EPA's mandate, but for which there is currently no assistance funding available.

Section 5 -- Integrated Program Plan.

Section 5 describes conditions that make integration appropriate; i.e., where separate program assistance may leave gaps or result in over-laps in environmental planning, management or implementation. It lists several examples of activities which can be integrated, and it establishes the basic content of integrated program plans. Integrated program plans must address the objectives of not less than two covered programs

and they must adequately integrate the covered programs included. The section also requires that a single agency provide for the coordination and management of each recipient's proposed activities and that the public be adequately involved in development of integrated plans.

Section 6 -- Approval of Integrated Program Plan

Section 6(a) lists potential benefits of integrated assistance on which the Administrator is to base his requirements governing approval of integrated program plans. The approval requirements are to be flexible enough to promote each applicant's discretion in meeting its particular needs, provided the proposed integrated program is consistent with National objectives. The Administrator must also require that integrated program plans adequately consider the effects of one program on others and use common data bases and planning and evaluation processes when appropriate.

Section 6(b) limits a recipient's activities to those the Administrator determines are consistent with the purposes of the covered programs included in the recipient's integrated plan.

Section 6(c) requires timely Administrator review of proposed integrated program plans. The Administrator may approve all or part of the integrated program plan. However, if he denies an applicant's inclusion of any categorical

program in an integrated award, the Act provides the applicant not less than 60 days to apply for categorical assistance for that program.

Section 6(d) establishes criteria for the Administrator's review of integrated program plans.

Section 6(e) requires the Governor of a State and the Chief executive officer of a local government to sign integrated assistance applications. This requirement is included to assure high level support and involvement in program integration.

Section 7 -- Authority; Limitations.

Section 7(a) authorizes the Administrator to award integrated assistance in lieu of categorical assistance to achieve the objectives of the Act and the substantive requirements of the covered programs included in each applicant's integrated program plan.

Section 7(b) clearly states that neither award of, nor application for, integrated assistance in one year obligates the Administrator to approve, nor the State to apply for, integrated assistance in a subsequent year. In fact, it requires the Administrator to make an affirmative finding that a previous year's award effectively served the purposes of the Act and the covered programs. It also provides criteria for the Administrator to consider in making this determination.

Section 7(c) is self explanatory.

Section 7(d) restricts participation to 15 States and 25 local governments in 1980 and, provided the Administrator finds the program was successful in 1980, to 30 States and 50 local governments in 1981. It requires competitive selection of recipients in 1980 which should assure that only the most capable States will receive integrated awards that year.

Section 8 -- Assistance for Local Governments and Interstate Agencies

Section 8 enhances EPA's ability to fund local programs by permitting local governments and interstate agencies to receive integrated assistance, with State concurrence. All current authorities for local governments and interstate agencies to receive categorical program grants continue in effect.

Normally local governments and interstate agencies will receive integrated grants as a pass-through from the State; however, under this legislation EPA may directly award integrated assistance to local governments and interstate agencies when the State either does not apply for integrated assistance, or does not make adequate provision for the local government or interstate agency, and the applicant is otherwise eligible to receive funds under the covered programs.

Local governments or interstate agencies may receive integrated assistance for programs for which they are not otherwise directly eligible, if the State consents and the Administrator agrees to their application. Generally, in such cases, the amount of the State's allotment will be reduced by the amount of the assistance to the local government.

Section 9 -- State/Local Consultation.

Section 9 emphasizes the requirement that States consult with local governments during the process of developing integrated program plans.

Section 10 -- Funding for Local Participation.

Section 10 requires that a local entity which is given responsibility for carrying out particular elements or outputs contained in an integrated program plan be given State or Federal funds through that plan, to meet its responsibility.

Section 11 -- Funding Flexibility.

Section 11 authorizes the Administrator to permit applicants flexibility to propose to transfer funds among the covered programs in their approved plans with a restriction. The State plan may not reduce the amount of funding for any categorical program to less than 80% of the level provided under the categorical assistance approach. (Funding flexibility also applies to non-Federal funds). If it is appropriate to the

approved plan, for example, it would be possible to increase the funds in one program by shifting 20% of the funds from all the others. In other words, each categorical allocation could be reduced by up to 20%, and that sum could be used by any combination of the others -- as long as the activity is one for which the Administrator is responsible and is within the scope of the covered programs included under the recipient's integrated program plan.

Section 12 -- Accountability.

Section 12 is designed to tie recipient expenditures to the approved integrated program plan, and to relate recipient accounting to that plan, in lieu of current requirements for accounting by individual programs.

Section 13 -- Supplementary Assistance.

Section 13 allows each applicant for integrated assistance to compete with others for funds -- called supplementary assistance -- in addition to the amounts available from the allotments of the covered programs. Applicants applying for supplementary assistance will propose non-recurring projects that are innovative, of special national significance, or that address other special environmental needs. Acceptable projects may include establishment of an environmental permit system, development of a State civil penalties program, start-up costs

associated with assumption of pesticides enforcement delegation, establishment of State regional pollution control offices, or creation of an agency-wide environmental inspection system.

Section 13 also provides criteria which the Administrator will consider in ranking and selecting supplementary assistance projects.

Section 14 -- Administrative Provisions.

Section 14(a) provides for use of unobligated funds by the Administrator -- by reallotment, contract, or other appropriate means -- to achieve the purposes for which they were intended if the recipient does not achieve the expected program accomplishments.

Section 14(b) establishes a single maintenance-of-effort to replace the several existing matching and maintenance-of-effort requirements. This requires that the recipient expend in the fiscal year -- for recurrent costs, e.g. salaries, personnel benefits, and other continuing costs -- an amount that is not less than the amount spent for such purposes during the base fiscal year. The base fiscal year is the year prior to the year each covered program entered into integrated assistance. EPA may reduce the amount of non-Federal funds required if there is a general reduction in expenditures of executive branch agencies of the recipient.

Section 15 -- Effective Date and Criteria Development.

Section 15 establishes that integrated assistance may be awarded beginning in fiscal year 1980 and for four years thereafter.

The Administrator is to issue regulations to establish the program promptly (within 180 days) after passage of the Act.

Section 16 -- Regulations.

Section 16 provides general authority for EPA to issue necessary regulations to implement the Act.

Section 17 -- Authorization.

Section 17 provides, in addition to funds authorized to be appropriated under covered programs, that there be \$25,000,000 authorized for supplementary assistance for the 1980 fiscal year and that such sums as necessary be authorized for the period 1981-84.

Section 18 -- Detail of Personnel.

Section 18 allows the Administrator to detail EPA employees to recipients to assist in carrying out an approved integrated program plan. Thus, EPA can provide any needed technical assistance, training or extra manpower. The section also allows the Administrator to reduce the recipient's assistance amount by the cost related to the detail.

Section 19 -- Sunset Provision; Report to Congress.

Section 19 establishes a "sunset provision". The Act will expire on September 30, 1984, unless Congress extends it.

The section also requires the Administrator to submit a report to Congress by September 30, 1983, which describes the extent recipients have integrated programs under the Act, evaluates those programs, and makes recommendations with respect to continuing the integrated assistance program.

To authorize a flexible environmental program of integrated financial assistance to States and local governments to plan, manage, and implement abatement and control strategies in a more efficient and effective manner.

MAY 15 (legislative day, APRIL 9), 1979

Mr. CULVER (by request) (for himself, Mr. MUSKIE, Mr. CHAFEE, Mr. GRAVEL, and Mr. MAGNUSON) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

To authorize a flexible environmental program of integrated financial assistance to States and local governments to plan, manage, and implement abatement and control strategies in a more efficient and effective manner.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

SECTION 1. This Act may be cited as the "Integrated
Environmental Assistance Act of 1979".

DECLARATION OF POLICY

1
2 SEC. 2. The Congress, recognizing the interrelation-
3 ships of environmental problems and solutions addressed
4 under the laws administered by the United States Environ-
5 mental Protection Agency, and recognizing the interaction of
6 environmental problem-solving with other social and econom-
7 ic issues affecting the quality of human life, declares that it
8 shall be the policy of the Federal Government, in cooperation
9 with State and local governments, to promote comprehensive
10 approaches to management of environmental programs.

OBJECTIVE

11
12 SEC. 3. The objective of the Act is to increase the sub-
13 stantive effectiveness and management efficiency of State
14 and local assistance programs administered by the Environ-
15 mental Protection Agency by (1) fostering recipient initiative,
16 and (2) encouraging flexibly integrated, simplified, and con-
17 sistent program planning and implementation.

DEFINITIONS

18
19 SEC. 4. As used in this Act—

20 (1) The term "Administrator" means the Admin-
21 istrator of the United States Environmental Protection
22 Agency.

23 (2) The term "assistance" (as used in this Act)
24 means a grant or cooperative agreement as determined
25 by the Administrator under the Federal Grant and Co-

1 operative Agreement Act of 1977 (41 U.S.C. 501 et
2 seq.).

3 (3) The term "base fiscal year" means, for each
4 covered program, the fiscal year prior to the year in
5 which the covered program is included under an ap-
6 proved integrated program plan.

7 (4) The term "covered program" means any envi-
8 ronmental program (other than the programs of assist-
9 ance for construction of waste water treatment facili-
10 ties authorized by section 201 of the Federal Water
11 Pollution Control Act, as amended) for which the Ad-
12 ministrator has responsibility, and which permit or re-
13 quire environmental programs on the part of States,
14 local governments, or interstate agencies, including
15 programs under—

16 (A) Federal Water Pollution Control Act, as
17 amended (33 U.S.C. 1151 et seq.).

18 (B) Clean Air Act, as amended (42 U.S.C.
19 7401 et seq.).

20 (C) Title XIV of the Public Health Service
21 Act, as amended (Safe Drinking Water Act, 42
22 U.S.C. 300f et seq.).

23 (D) Resource Conservation and Recovery
24 Act (42 U.S.C. 6901 et seq.).

1 (E) Toxic Substances Control Act (15
2 U.S.C. 2601 et seq.).

3 (F) Federal Insecticide, Fungicide, and Ro-
4 denticide Act, as amended (7 U.S.C. 136 et seq.).

5 (G) Noise Control Act (42 U.S.C. 4901 et
6 seq.).

7 (H) Atomic Energy Act, as amended (42
8 U.S.C. 2200 et seq.).

9 (I) Other provisions of the Public Health
10 Service Act, as amended (42 U.S.C. 201 et seq.).

11 (J) Functions transferred by Reorganization
12 Plan Numbered 3 (5 U.S.C. Reorganization Plan
13 of 1970, Number 3).

14 (5) The term "integrated assistance" means a
15 single grant or cooperative agreement awarded under
16 this Act for covered programs in lieu of two or more
17 separate, individual assistance awards made pursuant
18 to the Acts enumerated in paragraph 4 above.

19 (6) The term "integrated program plan" means a
20 document, submitted under section 5 of this Act as
21 part of an assistance application, which sets forth a
22 plan of activities and related expenditures to carry out
23 the objectives of this Act and the covered programs
24 which are included.

5

1 (7) The term "interstate agency" means any
2 agency of two or more local governments in different
3 States, or any agency established by two or more
4 States, with authority to receive assistance under a
5 covered program.

6 (8) The term "local government" means a city,
7 town, borough, county, parish, or other public body
8 created by or pursuant to State law, or representative
9 organizations of such bodies (such as Councils of Gov-
10 ernments), or an Indian tribe or authorized Indian
11 tribal organization or Alaska Native Village, or any
12 other public entity eligible to receive assistance under
13 a covered program.

14 (9) The term "State" means any State of the
15 United States, the District of Columbia, the Common-
16 wealth of Puerto Rico, the Virgin Islands, Guam,
17 American Samoa, and the Commonwealth of the
18 Northern Mariana Islands.

19 (10) The term "supplementary assistance" means
20 funds awarded to integrated assistance recipients, in
21 addition to those funds available under the covered
22 programs, to support specific projects generally of a
23 nonrecurring nature in accordance with the policies
24 and award criteria set forth in section 13 of this Act.

INTEGRATED PROGRAM PLAN

1
2 SEC. 5. (a) In situations where a program establishes a
3 complex of environmental activities, time schedules and re-
4 quired accomplishments which overlap programs or do not fit
5 neatly under any single covered program, the Administrator
6 may award assistance to support activities which will meet
7 problems and manage such programs more efficiently and ef-
8 fectively than assistance under a single program (or assist-
9 ance under two uncoordinated programs). Such awards may
10 include but are not limited to multidisciplinary inspections,
11 enforcement, and monitoring activities defining and dealing
12 with the cross-program consequences of activities under cov-
13 ered programs; unifying regulations and/or procedures across
14 covered program lines; coordinating time deadlines across
15 program lines; innovative approaches to solving new environ-
16 mental problems which cut across program lines; consolidat-
17 ing and integrating multiple permits into a single permit or
18 permit process; and similar activities which constitute or re-
19 flect coordinated actions across program lines.

20 (b) Each State or other applicant for integrated assist-
21 ance under this Act shall:

22 (1) Submit an integrated program plan as part of
23 its assistance application, which addresses the objec-
24 tives of not less than two covered programs; ensures
25 consistency with paragraph (a) and the objectives of

1 this Act; and represents an integrated approach to
2 planning, development, implementation, and/or im-
3 provement of the covered programs.

4 (2) Provide for the coordination and administra-
5 tion of each integrated program plan by a single
6 agency.

7 (c) The Administrator shall establish procedures which
8 assure that the applicant (1) encourages and assists public
9 participation in the development of a proposed integrated
10 program plan and (2) in developing the final plan for submis-
11 sion, gives appropriate consideration to the public comments
12 received.

13 APPROVAL OF INTEGRATED PROGRAM PLAN

14 SEC. 6. (a)(1) The Administrator shall establish require-
15 ments governing his approval of an integrated program plan
16 and award of integrated assistance. These requirements shall
17 seek—

18 (A) to increase the substantive effectiveness and
19 management efficiency of covered environmental pro-
20 grams by encouraging comprehensive integrated envi-
21 ronmental planning, implementation, and management
22 by the United States Environmental Protection
23 Agency, the States, and local governments, and to do
24 so in a flexible, voluntary manner;

1 (B) to encourage and allow Federal, State, and
2 local environmental agencies to refocus a portion of
3 their resources on problems and priorities that cut
4 across existing statutory assistance categories; as they
5 are recognized;

6 (C) to encourage and allow Federal, State, and
7 local environmental agencies to test and start up new
8 approaches to solving environmental problems that cut
9 across existing assistance categories;

10 (D) to provide incentives to encourage State and
11 local governments to assume greater authority and re-
12 sponsibility;

13 (E) to improve and simplify the administration of
14 State and local assistance by reducing paperwork, du-
15 plication of effort, and reporting requirements;

16 (F) to simplify environmental reporting, permit-
17 ting, and other requirements affecting the public where
18 possible; and

19 (G) to promote Federal consistency in decision-
20 making.

21 (2) Such requirements, consistent with national objec-
22 tives, shall promote applicant discretion in developing a pro-
23 gram to meet its particular environmental needs. In review-
24 ing applications the Administrator shall also consider the
25 degree to which the covered programs (i) routinely consider

1 or are developing the capacity to consider the effects of one
2 program on the other(s) and (ii) have or are developing sup-
3 porting common data bases and planning and evaluation
4 processes where appropriate.

5 (b) Integrated assistance shall not be used to expand a
6 recipient's activities beyond a scope which the Administrator
7 determines is consistent with the purposes of the covered
8 programs included under the recipient's integrated program
9 plan.

10 (c) The Administrator shall complete review of the ap-
11 plicant's proposed plan in a timely fashion (including portions
12 related to fund transfers under section 10) and may approve
13 it in whole or in part. In the event of disapproval, the Admin-
14 istrator shall notify the applicant in writing within thirty
15 days. Notwithstanding any time limitation arising from any
16 provision of law or regulation affecting the covered programs,
17 an applicant shall have not less than sixty days from the day
18 of receipt of a notice of disapproval to make application for
19 categorical assistance.

20 (d) The Administrator shall not approve an integrated
21 program plan unless he determines—

22 (1) that the objectives of this Act and of the cov-
23 ered programs are adequately addressed therein;

24 (2) that the requirements he promulgates pursuant
25 to section 6 of this Act have been met;

1 (3) that the proposed program plan adequately
2 considers cross-program consequences; and

3 (4) that the proposed program contains efficient
4 and effective management mechanisms.

5 (e) The Administrator shall not award integrated assist-
6 ance to a State unless the Governor has signed the assistance
7 application containing the integrated program plan. The Ad-
8 ministrator shall not award assistance to a general purpose
9 unit of local government unless the chief executive officer of
10 that unit of government has signed the assistance application
11 containing the integrated program plan.

12 AUTHORITY; LIMITATIONS

13 SEC. 7. (a) From sums appropriated under the covered
14 programs and section 17 of this Act, the Administrator may
15 award integrated assistance in accordance with integrated
16 program plans approved under section 6 to States, local gov-
17 ernments, and interstate agencies to enable them to carry out
18 the objectives of this Act and of covered programs.

19 (b) Award of integrated assistance in one fiscal year
20 shall not obligate the recipient to seek or the Administrator
21 to award such integrated assistance in any subsequent fiscal
22 year. The Administrator shall not renew an integrated assist-
23 ance award unless he determines, based on his evaluation of
24 the recipient's performance and its current proposed pro-
25 gram, that the recipient's program has and will effectively

1 serve the purposes of this Act and the covered programs in-
2 cluded in its integrated program plan. In making his evalua-
3 tion, the Administrator shall consider—

4 (1) the extent to which actions in covered pro-
5 grams were considered jointly and made consistent in a
6 manner which is likely to enhance environmental qual-
7 ity;

8 (2) management efficiency;

9 (3) savings to the public;

10 (4) likelihood of effective implementation;

11 (5) replicability in other State or local programs;

12 (6) the extent to which integration was fostered
13 by moving related covered programs onto common
14 schedules;

15 (7) the extent to which overall assessments of the
16 combined impacts of covered programs are considered
17 in an integrated fashion; and

18 (8) value in helping the covered programs address
19 new environmental problems or priorities.

20 (c) Integrated and supplementary assistance shall not be
21 used for construction, except that such assistance may be
22 used for preliminary facility and site planning where consist-
23 ent with the requirements of a covered program included
24 under the integrated program plan.

1 (d)(1) For fiscal year 1980, the Administrator shall de-
 2 velop and publish criteria consistent with the policy and ob-
 3 jectives of this Act for competitive selection of not more than
 4 fifteen States and twenty-five local governments for partici-
 5 pation in the program authorized by this Act.

6 (2) The Administrator shall assess the program during
 7 the year to determine if the policy and objectives of this Act
 8 are being met. If the Administrator determines it is appropri-
 9 ate, he may allow participation of up to thirty States and fifty
 10 local governments for fiscal year 1981.

11 (3) During fiscal year 1981 the Administrator shall
 12 make a second assessment of the program and shall submit
 13 an interim report to the Congress before June 30, 1981.
 14 Thereafter, if the Administrator determines the program is
 15 achieving the objectives of the Act, he may open the program
 16 to other eligible States, local governments, and interstate
 17 agencies.

18 ASSISTANCE FOR LOCAL GOVERNMENTS AND INTERSTATE
 19 AGENCIES

20 SEC. 8. (a) A local government or interstate agency
 21 may receive integrated assistance in the following ways:

- 22 (1) by pass-through under an approved integrated
 23 State program plan (in the case of an interstate
 24 agency, under one or more such plans); or
 25 (2) directly from the Administrator, if—

13

1 (i) the State or States in which the local
2 government or interstate agency lies do not re-
3 ceive integrated assistance; or

4 (ii) such State or States do not, in the judg-
5 ment of the Administrator, provide adequately for
6 participation of the local government or interstate
7 agency; or

8 (iii) such State or States otherwise concur.

9 (b) In addition, integrated assistance under paragraph
10 (a) may include funds from a covered program of assistance
11 to States under which the local government or interstate
12 agency is otherwise ineligible: *Provided*, That the affected
13 State or States concur and the Administrator determines that
14 award would be consistent with the purposes of the covered
15 program.

16 (c) Nothing in this section shall be construed to require
17 a local government or interstate agency to seek integrated
18 assistance in lieu of categorical assistance for which the local
19 government or interstate agency is otherwise eligible.

20 STATE/LOCAL CONSULTATION

21 SEC. 9. In developing its integrated program plan, the
22 State shall provide for consultation with local governments.

23 FUNDING FOR LOCAL PARTICIPATION

24 SEC. 10. To the extent a local government is given re-
25 sponsibility by a State for activities under the State's inte-

1 grated program plan, the Administrator shall assure that the
2 plan provides funding from State or Federal funds.

3 FUNDING FLEXIBILITY

4 SEC. 11. In developing its integrated program plan, an
5 applicant may propose to transfer funds among the various
6 covered programs included under such plan, except that the
7 applicant may in no event propose to transfer from any cov-
8 ered program an amount in excess of 20 per centum of the
9 Federal sum allocated in that year for that covered program
10 and the equivalent portion of non-Federal project funds.

11 ACCOUNTABILITY

12 SEC. 12. The Administrator may establish procedures
13 under which accountability for expenditures (including ex-
14 penditure of non-Federal funds) will be related to a recipi-
15 ent's approved integrated program plan, in lieu of accounting
16 for expenditures by program areas.

17 SUPPLEMENTARY ASSISTANCE

18 SEC. 13. (a) AVAILABILITY.—Recipients of integrated
19 assistance shall be entitled to compete for supplementary as-
20 sistance from funds appropriated under the authority of sec-
21 tion 17. Ten per centum of funds appropriated under section
22 17 shall be set aside for such supplementary assistance for
23 local government participants.

24 (b) CRITERIA FOR AWARD.—The Administrator shall
25 develop and publish criteria for award on a competitive basis

1 of supplementary assistance under paragraph (a), consistent
2 with the policies and objectives of this Act. At a minimum,
3 such criteria shall include the following considerations:

4 (1) the extent to which the application reflects an
5 integrated approach to environmental problem solving;

6 (2) the extent to which the proposed activities
7 would use or lead to development of integrated man-
8 agement processes which are innovative and have po-
9 tential for replicability;

10 (3) the likelihood of success; and

11 (4) the extent to which the proposed program pro-
12 vides for integration of environmental efforts with re-
13 lated energy, transportation, and other social and eco-
14 nomic activities.

15 ADMINISTRATIVE PROVISIONS

16 SEC. 14. (a) UNOBLIGATED SUMS.—Of the sums other-
17 wise available to a recipient under this Act, any unobligated
18 sums (including unobligated allotments and sums later deobli-
19 gated) shall be available for award to other participants in the
20 program under this Act or shall be used to otherwise accom-
21 plish, through contract or other appropriate means, the objec-
22 tives of this Act and the covered programs, in accordance
23 with regulations of the Administrator.

24 (b) MAINTENANCE OF EFFORT.—(1) No integrated as-
25 sistance shall be awarded in any fiscal year unless the Ad-

1 administrator determines that a recipient will expend in that
2 fiscal year, from non-Federal funds for other than nonrecur-
3 rent costs, an amount which is not less than the amount ex-
4 pended for such purposes during the base fiscal year. Not-
5 withstanding this provision, the Administrator may award in-
6 tegrated assistance if he determines that a reduction has re-
7 sulted from a general nonselective reduction in expenditures
8 in programs of executive branch agencies of the applicable
9 unit of government.

10 (2) The provision in paragraph (1) shall be used in lieu
11 of other matching and maintenance-of-effort requirements of
12 the covered programs. If a recipient resumes separate assist-
13 ance for a covered program, the recipient shall be held to the
14 matching and maintenance-of-effort requirements (as modi-
15 fied by law or regulation during the period of integrated as-
16 sistance) which would have been applicable under that cov-
17 ered program in the year following the base fiscal year.

18 EFFECTIVE DATE AND CRITERIA DEVELOPMENT

19 SEC. 15. (a) This Act shall be applicable to assistance
20 awarded for fiscal year 1980 and the subsequent four fiscal
21 years.

22 (b) Within one hundred eighty days following the date of
23 passage of this Act, the Administrator shall publish criteria
24 for development of integrated program plans.

17

REGULATIONS

1

2 SEC. 16. The Administrator is authorized to issue nec-
3 essary regulations for implementation of this Act.

4

AUTHORIZATION

5

6 SEC. 17. There are authorized to be appropriated, in
7 addition to funds authorized to be appropriated under the
8 covered programs, \$25,000,000 for supplementary assistance
9 under section 13 for fiscal year 1980 and such sums as may
10 be necessary for each of the fiscal years 1981-1984, to
11 remain available until expended.

11

DETAIL OF PERSONNEL

12

13 SEC. 18. The Administrator, at the request of any re-
14 cipient under this Act, may detail personnel of the Environ-
15 mental Protection Agency (including commissioned officers of
16 the Public Health Service assigned to the Environmental
17 Protection Agency) to the recipient for the purpose of carry-
18 ing out an approved integrated program plan, and may
19 reduce the amount of assistance to the recipient by the
20 amount of pay, allowances, traveling, expenses, and other
21 costs related to the detail.

21

SUNSET PROVISION; REPORT TO CONGRESS

22

23 SEC. 19. This Act shall expire on September 30, 1984,
24 unless extended by Congress. The Administrator shall submit
25 to the Congress no later than September 30, 1983, a report
26 setting forth the extent to which States, local governments,

1 and interstate agencies have established and implemented in-
2 tegrated environmental quality management programs, an
3 evaluation of such programs, and recommendations with re-
4 spect to continuing the integrated assistance program.

SUPPORT FOR INTEGRATED ENVIRONMENTAL ASSISTANCE
AS OF
January 22, 1980

During the past year, EPA has been gratified by the show of support for integrated environmental assistance. We have received numerous letters as well as copies of letters and testimony from various groups and individuals across the country. The following list illustrates that diversity:

Governors

George Busbee, Governor of Georgia
Victor Atiyeh, Governor of Oregon
William J. Janklow, Governor of South Dakota
Edwin Edwards, Governor of Louisiana
Scott M. Matheson, Governor of Utah
Joseph E. Brennan, Governor of Maine
Harry Hughes, Governor of Maryland
Otis R. Bowen, Governor of Indiana
Richard A. Snelling, Governor of Vermont

State Offices

**Howard N. Lee, Secretary, Department of Natural Resources,
State of North Carolina
**C. Frank Harscher, III, Secretary, Department of Natural
Resources and Environmental Protection, State of Kentucky
**Henry E. Warren, Commissioner, Department of Environmental
Protection, State of Maine
Deni Greene, Acting Director, Office of Planning and Research,
State of California
James S. Kumagai, Deputy Director for Environmental Health,
Department of Health, State of Hawaii
*Larry E. Crane, Executive Director, Department of Environmental
Health, State of Iowa
Jane A. Bolin, Assistant to the Governor for Energy and
Natural Resources, State of Illinois
Jonathan T. Cain, Special Assistant to the Governor of
Michigan
D. G. Criner, Administrative Assistant, State of Arkansas
Jim Monaghan, Executive Assistant to the Governor of Colorado
Ernst W. Mueller, Commissioner, Department of Environmental
Conservation, State of Alaska
John F. Spencer, Assistant Director of Office of Water Programs,
Department of Ecology, State of Washington
**Mike Mauzy, Director, Illinois Environmental Protection Agency,
State of Illinois
**Thomas Eichler, Director, Division of Environmental Control,
Department of Natural Resources, State of Delaware

Associations

- National Association of State Budget Officers
- National Governors' Association
- Environmental Policy Center
- *Sierra Club
- **National Association of Regional Councils
- National Clean Air Commission, American Lung Association
- *National Association of Counties
- The Council of State Governments
- *National League of Cities
- **National Conference of State Legislatures
- Conference of State Sanitary Engineers
- Citizens Advisory Committee - New York 208/Water Quality Management Program

Local Government

J. Hamilton Lambert, Acting County Executive, County of Fairfax, Virginia

Other

James M. Frey, Assistant Director for Legislative Reference,
Executive Office of the President
David B. Walker, Assistant Director, Commission on
Intergovernmental Relations

The single starred names are those who testified before the Senate Subcommittee on Environmental Pollution on January 22, 1980. The double star indicates those who requested to testify but were unable due to time constraints.

The attached materials illustrates the wide spread support for integrated environmental assistance.

What People Are Saying About Integrated
Environmental Assistance Act of 1979

Governor Busbee of Georgia

"During the past several months my office has sent inquiries to some thirty States regarding their position on the Integrated Assistance Act. To my delight, no State reacted negatively."

Governor Janklow of South Dakota

"The proposed legislation would give governors and their appointed environmental policy officials needed flexibility in dealing with serious interrelated pollution problems that are difficult to address within existing categorical program constraints..."

Governor Edwards of Louisiana

"A major benefit of the proposed legislation would be the potential to reduce red tape and to streamline bookkeeping and accounting procedures, as well as reduce delays associated with contracts and permits which can result from excessive red tape."

Howard N. Lee, Secretary of the North Carolina
Department of Natural Resources and Community Development

"North Carolina strongly supports the program of supplemental assistance as spelled out in Section 13. We believe that this incentive mechanism will encourage innovation and integration in environmental programming on a scale previously unknown in the United States."

Henry E. Warren, Commissioner State of Maine
Department of Environment

"...I would put in a plug for the one time financial incentive discussed in the drafts of the bill. Such supplemental assistance will set the tune for this innovative program and encourage States reluctant to depart the status quo to at least evaluate the advantages of integrated programming."

Deni Greene, Acting Director, State of California
Office of Planning and Research

"The most significant feature of this legislation is that it encourages a forum at the State level for recognizing the relationships between air, water and solid waste management planning."

National Governors' Association

"We believe the proposed consolidation of environmental protection programs to be entirely consistent with our mutual goals of improving the responsiveness and effectiveness of government and bringing inflation under control."

Sierra Club

"The Sierra Club has long advocated the need for an integrated approach to environmental problem solving.... While we view IEAA as a step in the right direction toward integrated environmental planning, we hope it will not be the last."

National Air Conservation Commission, American Lung Association

"...the NACC...supports the concept of the proposed Integrated Environmental Assistance as an opportunity for greater flexibility and local choice in use of federal categorical funds for State and local environmental programs."

COMMENTS ON THE
INTEGRATED ENVIRONMENTAL ASSISTANCE ACT



Office of the Governor

Atlanta, Georgia 30334

October 10, 1979

George Busbee
GOVERNOR

The Honorable Edmund S. Muskie
Chairman, Subcommittee on Environmental
Pollution
Committee on Environment and Public Works
4204 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

It is my understanding that you will soon be considering S. 1136, the Integrated Environmental Assistance Act of 1979. I want to offer my sincere apologies for my absence at your hearing. Unfortunately, I am in the midst of budget negotiations with State agencies and will not be able to leave the State for several weeks.

I do want to offer my full support for the Integrated Assistance Act, as it is now written, and for the concept of consolidated environmental grants in general. I have personally spoken on behalf of the bill many times to my fellow Governors and to various interested parties around the Nation.

Within the last fifteen months, I have addressed the Governors of the Natural Resources Committee of the National Governors' Association on two separate occasions seeking their support on this issue. The result of our discussions produced a statement of support to the Congress which I am attaching to this letter.

During the past several months my office has sent inquiries to some thirty states regarding their position on the Integrated Assistance Act. To my delight, no state reacted negatively. I might say that several states had some substantive comments on various provisions of the bill, however, the majority gave overall support.

The Honorable Edmund S. Muskie
October 10, 1979
Page Two

One point in their letters seemed to be widespread and I think worth mentioning here. There is a concern that if states consolidate their programs, then the Environmental Protection Agency could potentially have additional leverage over individual program elements. I realize that the answer to this concern is largely one of faith in the system, however, it might resolve many fears in the states if the bill or Committee report addressed this issue.

On a more positive note, I want to take a moment to discuss my own support for the concept of Integrated Assistance and also reflect the comments of many of my colleagues.

The Integrated Assistance approach allows a streamlined simplified approach to the complexities that constantly confound the current system. In Georgia, one single consolidated grant would greatly complement our one stop permitting system nicely. Several years ago, Georgia created a comprehensive Department of Natural Resources which consolidated all environmental permitting into one division. This system has operated with much more efficiency in dealing with the pressures and intricacies involved in air quality, water quality, water supply and solid waste permits. The Integrated Assistance approach will allow us to further streamline our own program and carry out state and federal mandates with greater efficiency.

The Integrated Assistance approach also allows the Governor to have a more substantive input in determining his own priorities. In Georgia, I have an extremely close working relationship with the head of our environmental management agency, the Environmental Protection Division of the Department of Natural Resources. The flexibility offered in the Act will allow us to react more quickly and effectively to unique situations in Georgia that may not exist in other states. The 20% crossover language is most important to the effectiveness of this bill.

Finally, I am most pleased that the Senate has seen fit to recognize that all states are not ready for the comprehensive approach. A very special and important part of this bill is that the law is voluntary. I believe you will find a considerable amount of support from states who do not like to be forced to participate in a program that they are not ready for. The current

The Honorable Edmund S. Muskie
October 10, 1979
Page Three

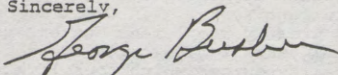
bill provides incentive for states to consolidate their programs but does not coerce immediate compliance. This is an excellent and a very astute provision.

In summary and conclusion, I want to reiterate my support for the Integrated Assistance approach. This is the type of legislation the American public wants because it simplifies government, reduces red tape and costs and, finally, allows government to be more responsive to the tax dollar.

If I may be of any help to you in this matter, please do not hesitate to contact me. In the meantime, I will closely follow your proceedings in the Congress.

With kindest regards, I am

Sincerely,

A handwritten signature in cursive script, appearing to read "George Busbee".

George Busbee

GB:ghr

Attachment



Office of the Governor
Atlanta, Georgia 30334

George Busbee
GOVERNOR

August 22, 1979

Ms. Barbara Blum
Deputy Administrator
U. S. Environmental Protection Agency
401 M. Street, S.W.
Washington, D.C. 20460

Dear Barbara:

I appreciate your recent letter regarding my support of the proposed Integrated Environmental Assistance Act. We are very optimistic that a consolidated approach to our Environmental Protection programs at the Federal level will be a major step forward toward improving the efficiency and effectiveness of the States' efforts.

I look forward to the successful passage and implementation of a comprehensive and consolidated Federal assistance program. I will follow with interest as the Administration moves forward with this proposed legislation.

Sincerely,

George Busbee

GB:boh
cc: J. Leonard Ledbetter
Jack Burris ✓

VICTOR ATIYEH
GOVERNOR



RECEIVED
N.G.A. 1000T 1.2079

OFFICE OF THE GOVERNOR
STATE CAPITOL
SALEM, OREGON 97310

September 27, 1979

Governor George Busbee
National Governors' Association
Suite 202, Hall of the States
444 North Capital Street
Washington, D.C. 20001

Dear Governor Busbee:

I endorse your efforts on behalf of the National Governors' Association (NGA) to support passage of the Integrated Environmental Assistance Act of 1979. I especially support those features which:

- Increase flexibility of states to address local priorities including the ability to transfer up to 20 percent of funds from one categorical program to another.
- Simplify program requirements, especially as they relate to maintenance of effort provisions.

Oregon environmental programs are highly integrated in the state Department of Environmental Quality, and it would certainly ease things if Environmental Protection Agency (EPA) programs were also integrated.

We do have some reservations about the proposed legislation. We would like to be assured that Oregon will continue to receive the total amount of funds it has received under the categorical programs and that any additional funds, such as supplementary assistance, will not come at the expense of existing programs. We are also concerned about the manner in which EPA may implement it -- that it will not increase the already heavy administrative burden.

As you can see, my concerns go beyond the funding issue. My staff, including the budget office, will work through NGA, National Association of State Budget Officers (NASBO), and other avenues to achieve improvements in the federal administration of environmental programs.

Governor George Busbee

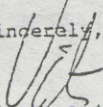
-2-

September 27, 1979

Oregon has been a leader in environmental protection and will not step aside for the Federal Government to "break trail" -- state control is too important!

If we can be of further assistance, please advise -- and thank you for the opportunity to present these views.

Sincerely,



Victor Atiyeh
Governor

VA:bl

cc: Ray Long, NASBO



RECEIVED

OCT 3 1979

 ENVIRONMENTAL PROTECTION
 DIVISION
 NATURAL RESOURCES

Office of the Governor
 STATE OF SOUTH DAKOTA

William F. Janklow
 GOVERNOR

September 24, 1979

The Honorable George Busbee
 Executive Office of the Governor
 State Capitol
 Atlanta, Georgia 30334

Dear Governor Busbee:

I am writing in response to your staff's recent memorandum regarding the proposed "Integrated Environmental Assistance Act." From both a policy management and administrative perspective, this proposal addresses previously expressed concerns which have arisen over the inflexibility of existing federal categorical grants programs. Its enactment should be strongly supported.

The proposed legislation would give governors and their appointed environmental policy officials needed flexibility in dealing with serious interrelated pollution problems that are difficult to address within existing categorical program constraints, primarily through optional combining of two or more EPA grant programs into a single environmental plan.

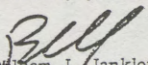
Of particular importance is new authority for the Governor to transfer up to 20 percent of annual funding among integrated programs. This flexibility would significantly enhance the Governor's ability to set priorities and allocate available resources in response to an individual state's unique problems.

In addition to increasing the Governor's role in determining priorities, the proposed legislation would offer new opportunities to reduce the red tape which sometimes threatens to strangle pollution control efforts. Integrated grants could be utilized to streamline bookkeeping and accounting procedures, as well as reduce delays associated with contracts and permits. Successful initiatives in this area are sorely needed to reduce program administrative costs to states and inflationary pressures on the private sector resulting from time-consuming permit procedures.

The Honorable George Busbee
Page 2
September 24, 1979

The proposed legislation not only provides for increased gubernatorial discretion in resource allocation but also contains supplementary assistance on a competitive basis for innovative or nationally significant projects. These might include development of a streamlined environmental permit system, a state civil penalties program for greater enforcement flexibility, cross-media training of personnel or an integrated laboratory facility. As proposed, such supplementary assistance would not be reallocated from existing categorical programs but would represent additional resources for new state initiatives.

Sincerely yours,


William J. Janklow

WJJ:jo



EDWIN EDWARDS
GOVERNOR

State of Louisiana

EXECUTIVE DEPARTMENT

Baton Rouge

September 19, 1979

The Honorable George Busbee
Governor of Georgia
203 State Capitol Building
Atlanta, Georgia 30334

Dear Governor Busbee:

I am writing in response to your staff's recent memorandum regarding the proposed "Integrated Environmental Assistance Act." I support this initiative as a means of reducing the inflexibility of existing federal categorical grants to state environmental programs.

The proposed legislation would give governors and their appointed environmental policy officials needed flexibility in dealing with interrelated environmental programs so as to address environmental problems more systematically, and more in keeping with state policies and administrative approaches.

Of particular importance is the proposed new authority for the Governor to transfer up to 20 percent of annual funding among integrated programs. This flexibility would enhance the Governor's ability to set priorities and to allocate available resources in response to an individual state's unique problems.

A major benefit of the proposed legislation would be the potential to reduce red tape, and to streamline bookkeeping and accounting procedures, as well as reduce delays associated with contracts and permits which can result from excessive red tape.

Thank you for the opportunity to present these views and to offer strong support for this important initiative.

Sincerely,

A handwritten signature of Edwin Edwards in dark ink, written over a horizontal line.

EDWIN EDWARDS

EE:jmm

c: Members of the Louisiana Congressional Delegation
Mr. Dave Johnson, NGA Staff



SCOTT M. MATHESON
GOVERNOR

STATE OF UTAH
OFFICE OF THE GOVERNOR
SALT LAKE CITY
84114

RECEIVED

SEP 14 1979
ENVIRONMENTAL PROTECTION
DIVISION
NATURAL RESOURCES

September 10, 1979

Governor George Busbee
State Capitol Building
Atlanta, Georgia 30334

Dear Governor *George* Busbee:

I am responding to your staff's recent memorandum regarding the proposed "Integrated Environmental Assistance Act." From both policy, management, and administrative perspective, this proposal addresses previously expressed concerns which have arisen over the inflexibility of existing federal categorical grants programs. Its enactment should be strongly supported.

Of particular importance is new authority for the Governor to transfer up to twenty percent of annual funding among integrated programs. This proposal emphasizes the advantages of integrating environmental control efforts such as allowing water pollution control resources to be used to meet air quality needs where those needs are determined to be of priority. The advantages associated with the integration of environmental control efforts as opposed to development of specific programs have finally been recognized by EPA. I recognize the need for this approach in our programs here in Utah.

This proposed legislation not only provides for increased gubernatorial discretion and resource allocation but also contains supplementary assistance on a competitive basis for integrated or nationally significant projects. As proposed, such supplementary assistance would not be reallocated from existing categorical programs, but would represent additional resources for new state initiatives.

Thank you for the opportunity to present these views and I offer my strong support for this important initiative.

Sincerely,

[Signature]
Governor

SMM:jek



STATE OF MAINE
OFFICE OF THE GOVERNOR
AUGUSTA, MAINE
0-4000

JOSEPH E. BRENNAN
GOVERNOR

Dale

July 23, 1979

Jack Burris
Special Assistant to the Governor
Office of the Governor
Atlanta, Georgia 30334

Dear Mr. Burris:

My staff has reviewed S. 1136, The Integrated Environmental Assistance Act of 1979, as requested in your memo of June 7. That review leads me to support the views of Commissioner Henry Warren of the Department of Environmental Protection, who fully endorses the concept of S. 1136. I understand that Commissioner Warren has made his support known over a period of months as the concept evolved at the Environmental Protection Agency.

I believe the intention of the act is to increase the flexibility of a state, through the Governor, to recognize shifting priorities and redirect funds accordingly. I am confident that the primary program managers in Maine can take advantage of that flexibility in a manner which will be beneficial to the program objectives of each Governor.

Thank you for seeking our opinion. If assistance is required in the future please let me know.

Sincerely,

Joseph E. Brennan
JOSEPH E. BRENNAN
Governor

JEB:mas

cc: Henry Warren, Commissioner
Dept. of Environmental Protection



HARRY HUGHES
GOVERNOR

STATE OF MARYLAND
EXECUTIVE DEPARTMENT

ANNAPOLIS, MARYLAND 21404

July 13, 1979

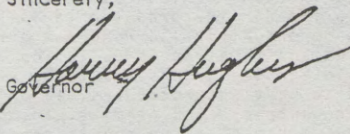
Mr. Jack Burris
Special Assistant to the Governor
Office of the Governor
Atlanta, Georgia 30334

Dear Mr. Burris:

In response to your letter of June 7, 1979, on the integrated Environmental Assistance Act, I can state that our chief concern about the language of the Act relates to the provisions requiring pass-through of funds to local governments which would enhance, rather than limit, EPA control over state programs. The grant consolidation provisions are generally welcome, and are certainly preferable to the one-sided consolidation sought to be accomplished by EPA's effort to unilaterally impose state-federal multi-program agreements.

I hope these remarks are of some value.

Sincerely,


Governor

OFFICE OF THE GOVERNOR
INDIANAPOLIS, INDIANA 46204

OTIS R. HOWEN, JR., D.
GOVERNOR

October 18, 1979

The Honorable George Busbee
State of Georgia
Capitol Square, S.W.
Atlanta, Georgia 30334

Dear Governor Busbee:

I am writing in response to your staff's recent memorandum regarding the proposed "Integrated Environmental Assistance Act." From both a policy management and administrative perspective, this proposal addresses previously expressed concerns which have arisen over the inflexibility of existing federal categorical grants programs. I strongly support the movement toward a block grant approach to funding of programs.

The proposed legislation would appear to give governors and their appointed environmental policy officials needed flexibility in dealing with serious interrelated pollution problems that are difficult to address within existing categorical program constraints. The requirement that the regional administrator approve any reallocations appears, however, to minimize this benefit.

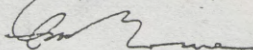
Of particular importance is new authority for the governor to transfer up to 20 percent of annual funding among integrated programs. This flexibility would significantly enhance the governor's ability to set priorities and allocate available resources in response to an individual state's unique problems.

I am in favor of increasing the Governor's role in determining priorities. The proposed legislation would appear to offer new opportunities to reduce the red tape which sometimes threatens to strangle pollution control efforts. However, if integrated grants are to be utilized to streamline bookkeeping and accounting procedures, as well as reduce delays associated with contracts and permits, the old categorical reporting and program planning requirements would need to be eliminated.

The Honorable George Busbee
October 18, 1979
Page 2

The State of Indiana, in short, welcomes any truly substantive change toward block grant funding for environmental programs. A complete formula grant approach, with elimination of funding review in the regional office, should be presented as Indiana's real position. Any modification of the Integrated Environmental Assistance Act of 1979, in this direction, will receive strong support from my office.

Kindest personal regards,



Otis R. Bowen, M.D.
Governor

ORB:sg

cc: John Huie, Ph.D.
State Budget Director

RICHARD A. SNELLING
GOVERNOR



OFFICE OF THE GOVERNOR
STATE OF VERMONT
MONTPELIER, VERMONT 05602

October 11, 1979

ROUTING		
GENERAL		
TO	NOTED	DATE
SUBMITTED TO		
FILE		

The Honorable Edmund S. Muskie
Senator
Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Muskie:

I write at this time to indicate the State of Vermont's support for the proposed "Integrated Environmental Assistance Act of 1979," as proposed in S.1136. Vermont has for some time encouraged activities which would consolidate the state program assistance grants in the environmental field, and I have personally encouraged block type grants. Greater flexibility afforded to the states in the use of block type grants would enhance the efficiency of government and would afford an opportunity to more effectively use the limited funds made available. In the use of currently available funds, greater flexibility is of more assistance to the states than severely constrained additional federal assistance.

Whereas we support the concept of the integrated environmental assistance grant, I have some reservations about supplementary assistance grant provisions of the bill. The concept of the basic bill and the flexibility that it affords should be incentive enough for people to participate in the program without the provisions of the supplementary assistance grant. I am in fact of the opinion that the limitation on the supplementary assistance grant, in that it can only be used for nonrecurring costs, precludes the supplemental grant resources from assisting the basic thrust of the act - that of integrating management and funding of the covered programs. It would be preferable and more akin to the act's stated intent if the supplemental assistance grant were provided on a no match basis to the states to assist them in carrying out the increased management and planning functions necessary in order to develop the integrated program plan required by the act. Planning and manage-

ment on an integrated media approach is necessary to make the program effective and to maximize the flexibility and efficiency which can result from the act.

Vermont has not just talked about its position of encouraging the integration of environmental programs and their funding. In 1973, the Vermont Agency of Environmental Conservation moved to integrate its air, solid waste, and water pollution control programs by restructuring various elements of the Agency, such that all three programs were under a single manager. In addition, since that time the State resources made available to support these programs have been in a single state budget. This has afforded maximum flexibility in the use of state resources. We do, however, still suffer with the categorical support grants provided by EPA in those areas. Passage of S.1136 would provide us with similar flexibility to manage the federal resources allocated to the state.

In addition to reorganizing the state resources as indicated above, Vermont, in the fall of 1978, was one of the first states in the country to execute a State/EPA Agreement which addressed management and program concerns on a multiple basis. At that time, our State/EPA Agreement included the water pollution control program, air pollution control program, solid and hazardous waste management, and the potable water supply program. Continuing to manage our environmental programs jointly, the Agreement being prepared for execution at this time for Fiscal Year 1980, is expanded further to include our Department of Agriculture's activities in support of the Federal Insecticide, Fungicide, and Rodenticide Act.

The passage of S.1136 would further assist the State of Vermont in accomplishing its objective of optimum integration of its environmental programs. It would give us the necessary flexibility to shift program emphasis as is necessary to meet changing demands, while still meeting the long term goals and objectives of both federal and state law.

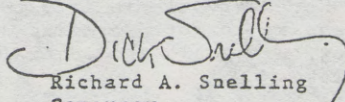
The importance of the flexibility afforded by the "Integrated Environmental Assistance Act" should not be underestimated. The small State of Vermont budgets three million dollars in support of the forementioned programs. One-third of this amount is received from the Federal Government in the form of program assistance grants. Inflexibility in the use of these federal funds and in the use of mandated minimum match requirements from the state funds reduces my ability to maximize utilization of the resources available to Vermont.

The limitations on the use of the supplemental assistance grant in the act precludes its use for the recurring costs associated with the development and management of the mandated integrated environmental program plan. I am concerned that states, to become eligible to receive this supplemental assistance grant, may be forced into unwilling marriages between programs in order to meet eligibility requirements. None of these features contribute the effectiveness of the thrust of the principal provisions of the act - providing a flexible program of integrated financial assistance.

Again, I state that the flexibilities afforded the basic provisions of the act appear to me to be sufficient to encourage states to participate without supplemental assistance grant. Were, however, the supplemental assistance grant to be continued in the bill, I would recommend that the section be rewritten so that the grant could be used for the recurring expenses necessary to develop, manage, and implement environmental programs under an integrated program plan. I would further recommend that the assistance be afforded to the states on a non-matching formula basis in order that stability in the funding of environmental programs can be realized. In the absence of a formula allocation, resources will fluctuate from year to year making program management even more difficult.

I thank you for this opportunity to present the position of the State of Vermont in this matter. I will make my office available to you for further information should you desire. I wish you well in deliberations on this matter and encourage you to act swiftly to afford increased flexibility and greater potential for efficient resource management to the states.

Sincerely,


Richard A. Snelling
Governor

RAS/amp



State of North Carolina
 Department of Natural Resources
 and Community Development
 Raleigh 27601

JAMES B. HUNT, JR.
 GOVERNOR

October 26, 1979

HOWARD N. LEE
 SECRETARY
 TELEPHONE
 AREA CODE 919-733-4884

The Honorable Edmund Muskie, Chairman
 Subcommittee on Environmental Pollution
 Senate Environment and Public Works
 4204 Dirksen Senate Office Building
 Washington, DC 20510

Dear Senator Muskie:

The Subcommittee on Environmental Pollution of the Senate Committee on Environment and Public Works will be soliciting comment on S.1136, the Integrated Environmental Assistance Act of 1979, during hearings in early November. Because I will be unable to attend the hearings, I am sending you a written version of North Carolina's comments and asking that these be included in the hearing record.

With kindest regards and best wishes, I am

Respectfully yours, ..
 Original Signed
 By

SECRETARY HOWARD N. LEE
 Howard N. Lee

HNL/cg

cc: Congressman Richardson Preyer

bcc: Ms. Pat Shore
 Dr. Quentin Lindsey
 Ms. Ann Lichtner
 Mr. Marshall Staton
 Dr. Neil Grigg
 Mr. John A. Gwynn

INTEGRATED ENVIRONMENTAL ASSISTANCE ACT OF 1979

Comments by

Howard N. Lee, Secretary of the North Carolina
Department of Natural Resources and Community
Development on S.1136

To be submitted into the Hearing Record of the
Environmental Pollution Subcommittee of the
Senate Committee on Environment and Public Works

As Secretary of the North Carolina Department of Natural Resources and Community Development, I am pleased to submit North Carolina's comments on the proposal currently before you, the Integrated Environmental Assistance Act of 1979, S.1136.

The State of North Carolina strongly supports this legislation. We believe that the concepts embodied in this Act are essential for dealing effectively with America's environmental issues through the 1980's.

Flexible and innovative approaches to environmental management will be as important in the 80's as basic research and public awareness have been in the 70's. As we develop solutions, we must be able to translate them into effective and efficient programs. We must learn to manage our programs so that we bring our research findings to bear on real-life situations. S.1136 provides the opportunity and incentive for this learning to begin. We strongly urge your favorable consideration of - and action upon - this bill as written.

Specifically, there are three features of this legislation which commend its favorable consideration by this body.

First, this bill allows for program integration on a voluntary basis. It wisely avoids the counterproductive practice of requiring strict uniformity among states. The State of North Carolina firmly believes that individualized choices and arrangements can better serve the needs of each state and better accomplish the national objective.

Secondly, this bill will allow each governor the flexibility to determine the priorities for his or her state's environmental programs. This

flexibility is assured by the provisions of Sections 5 and 11. The former sets out the components of an integrated program plan, while the latter provides funding flexibility by authorizing fund transfers of up to 20% among covered programs. In tandem, these provisions will allow North Carolina to put its available resources where they can do the greatest good for our people.

North Carolina strongly supports the program of supplementary assistance as spelled out in Section 13. We believe that this incentive mechanism will encourage innovation and integration in environmental programming on a scale previously unknown in the United States. These provisions are an attractive incentive at a time when most states have recognized for themselves the need for new approaches in environmental management. While research will continue to play an important role, the most pressing current environmental issue is finding more effective and efficient ways of getting the programs already designed "onto the ground" and working for our people.

This issue has been of concern to us in North Carolina for some time. I believe we have made several important improvements. Our recently completed State-EPA Agreement outlined specific steps we will take to bring our environmental agencies into closer coordination and to enhance cooperation in areas of mutual concern. Our Division of Environmental Management, responsible for air and water quality, now operates under a functional organization in which routine operations for either medium are conducted by the same staff. Planning and data analysis have also been integrated.

One word of caution, however. This integration option should not cause us to lose sight of the importance of adequate programming in each environmental medium. If funds are aggregated as they might be someday in this conceptual framework, appropriations should not be reduced in the process.

In summary, the State of North Carolina strongly supports the Integrated Environmental Assistance Act of 1979 as currently written and urges your favorable consideration. We support this bill because it provides: (1) for voluntary participation, (2) for flexibility so that each state may carry out its own priorities, and (3) for incentives to promote innovative solutions to environmental program management.

Mr. Chairman, Committee Members - on behalf of the State of North Carolina, thank you for this opportunity to share our views with you.

C. FRANK HARSCHER, III
SECRETARY



JULIAN M. CARROLL
GOVERNOR

COMMONWEALTH OF KENTUCKY
DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
OFFICE OF THE SECRETARY
FRANKFORT, KENTUCKY 40601
TELEPHONE (502) 564-3350

October 26, 1979

Senator Edmund Muskie
Chairman, Subcommittee on
Environmental Pollution
Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Muskie:

In response to your request for comments on the proposed Integrated Environmental Assistance Act (IEAA), I would like to begin by stating that this department strongly supports the Act's concept, to provide more efficient and effective integrated planning and funding for all our separate categorical environmental programs. I am also very much in favor of this attempt to provide program funding flexibility within a fiscal year since we find ourselves in a feast or famine position too often.

However, I have some reservations about the practical effects of this bill on Kentucky's position with EPA and with local governments. How voluntary this program is seems open to question when EPA's intentions concerning permit consolidation and state-EPA agreements are considered. The IEAA could lead to an effort to force states to consolidate programs and funding in order to receive federal funds. My other major concern, the role of local governments, is that the bill contains provisions for direct grants to local governments without state concurrence. It is quite possible that a local government plan could be at odds with state intentions concerning program consolidation. Funding such a local plan would negate the entire purpose of the Act, consistency in an integration of environmental programs. I will discuss these and other concerns in more detail later.

As I indicated earlier, one of our major reservations about this Act, aside from concern about what new EPA mandatory approach it portends, is the independence of local programs from any state direction. The Act requires that states consult with the pertinent local governments, but makes no reciprocal provision for the development of local government plans. Certainly local participation in IEAA should not be totally dependent on state participation, but direct funding of local without state concurrence will have serious adverse consequences on state programs and will contradict the purpose of this Act. The language of Section 8,

Senator Edmund Muskie
October 26, 1979
Page Two

Paragraph (a)(2)(i) would severely compromise the voluntary nature of the Act since it allows locals to be funded directly if the state does not receive integrated assistance. A state may deliberately defer immediate consolidation for certain programs because of a need for more planning or coordination, but may choose to integrate other programs. Through Section 8 local governments could be funded for programs that are not part of the state plan to the detriment of state categorical programs in those areas. In view of the chronic shortage of funds at the local level it seems likely that local governments will pursue direct funding. Thus it is imperative that any funds to local governments either pass through as part of the state integrated plans or have state concurrence if local funding is separate from any state efforts.

Also, in many states program responsibility has been assigned by statute to the state level. There is some question as to whether local governments can legally accept program grants in those areas specially assigned to the state. Language needs to be added requiring the grants to be consistent with applicable state and federal laws.

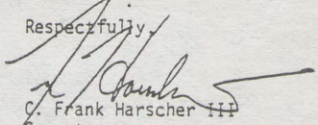
Section 8, Paragraph (a)(2)(ii) contains another provision that needs clarification, direct grants to local governments if the state does not, in the Administrator's judgment, provide adequately for local government participation. This seems too subjective since there is no language describing what constitutes adequate local participation nor a procedure for adopting participation rules. I would recommend that either EPA's judgment not be used as the decision point or that an objective set of guidelines be added to the bill.

The IEAA would allow up to 20% of the funds for the programs included in a state integrated plan to be transferred among those programs. Kentucky should have no problems transferring state program monies during a fiscal year so we would reap several benefits from this provision. It would allow us to circumvent some of the red tape involved with programs and provide faster response to immediate needs.

Overall, the IEAA could be an important step towards a more rational coordinated approach in state environmental programs. It could reduce needless duplication of permitting, monitoring and reporting requirements and the rigidity that now plagues our categorical programs. More importantly, by planning across functional areas, it could help eliminate the often artificial and arbitrary division of environmental programs that now occurs.

I understand that your subcommittee's hearing on S.1136 has been rescheduled for November 8. At that time, I hope you will have the opportunity to examine the perspectives and concerns of all affected levels of government. I will be happy to provide you with any further information on Kentucky's perspective you may desire.

Respectfully,


C. Frank Harscher III
Secretary

C. FRANK HARSCHER, III
SECRETARY



JULIAN M. CARROLL
GOVERNOR

COMMONWEALTH OF KENTUCKY
DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
OFFICE OF THE SECRETARY
FRANKFORT, KENTUCKY 40601
TELEPHONE (502) 584-3350
October 8, 1979

Mr. Jack Burris, Special Assistant
to the Governor for Intergovern-
mental Relations
Office of the Governor
Atlanta, Georgia 30334

Dear Mr. Burris:

Attached, is an analysis of the Integrated Environmental Assistance Act from the Kentucky Department For Natural Resources and Environmental Protection's perspective.

As you know, Kentucky has supported an integrated approach to environmental management. I suspect that our views are similar to those of Georgia, because our environmental control programs are organizationally similar. However, I would appreciate receiving any comments you may have on the subject.

Additionally, it is my understanding that testimony before Muskie's subcommittee will be dominated by representatives of local interest groups. Kentucky will not be presenting testimony, but we will be happy to support you if you deem it necessary. If you need any further information, please contact me.

Sincerely,

[Signature]
C. Frank Harscher, III

cdh

cc: Ivan Potter
Jeff Kell
Jack Wilsen
Irene Steinhardt

Attachment

C. FRANK HARSCHER, III
SECRETARY



JULIAN M. CARROLL
GOVERNOR

COMMONWEALTH OF KENTUCKY
DEPARTMENT FOR NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
OFFICE OF THE SECRETARY
FRANKFORT, KENTUCKY 40601
TELEPHONE (502) 564-3350

October 5, 1979

TO: Ivan Potter
Administrative Assistant
Governor's Office

FROM: C. Frank Harscher, III
Secretary
Department for Natural Resources
and Environmental Protection

SUBJ: Review of the Integrated Environmental Assistance Act,
S.1136

In response to your request for comments on the proposed Integrated Environmental Assistance Act (IEAA), I would like to begin by stating that this department strongly supports the Act's concept, to provide more efficient and effective integrated planning and funding for all our separate categorical environmental programs. I am also very much in favor of this attempt to provide program funding flexibility within a fiscal year since we find ourselves in a feast or famine position too often.

However, I have some reservations about the practical effects of this bill on Kentucky's position with EPA and with local governments. How voluntary this program is seems open to question when EPA's intentions concerning permit consolidation and state-EPA agreements are considered. The IEAA could lead to an effort to force states to consolidate programs and funding in order to receive federal funds. My other major concern, the role of local governments, is that the bill contains provisions for direct grants to local governments without state concurrence. It is quite possible that a local government plan could be at odds with state intentions concerning program consolidation. Funding such a local plan would negate the entire purpose of the Act, consistency in an integration of environmental programs. I will discuss these and other concerns in more detail later.

The IEAA would allow this department to combine two or more of its programs in an integrated program plan. Activities covered include program planning, development, implementation or improvement for inspections, enforcement, monitoring, permit consolidation and regulation/procedure

Ivan Potter
October 5, 1979
Page Two

unification. Preliminary facility and site planning can be included "where consistent with the requirements of a covered program." This department can consolidate its activities for two or more of the following federal programs: Federal Water Pollution Control Act, Clean Air Act, Safe Drinking Water Act, Resource Conservation and Recovery Act, Toxic Substances Control Act, Federal Insecticide, Rodenticide and Fungicide Act and the Noise Control Act.

Funding would be authorized for \$25 million and competitive awards would be limited to 15 states and 25 local governments in FY 1980. This would be in lieu of federal funding a state would receive for those two or more separate programs. State and local funding match has to be no less than their share of included program costs for the base fiscal year. This replaces any existing matching or maintenance-of-effort requirements for the programs integrated as long as they remain combined. In FY 81 up to 30 states and 50 local governments could receive funding. After that year the fund would be opened to all other eligible state, local and interstate agencies. There is a provision for competitive supplementary funds to recipients of integrated assistance for one-time projects that are innovative and could serve as models. Ten percent of this supplementary category is to be set aside for local governments. The IEAA is to be in effect for five years, FY 1980 through FY 1984.

State governments can be funded directly, provided the governor has signed the integrated program plan. Local governments and interstate agencies can receive funds in two ways. The pertinent state can pass the funding through under its approved integrated plan, or locals and interstate agencies can be funded directly by EPA if one of the following conditions applies: the pertinent state does not receive funding, does not provide adequately for the local government's or interstate agency's participation or the state otherwise concurs.

Certain points must be included in a state plan, including public participation, consultation with and funding to local governments if the state plan gives responsibility to locals, cross-program consequences and management efficiency. Other points will be spelled out in regulations.

As I indicated earlier, one of our major reservations about this Act, aside from concern about what new EPA mandatory approach it portends, is the independence of local programs from any state direction. The Act requires that states consult with the pertinent local governments, but makes no reciprocal provision for the development of local government plans. Certainly local participation in IEAA should not be totally dependent on state participation, but direct funding of local without state concurrence will have serious adverse consequences on state programs and will contradict the purpose of this Act. The language of Section 8, Paragraph (a)(2)(i) would severely compromise the voluntary nature of the Act since it allows locals to be funded directly if the state does not receive integrated assistance. A state may deliberately defer

Ivan Potter
October 5, 1979
Page Three

immediate consolidation for certain programs because of a need for more planning or coordination, but may choose to integrate other programs. Through Section 8 local governments could be funded for programs that are not part of the state plan to the detriment of state categorical programs in those areas. In view of the chronic shortage of funds at the local level it seems likely that local governments will pursue direct funding. Thus it is imperative that any funds to local governments either pass through as part of the state integrated plans or have state concurrence if local funding is separate from any state efforts.

Also, in many states program responsibility has been assigned by statute to the state level. There is some question as to whether local governments can legally accept program grants in those areas specially assigned to the state. Language needs to be added requiring the grants to be consistent with applicable state and federal laws.

Section 8, Paragraph (a)(2)(ii) contains another provision that needs clarification, direct grants to local governments if the state does not, in the Administrator's judgment, provide adequately for local government participation. This seems too subjective since there is no language describing what constitutes adequate local participation nor a procedure for adopting participation rules. I would recommend that either EPA's judgment not be used as the decision point or that an objective set of guidelines be added to the bill.

The IEAA would allow up to 20% of the funds for the programs included in a state integrated plan to be transferred among those programs. Kentucky should have no problems transferring state program monies during a fiscal year so we would reap several benefits from this provision. It would allow us to circumvent some of the red tape involved with programs and provide faster response to immediate needs.

Overall, the IEAA could be an important step towards a more rational coordinated approach in state environmental programs. It could reduce needless duplication of permitting, monitoring and reporting requirements and the rigidity that now plagues our categorical programs. More importantly, by planning across functional areas, it could help eliminate the often artificial and arbitrary division of environmental programs that now occurs. I will be testifying in support of this bill before the Senate Environmental Pollution Subcommittee on October 16.

CFH:dal

cc: Jack Wilson, Acting Commissioner, BEP
Irene Steinhardt, Secretary's Office
Frank Wermeling, Secretary's Office
Ken Hoskins, Secretary's Office
Mike Robinson, Secretary's Office
Don Beevers, Supervisor, PCB
Ken Hines, Supervisor, IRB
Craig Ericksen, Supervisor, PRB



STATE OF MAINE

Department of Environment

MAIN OFFICE: RAY BUILDING, HOSPITAL STREET AUGUSTA
 MAIN ADDRESS: STATE HOUSE AUGUSTA 04333

Henry E. Warren
 COMMISSIONER
 269 2811

ADMINISTRATIVE SERVICES:
 769 2691

October 3, 1979

BUREAUS:

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 769 2437

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 769 2111

WATER QUALITY CONTROL
 769 2591

DIR. POLLUTION CONTROL
 769 2591

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 847 6746

154 MAIN STREET
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 764 3737

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AIR QUALITY CONTROL
 17 COMMERCIAL STREET
 PORTLAND
 773 0196

LAND QUALITY CONTROL
 17 COMMERCIAL STREET
 PORTLAND
 773 0196

Honorable Edmund S. Muskie, Chairman
 Subcommittee on Environmental Pollution
 Committee on Environment and Public Works
 Dirksen Senate Office Building
 Washington, D.C. 20510

Dear Senator Muskie:

As I have previously indicated in correspondence to you, I am in support of the Integrated Environmental Assistance Act of 1979. I will be unable to attend the public hearing on the bill scheduled for October 16, and would appreciate your incorporating my brief remarks in the record. Should there be questions I would be happy to respond to them in writing or talk with Committee staff.

Sincerely,

Henry E. Warren
 Commissioner

HEW:ems

cc: Governor Brennan
 Senator Cohen
 Representative Emery
 Representative Snowe
 Donald Larrabee
 William R. Adams, Jr.

Enclosure

Comments of Henry E. Warren
Commissioner, Maine Department of Environmental Protection

INTEGRATED ENVIRONMENTAL ASSISTANCE ACT OF 1979

Senator Muskie and members of the Subcommittee, my name is Henry E. Warren. I am Commissioner of the Maine Department of Environmental Protection, a position I have held since July 1977. I have been with the Department in several capacities since 1970 and the intervening nine years have been a period during which the mission of the agency, and its staff capability, have increased tremendously. Much of that increase has been due to Federal legislation and funding and with them have come increasingly persuasive influences on state activities by Federal agencies, particularly the Environmental Protection Agency. Through a combination of regulations and the financial pressure of grant objectives the states have been placed into a mold that reflects national objectives and priorities. However laudable and understandable that process may at times be, it does limit the flexibility of the state to adjust its programs to meet current local needs.

In recent years there has been an effort in the Congress to recognize the need for more flexibility and a larger role for qualified states. I can cite several examples with which I am sure you are familiar. They include the delegation of the N.P.D.E.S. licensing program to the states, the authorization for state administration of the PSD and hazardous waste programs, and the administration of the construction grants program under Section 205(g). I fully support each of these alterations in the system and the underlying willingness of Congress to include the states as full partners in the effort to improve environmental quality for all of our citizens. I believe that time will prove the wisdom of these actions by Congress, even with the growing pains

that inevitably occur along the way.

In my view, the Integrated Environmental Assistance Act of 1979 is the next logical step in the direction so firmly established by Congress. One clear restraint that hinders state flexibility is the financial grant system which is developed along categorical lines or, to use the currently popular term, media lines. Each grant supported program has been developed at a different time and under different circumstances, often without recognition of other, related, programs at the state and Federal level. But the days of clearly defined lines between various types of pollution sources are over, and the system we devise to respond to these changing circumstances must reflect this fact. The removal of particulate matter from an industrial air emission, for example, leads to a problem of residue disposal, usually on the land, and this in turn may lead to surface or ground water pollution. Similarly, the removal of wastes from a water discharge leads to the creation of a sludge which may need to be incinerated, thus generating an air quality problem.

In a related area, Federal funding programs are often slow to react to changing needs nationwide or within a particular state. Program momentum and constituencies develop at the national level which limit the ability to cut back in a program, even though the funds might be better used elsewhere. Traditionally, the response has been to raise additional funds for the new concern and continue the old program. Those days, too, are fast disappearing with the current economic situation and outlook.

This legislation will help to correct that problem and grant the flexibility needed, while maintaining the national objectives in each program category. It will allow the Governor and his environmental program administrators to evaluate current needs and adjust a significant portion of grant funds to meet those needs on a year by year basis. It should encourage

looking at the interrelationships and broader impacts in each category of concern, thus helping to remove artificially created blinders that may narrow our focus. It allows the manager to manage rather than react solely to outside direction. And it requires integrated program planning that in and of itself should enhance EPA's ability to coordinate the efforts of many agencies with its own.

Two other features of the Act which should be particularly appealing to flinty New Englanders are its voluntary nature and its maintenance of program objectives set forth in each affected statute. Accordingly, those states whose organizational or political structures do not lend themselves to such integration can maintain their current direction with no penalty.

Finally, I would put in a plug for the one time financial incentive discussed in the drafts of the bill. Such supplemental assistance will set the tone for this innovative program and encourage states reluctant to depart the status quo to at least evaluate the advantages of integrated programming.

I appreciate the opportunity to include my remarks in the record and would welcome any questions.



EDMUND G. BROWN JR.
GOVERNOR

State of California
GOVERNOR'S OFFICE
OFFICE OF PLANNING AND RESEARCH
1400 TENTH STREET
SACRAMENTO 95814

September 17, 1979

Governor George Busbee
Office of the Governor
Atlanta, Georgia 30334

Dear Governor Busbee:

We have been requested by the National Association of State Budget Officers to provide you with our comments on the Integrated Environmental Assistance Act of 1979 (HR 4213, S. 1136). From a policy standpoint, this measure would improve coordination among the various environmental protection programs which in California are administered by several different agencies. From an administrative standpoint, it would reduce some of the red tape resulting from 16 separate categorical grant programs. For these reasons, the Integrated Environmental Assistance Act of 1979 merits support.

Currently in California, each resource protection agency administers categorical program grants for environmental planning and regulation with little opportunity for coordination among these programs. The most significant feature of this legislation is that it encourages a forum at the state level for recognizing the relationships between air, water and solid waste management planning. In addition, it gives the Governor discretionary authority over a portion of the annual funding to encourage the state to weigh competing needs and establish priorities. Combining the categorical grant programs into a block grant format will also consolidate administrative requirements and encourage more streamlined procedures.

Initially, implementation of such a large-scale consolidation effort may result in more rather than less paperwork, and we are naturally concerned about this danger. However, we do support the concept of consolidating these grant programs to encourage coordination and reduce paper.

Sincerely,

Deni Greene
Acting Director

cc: Chuck Gocke
Winston Hickox
Larry Walker
Gary Magnuson
Pete Weiner

GEORGE R. ARIYOSHI
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801

August 20, 1979

GEORGE A. L. YUEN
DIRECTOR OF HEALTH
Audrey W. Mertz, M.D., M.P.H.
Deputy Director of Health
Henry N. Thompson, M.A.
Deputy Director of Health
James S. Kumagai, Ph.D., P.E.
Deputy Director of Health

In reply, please refer to:
File: EPHS

Mr. Jack Burris
Special Assistant
Office of the Governor
Atlanta, Georgia 30334

Dear Mr. Burris:

A copy of your memorandum of June 7, 1979 on the subject of the Integrated Environmental Assistance Act was forwarded to us from the Office of Governor George Ariyoshi for appropriate action. I would like to take this opportunity to express our support for this legislation.

The Hawaii State Department of Health was one of four states (along with Utah, Washington, and New York) to participate in an experiment in inventing an integrated grant in 1973. To the best of my knowledge, Hawaii is the only one of the four that has continued to utilize this mechanism over the years and we are now firmly committed to it. Our state budgeting system was revised to treat state air, water, solid waste and noise abatement funds as a single unit and our programs are now organized functionally, that is, one branch issues all permits for control of air, water and solid waste pollutants, and a second branch handles all monitoring and enforcement actions, again for all the programs. We intend to integrate the drinking water program also in the near future.

The biggest problem with this system is that the U. S. Environmental Protection Agency continues to be organized categorically with each program having its separate congressional mandate and funding arrangements. This complicates our bookkeeping enormously since an audit trail must be maintained, assuring that air funds are not spent for water activities, or water funds for solid waste, etc. What we really want is an environmental block grant similar to our state funding system so that we could create our annual program based on environmental objectives without regard to a specific federal funding source. However, we do not expect that this can be achieved for some time since each program appears to have a separate constituency nationally.

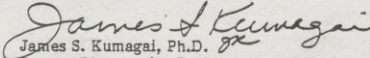
If we cannot have a block grant, the Integrated Environmental Assistance Act is the next best thing. We particularly like Section 12 Accountabilities. This provision would resolve our audit trail problems and, along with the 20% funding flexibility provision, would allow us to set program priorities to a much greater extent than at present.

I do not perceive any problem in the increased role of the Governor in setting priorities, as noted in your memo. In Hawaii, there is close coordination between the Department and the office of the Governor in establishing program priorities. Moreover, all programs are included in the State/EPA Agreement, which is signed by the Governor and the Regional Administrator of EPA.

I am enclosing a copy of our draft FY 1980 Consolidated Environmental Program Plan for your information. This may be useful as an example of an existing integrated grant. You can see that the administration of this program will be greatly simplified if the proposed legislation is adopted.

If we can be of any further assistance, please feel free to call on us.

Yours truly,


James S. Kumagai, Ph.D. *JK*
Deputy Director for Environmental Health

cc: Dan Ishii



iowa department of environmental quality

reply to: Larry E. Crane
phone: 515/281-8854

July 13, 1979

Mr. Jack Burris
Special Assistant
Office of the Governor
Atlanta, GA 30334

Dear Mr. Burris:

Your memo of June 7, 1979 regarding the "Integrated Environmental Assistance Act" addressed to Mr. Dutch Vermeer of the Governor's Office has been forwarded to our Department for comment. Our Department is in favor of this legislation and our support has been communicated to Iowa's congressional delegation. We have also worked with EPA to encourage such legislation. The Iowa Department of Environmental Quality was one of the first states to apply for and receive a consolidated grant from EPA. The first Iowa consolidated grant was received in FY73.

Sincerely,

Larry E. Crane
Executive Director

LEC:JEO:klg

cc: Mr. Dutch Vermeer, Office of the Governor, State
of Iowa



iowa department of environmental quality

reply to: Larry E. Crane
phone: 515/281-8854

July 30, 1979

Honorable Senator John C. Culver
United States Senate
344 Russell Office Buidling
Washington, D. C. 20510

Dear Senator Culver:

I am writing in regard to the "Integrated Environmental Assistance Act." As you are aware I have been following the efforts in regard to this Act for the past two years. I understand that hearings are being scheduled for September and I would like to request consideration for testifying at those hearings in support of the proposed Act. I should point out that the financial encentives are not necessary from Iowa's viewpoint.

I hope that the hearings will cover the interests of several of the Committees and Subcommittees of both the House and Senate. Copies of this letter are being sent to other appropriate individuals in the House and Senate in order to express my interests in any hearings that are held.

Thank you for your efforts in regard to this Act. I shall await a response in regard to the hearings.

Sincerely,

Larry
Larry E. Crane
Executive Director

LEC:klg

cc: Senator Edmund S. Muskie
Representative Harley O. Staggers
Representative Harold T. Johnson
Mr. Karl R. Braithwaite
Mr. Christopher E. Dunne
Ms. Joan M. Kovalic
Mr. Elmer "Dutch" Vermeer, Governor's Office,
State of Iowa



iowa department of environmental quality

reply to: Larry E. Crane
phone: 515/281-8854

March 28, 1979

Honorable John C. Culver
United States Senator
Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Culver:

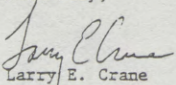
I am writing in regard to proposed legislation entitled "Integrated Environmental Assistance Act of 1979." The legislation was prepared by the U.S. Environmental Protection Agency with considerable input from the Office of Management and Budget (OMB). Several State Agency Directors including myself have worked with EPA, OMB and the National Governor's Association during the preparation of the proposed legislation.

At some point in time, the legislation will be considered in the Senate Committee on Environment and Public Works. I would like to lend my support to the passage of legislation with the intent behind this proposal. I have taken the liberty to attach a draft copy of the proposed legislation as well as a section by section analysis which has been prepared.

Iowa was one of the earlier states to utilize the existing "Consolidated Grant" provisions for EPA funding. The integration of the State's programs for the greatest impact on environmental problems has been my goal during all of our efforts. The funding flexibility offered by this proposed legislation will greatly enhance the State's efforts to meet our environmental objectives.

I would be pleased to work with you and your staff during any consideration of this type of legislation. In particular during the Committee work on the legislation. I look forward to hearing from you on this matter.

Sincerely,


Larry E. Crane
Executive Director

LEC:klg

cc: Elmer "Dutch" Vermeer, Governor's Office



STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SPRINGFIELD 62706

JAMES R. THOMPSON
GOVERNOR

July 18, 1979

Mr. Jack Burris
Special Assistant to the Governor
for Intergovernmental Relations
Office of the Governor
Atlanta, Georgia 30334

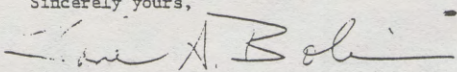
Dear Mr. Burris:

Sylvia Dennen forwarded to me your memorandum of June 7, regarding the Integrated Environmental Assistance Act, for my review.

I have consulted with Mr. Michael Mauzy, Director of the Illinois Environmental Protection Agency, and concur with his support of this legislation. Mr. Mauzy has, however, raised a number of valid concerns which need to be addressed (see attached letter). Should you have questions regarding his comments, he can be reached at Area Code 217/782-9540.

Thank you for providing us with this opportunity to comment.

Sincerely yours,


Jane A. Bolin
Assistant to the Governor for
Energy and Natural Resources

JAB:lk

cc: Mike Mauzy
Frank Beal
Sylvia Dennen

217/782-3397

April 19, 1979

Calvin K. Sudweeks
Executive Secretary
Water Pollution Committee
Post Office Box 2500
Salt Lake City, Utah 84110

Dear Cal:

I learned recently that a meeting with USEPA was scheduled for April 25 to discuss the integrated grant program (the proposed legislation) and felt that you should have benefit of written comments from Illinois concerning our position on this program.

Conceptually, we support the integrated grant program approach because it provides an opportunity for states to tailor their program to meet state needs. The realization of this objective, however, is dependent upon care being used by the regional USEPA offices in the administration of the program. The potential for flexibility is created and one either has faith that the program administration will work or won't. I have faith that it can be made to work. The proposed program also does offer some potential for simplified paper work; however, this aspect of the program is being overplayed. I doubt seriously, that the amount of paper work can be significantly reduced. I do hope, however, that the grant award process can be speeded up and that, to me, is an advantage. The proposed program offers the potential for single record-keeping and single audit of all environmental grants. At the present time, IEPA is administering eight different USEPA grants, and at the same time, maintaining the books in accordance with required state procedures. Keeping nine sets of books is driving us nuts, and is an unnecessary administrative burden. The program as presented provides for voluntary participation, another feature which I find beneficial. It allows each state to customize to meet its institutional situation or to choose, for whatever reason, to not participate.

On the other side of the ledger, we do have some concerns with the program as proposed and they are listed below:

1. A new maintenance of effort requirement is created which replaces the existing maintenance of effort requirement on the categorical grants which are integrated. Like most other existing maintenance of effort requirements the amount of state financial support to the programs is fixed, whereas the federal funding can be variable. It seems to me, that some provision for state reduction of maintenance of effort should be provided in the event the federal program support is

Page 2

- reduced. For many of the categorical grants, the proposed maintenance of effort will codify existing state overmatch to become a new base for maintenance of effort purpose. Unless this feature can be worked out, states will have to exercise great care in choosing which of the categorical programs to integrate.
2. The degree of consultation with local governments should be clarified. I have talked with USEPA on several occasions, and I cannot get clarification as to whether consultation with all local governments is necessary, or whether it is the intent of USEPA to provide consultation with local government program grantees (i.e., local air pollution control agencies, designated 208 agencies, etc.) USEPA must get more explicit in this area so that we know what their intentions are.
 3. The implication is that integrated grant funds will be passed through to local agency grantees. This, in my judgment, should be an optional provision at state option. In Illinois, if we pass funds through to local agencies, the funds must be appropriated by the General Assembly and therefore the act of passing through the state agency creates an unnecessary undue burden on local grantee participation in the grant programs. I would not recommend that this be a mandatory feature.
 4. The concept is to provide for transfer of funds between the categorical grant programs so that programs can be tailored to meet state needs. However, in the response to question 21 on the question and answer sheet accompanying the integrated grant legislation, it is indicated that the Administrator may wish to protect some programs by requiring in EPA's annual guidance that no funds be transferred from them at all. This appears contradictory and inconsistent. If the state is to have flexibility, it must be provided flexibility; not necessarily subflexibility subject to the Administrator's annual program guidance. After all, if the state proposes to transfer funds, any such transfer must be approved by the Regional Administrator as part of the program approval and, therefore, the protectionist language provided by the response in Section 21 is unnecessary and may well signal the intended lack of flexibility in the program.
 5. Incentive funds were provided and USEPA's scheme is that each participating state has the opportunity to compete on a national basis for supplementary assistance. I am completely unimpressed to date with the national competitions which USEPA has conducted and it's my view that that is just asking for a system to be established in which grant assistance is awarded based on factors other than the program merits. If incentive funds are provided, they should be

Page 3

allocated to the Regions and I'm willing to accept a Regional competition for supplemental funds. In our experience, Regional award of supplemental funds is more likely to be made on program merits and less on other factors including political than is the case in headquarters.

6. Section 9 of the Act is completely unacceptable in that I think it means that no local funding is required in support of local participation in the conduct of environmental programs by local governments. I think it's reasonable to assume that if a local government is given responsibility for activities under the state's integrated program, that the Administrator shall assure that the plan provides adequate funding from non federal sources to match the federal funds. In Illinois, we have three local air pollution control agencies, all three of whom commit substantial local funding in support of the State Air Pollution Control Program. As I read Section 9, it would require that for these programs to continue, the state would have to fund what is now a local share.
7. All states should recognize that in these "negotiations" that USEPA holds all the cards. It's not a lot different than in negotiating the present categorical grants; however, with the larger scope, the negotiating position may become more rigid by USEPA.
8. It's clearly the intent that any incentive funds provided are for the purpose of program enhancement, that is, one time expenses. Some indication should be given as to whether these one-time funds once awarded can be expended over a multi-year budget period because many program enhancements cannot be completed within the same year of grant award.
9. USEPA believes that the process of applying for integrated assistance will be no more complicated than existing program grant procedures. In my view, this is unrealistic and untrue. Achieving program integration, the purpose of the entire exercise will require much more effort to think through program coordination on an intermediate basis, how to achieve procedurally program integration and will require much more thought on the part of state agencies from a management viewpoint than is currently required in the application of the categorical grants. This isn't to say that this effort should not be spent but just that it's unwise to perpetuate the myth that this is going to be simpler than the present system.
10. The time schedule for the submission of an integrated program grant application and its review by the Regional Office is such that if it is disapproved and the state has to then reapply for the separate categorical grants, the categorical grant applications will be late.

Page 4

Provisions should be made under these conditions that the regulatory penalties for late submissions which are possible are not imposed. The system is also set up for a draft program plan by June 1, following which the RA negotiates concerning the plan program accomplishments for an August 1 final submission. At the August 1 checkpoint, the RA then has the opportunity to approve the plan, conditionally approve it, or disapprove it. If the plan is responsive to the negotiated strategy and negotiations, why does the RA then have the opportunity to disapprove the plan? What is the appeal mechanism for an agency that disagrees with the basis of the RA disapproval?

11. The financial aspects of coordinating the integrated grant as reflected by the responses to questions 42 and 44 are of some concern. I understand the practical realities that USEPA cannot make grant awards in the absence of release of allotments; however, the concept of supplementing awards through a grant amendment process raises a host of rather difficult financial arrangements at the state level. This should be thought through more clearly.
12. The response to question 51 for all practical purposes in Illinois eliminates us from participation in the integrated grant program. Allegedly, a county must support expenditures relating to negotiated program elements and outputs. Our books are not kept by program elements and outputs. Our books are maintained pursuant to state law by objects of expenditure or expenditure class and the books to be audited cannot be kept in any other way. This has also been a problem with the categorical grants. I hope it can be worked out the same way. We cannot keep an auditable set of books by program element. The response to question 52 alludes to the same problem and expands upon it. Unacceptable.
13. The legislation Section 58 should have the words "after consultation with the state or states" inserted immediately after the word Administrator.
14. In Section 7A the concept of having all programs consistent with national objectives significantly reduces the flexibility. There seems to be an inherent assumption that national objectives are consistent with state needs. This presents a large area for conflict and opportunity for reduction in flexibility.

Cal, I suggest that we ask USEPA at the meeting to develop the regulations to implement the integrated grant program so that we have an opportunity to work with them and see these regulations prior to any commitment to support the legislation. I think we should work support

Page 5

for this legislation as we did for Cleveland-Wright. It's a good concept but it's a concept that's easy to circumvent the advantages through regulations promulgated by the Administrator to implement the legislation. Let's see the regs.

Sincerely,

Michael P. Mauzy
Director

MPM:jb/6787A/6-10

cc: Robbi Savage
Roger Kanerva
Jack Moore
Ira Markwood
Dan Goodwin
Jim Young



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

WILLIAM G. MILLIKEN
GOVERNOR

June 22, 1979

Mr. Jack Burris
Special Assistant to the Governor for
Intergovernmental Relations
State of Georgia
Office of the Governor
Atlanta, Georgia 30334

Dear Mr. Burris:

Thank you for your letter requesting my comments concerning S. 1136. This bill is a significant improvement over previous drafts of the bill offered by the Administration, but I still have trouble with several sections. Michigan has supported the concept of consolidated grants, and the director of our state Department of Natural Resources has testified in this regard before the Senate Public Works Committee.

I am disturbed by the language in Section 8 (2) (i) and (ii). I believe the bill must recognize that in many cases, Michigan being one, state laws give state departments specific responsibilities and state governments have made individual decisions regarding the division of responsibilities between state and local governments. Section 8 gives the EPA Administrator the power to unilaterally ignore the previous decisions of state legislators and governors in this respect, and the authority to enforce such a decision by shifting federal funds from a state to a local government.

In another sense, subsection (i) could be interpreted as an arm twisting technique designed to get states into the program. I believe that an incentive approach such as contemplated in Section 17 should suffice.

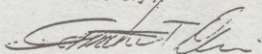
The legislation should recognize that local governments have differing degrees of competence and interest in environmental programs. Subsection (ii) seems to assume that local governments can be provided involvement in environmental decision making to some uniform degree through the federal rulemaking process, and that the Administrator is informed and competent to make judgements concerning the adequacy of local involvement. We must object to this approach, particularly in view of the fact that for many of the programs covered, the Governor remains responsible for assuring that the requirements of the various acts are met. If the Administrator is to be given the discretion to include local governments in programs relating to such legislation, then the Governor's responsibility for assuring compliance will have to be shifted as well.

Mr. Jack Burris
Page 2
June 22, 1979

I also have a difficulty with Section 14. As I understand this section, once the case year expenditure is determined, the state would have an obligation to increase its share of expenditures if the federal government unilaterally decided to reduce its share. The reverse could also be true, i.e. the state's expenditure could be reduced if the federal government increased its share. I can assure you that while our state legislature would gladly accept additional federal assistance, they will object most strongly to any requirement that state taxpayers pick up additional costs of a federal program because the Congress has reduced its share of the obligation.

Again, thank you for the opportunity to review this. I hope these comments are of use to you. Please give my regards to Gordon.

Sincerely,



Jonathan T. Cain
Special Assistant to the
Governor

JTC/mb



STATE OF ARKANSAS
OFFICE OF THE GOVERNOR
State Capitol
Little Rock 72201

Bill Clinton
Governor

June 27, 1979

Mr. Jack Burris
Office of the Governor
Atlanta, Georgia 30334

Dear Mr. Burris:

Your memorandum to Rudy Moore with the attached copy of S 1136 has been referred to me for reply.

The Arkansas Department of Pollution Control and Ecology and this Office support the Integrated Environmental Assistance Act as embodied in S 1136.

I agree that the consolidation of the grants and the ability to assign 20% of one grant to another area will result in more efficiency and a streamlined operation. These are the attractive aspects of the bill and you can be assured that the State of Arkansas supports the concept.

Sincerely,

D. G. Criner
Administrative Assistant

DGC/wdc

Best wishes to Gordon



State of Colorado

EXECUTIVE CHAMBERS
136 State Capitol
Denver
80203

RICHARD D. LAMM
Governor

839-2471

June 21, 1979

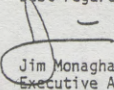
Mr. Jack Burris
Special Assistant to the Governor
for Intergovernmental Relations
Office of the Governor
State Capitol
Atlanta, Georgia 30334

Dear Jack:

Thank you for your June 7 memo regarding S. 1136, the Integrated Environmental Assistance Act of 1979. Our Health Department has been following this legislation, and has commented favorably on the Bill. Although they did express concern over loss of support in the past for many programs switched from categorical to bloc grants, the flexibility of this Bill adequately addresses that concern.

I have looked over the legislation and discussed it with Governor Lamm. He sees no real problems with it and does support the Act. The voluntary and flexible nature of the Bill make it particularly appealing. Congratulations on your role in working with the Administration in formulating this legislation. I believe it can really help promote the integration and coordination of environmental programs.

Best regards,


Jim Monaghan
Executive Assistant
to the Governor

cc: Gordon Harrison ✓

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

JAY S. HAMMOND, GOVERNOR

POUCH 8 - JUNEAU 58811

June 14, 1979

Mr. David Johnson
 National Governors' Association
 Hall of the States
 444 North Capitol Street
 Washington, D.C. 20001

Dear Mr. Johnson:

This letter is in reply to your memorandum of May 1, 1979, requesting comments on the draft Integrated Environmental Assistance Act of 1979.

After reviewing the materials, we strongly support the objectives of the draft legislation. The state of Alaska has, over the last several years, been trying to achieve several of the goals proposed in this legislation. Specifically, we are consolidating permit systems; attempting joint federal-state planning priority setting efforts, and two or more state agencies are working toward common environmental quality goals and state federal data systems. However, we do not believe that the provisions of the draft bill adequately allow states to meet the stated objectives.

One of the basic objectives of the legislation is flexibility. Yet flexibility is highly constrained and restrained under the draft legislation. Improvements which we recommend to achieve the needed flexibility are:

1. Allow the states the option of including 201 funding in the integrated program. Twenty percent transfers in this budget category could give states that receive minimal EPA funds a great deal of latitude and leverage to create innovative approaches to environmental quality programs.
2. Under Section 7 of the proposed legislation, neither integrated nor supplemental funds can be used for any construction activities. Again, although a state's planning and data may indicate, for example, a need for construction of a community water supply as the answer to a set of connected environmental quality problems, funds could not be used for this solution. Other solutions would, we suppose, have to be found.

The above is not meant to imply that the state of Alaska sees increased construction as the answer to the set of environmental problems addressed in the legislation. Indeed, nonconstruction solutions are very important to us. The draft legislation does not particularly forward these approaches either.

3. While the legislation expresses a belief and commitment to the idea of integrated local-state effort and to delegation to the appropriate governmental level, a state must pay to do so. If local governments accept responsibility for programs currently conducted by the state agency, then the sums of money that had gone to the state to conduct that program would go to the local governments instead. In purely economic terms, it is less costly for the state to conduct several programs that could be conducted better on a local level. However, while the funding is an incentive to local governments to take over those programs, insufficient funds are provided for all local governments to assume programs. We recommend that if a state and its local governments agree to a transfer of responsibility for the conduct of a program or part of a program, then the federal government should supply additional funds to enable the new local government program to succeed.
4. Disregarding flexibility and innovation, the legislation limits transfers between programs to 20 percent of the federal and state program receipts. We urge that states be permitted to make unlimited transfers of state funds and not have those bound by the 20 percent limitation. This should be done within the requirement offered by the legislation of single maintenance of effort.

Such a change would truly allow states to be responsive to the needs and approaches which have been identified as suitable to that state. The federal government would still have a significant amount of control, as program approval by the EPA administrator would still be required.

5. Our last recommendation relates to any possible review panel. Review panels should include state members, as well as EPA and Regional EPA members.

In summary, while we support the Integrated Environmental Assistance Act, especially in terms of its objectives which are objectives shared by the state of Alaska, we feel that improvements can be made in the draft which would enable EPA and the states to meet those objectives in a more efficient manner.

Sincerely,

Ernst W. Mueller
Ernst W. Mueller
Commissioner

cc: Senator Gravel
Senator Stevens
Congressman Young



STATE OF
WASHINGTON

Doy Lee Ray
Governor

DEPARTMENT OF ECOLOGY

Olympia, Washington 98504

206/753-2800

May 18, 1979

Honorable William Proxmire
Chairman, Senate Appropriations Subcommittee
on HUD and Independent Agencies
Room S 125
Capitol
Washington, D.C. 20510

Dear Senator Proxmire:

I presented testimony to your committee May 3 regarding appropriations for the Environmental Protection Agency. Because of limited time I was not able to present some remarks regarding a proposal by the administration entitled the "Integrated Environmental Assistance Act of 1979." I want to advise you that I endorse this proposal. I believe it will provide flexibility needed by state and local governments to determine their individual environmental protection priorities which should simplify state and local grant administration through reduced paper work, duplication and reporting requirements.

Integration of environmental programs will support state efforts to streamline permit procedures. This should have the affect of reducing delays for many public and private projects and thereby reduce costs.

Our endorsement of this proposal is based on the legislation being optional to the states. The variety of administrative arrangements for environmental programs among the states demands that the program be optional.

When this bill is introduced to Congress, I urge that it be given serious consideration for funding provided that it is clearly optional to the states to enter into the program of integrating their environmental programs.

Sincerely,

John F. Spencer
Assistant Director
Office of Water Programs

JFS:nd

cc: Senator Warren G. Magnuson

DEPARTMENT OF NATURAL RESOURCES
AND ENVIRONMENTAL CONTROL
DIVISION OF ENVIRONMENTAL CONTROL
STATE OF DELAWARE
P.O. BOX 1401
DOVER, DELAWARE 19901

September 19, 1979

Mr. Karl Braithwaite
Subcommittee on Environmental Pollution
4204 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Braithwaite:

It has come to my attention that the Senate is scheduling a hearing on EPA's proposed legislation for integrated grants.

This concept offers potential benefits of importance to our programs for effective environmental management in Delaware.

This is to request an opportunity to participate in this hearing and express Delaware's views regarding how this legislation can strengthen the Federal-State partnership in environmental management.

Sincerely,

Thomas P. Eichler
Director

TPE:bh

cc: Mr. Harvey Pippons
Mr. Paul Ambrose
The Honorable John Wilson

October 26, 1979

Edmund S. Muskie, U.S.S.
Chairman, Subcommittee on Environmental Pollution
United States Senate
Committee on Environment and Public Works
Washington, D.C. 20510

Dear Senator Muskie:

Thank you for your letter of October and invitation to provide this written statement for the record on S.1136, the Integrated Environmental Assistance Act of 1979.

This is to express support for this important legislation and to urge its early passage. The State of Delaware stands to benefit from this new management option and intends to compete for the additional incentive funds it would provide.

This new approach would further support State initiatives for effective environmental management. The State of Delaware already employs a zero-based budgeting approach which focuses on identification of priorities, cutting across narrow program limitations.

This year our new State-EPA Agreement provided the management focus for priorities in our 1981 State budget request as well as our environmental program grant applications to EPA. Delaware's State-EPA Agreement encompasses programs under the:

- Clean Water Act
- Safe Drinking Water Act
- Resource Conservation and Recovery Act
- Clean Air Act

The flexibility we have in planning our program strategies is not presently matched by comparable flexibility in grants management. The Integrated Environmental Assistance Act would be an important next step in Delaware's program to provide effective environmental leadership. Areas where use of this option could be immediately useful in Delaware include integrated programs for:

Received 11-20-79
Director's Office, Grants Admin. Div.

Edmund S. Muskie, U.S.S.
October 26, 1979
Page two

-Toxic Waste and Hazardous Substances Control

A coordinated strategy necessarily draws upon the resources and regulatory authority found in all four Federal Acts indicated above as well as those available at the State level.

-Water Management

Provisions for monitoring, laboratory analysis and other areas common to the Safe Drinking Water Act and Clean Water Act.

-Consolidated Permits Management

Most permits included under EPA's proposed consolidated permit management are already delegated to the State for administration. In addition under our newly approved Coastal Management Program the State is undertaking its own review of the potential for consolidation of various State permit programs.

-Program Development

Environmental challenges of the decade ahead require greater focus on new approaches as well as better coordination of existing programs. Planning requirements and policy development can be enhanced in many instances.

-Public participation

Public participation and education approaches can be made more effective while getting greater value for the dollar spent.

-Staff Development

Development of skilled environmental managers is essential to moving all environmental objectives and should not be limited by availability of funds under one program while they may be lacking under another.

Edmund S. Muskie, U.S.S.
October 26, 1979
Page three

-Acquisition of Major Items of Equipment

Recent experience in EPA assisted acquisition of a gas chromatograph mass spectrometer partially funded under three separate funding authorities has demonstrated the need to lend funding flexibility comparable to the program integration being sought.

We are mindful that all states regardless of size must make essentially the same effort in applying for EPA grants, but that this burden falls more heavily on relatively smaller states such as Delaware. At the same time our size lends itself to meaningful integration of program approaches.

The State-EPA Agreement is a useful first step in improving grants management. Passage of the Integrated Environmental Assistance Act would be a useful and logical next step in this process.

Sincerely,

Thomas P. Eichler,
Director

bcc Harry Pippin ✓
Jack Schramm
Nicholas DeBenedictis
Paul Ambrose

NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

HALL OF THE STATES

444 NORTH CAPITOL STREET, N.W.

WASHINGTON, D.C. 20001

(202) 624-5382

November 2, 1979

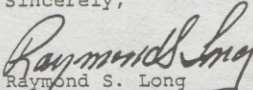
Mr. Karl Braithwaite
Staff Director
Subcommittee on Environmental Pollution
Committee on Environmental and Public Works
6231 Dirksen Building
Senate Office Building
Washington, D.C. 20510

Dear Mr. Braithwaite,

I am enclosing a copy of the resolution adopted by our
Executive Committee supporting integrated grant programs.

Thank you for your help in this matter.

Sincerely,


Raymond S. Long
Executive Director

enclosure

cc. Jack Gwynn w/enc.

RESOLUTION

The Integrated Environmental Assistance
Act of 1979 (H.R. 4213-S. 1136)

WHEREAS, Proposed legislation, H.R. 4213 and S. 1136, will consolidate some funding within the federal environmental grants; and

WHEREAS, this will provide greater flexibility for the states and improve executive direction and program effectiveness.

Now, therefore, be it resolved, that the National Association of State Budget Officers supports this federal grant integration and will transmit copies of this resolution to the National Governors' Association and appropriate Congressional committees.

Approved by the Executive Committee
of the National Association of State
Budget Officers
October 11, 1979
Portland, Oregon

ENVIRONMENTAL POLICY CENTER

317 Pennsylvania Ave., S.E., Washington, D.C. 20003
(202) 547-6500

Testimony Before the
Energy and Environment Subcommittee
House Interior and Insular Affairs Committee
Concerning
The NRC Agreement States Program

July 19, 1979

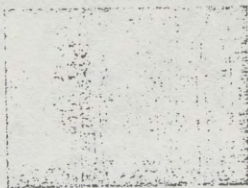
by

David Berick, Washington Representative

Congressional philosophy of allocation of regulatory responsibilities as well as increase uniformity of standards among states. Licensing and Inspection and Enforcement Divisions of the NRC should be integrated into the agreement state review process.

- 3) Technical assistance should be increased and specific grant programs to assist state radiation regulatory agencies should be established. One possible vehicle for this is the Integrated Environmental Assistance Act (H.R. 4213) which would provide grant assistance to state regulatory agencies for a number of environmental enforcement programs with the flexibility to fit the specific allocation of regulatory authority within the state. The Act would also buttress the radiological assistance already provided by EPA under its Federal Radiation Council authority. The role which EPA plays, especially that of its radiation laboratory capability, is often ignored although it is much used and presently overtaxed due to budget cutbacks.
- 4) The NRC's tritium and nuclear material reporting requirements for agreement states should be revised to include direct submissions to the NRC, to require concurrent submissions to the appropriate state regulatory agency, and to require prompt review by the NRC of these reports with a subsequent report to the appropriate state agency of the NRC's findings. The present practice of material reporting appears to serve no one.

The ideas behind these recommendations are not altogether new ones. The NRC Task Force Report on Review of the Federal/State Program for Regulation of the Commercial Low-Level Radioactive Waste Burial Grounds reported on



by Ansel Adams in *This is the American Earth*

SIERRA CLUB

330 Pennsylvania Avenue, S.E.
Washington, D.C. 20003
(202) 547-1141

October 16, 1979

Re: S. 1136, The Integrated Environmental
Assistance Act

Subcommittee on Environmental Pollution
Committee on Environment and Public Works
6231 Dirksen Senate Office Building
U.S. Senate
Washington, D.C. 20510

Gentlemen:

Please include the enclosed statement and suggested amendments in the hearing
record on S. 1136, The Integrated Environmental Assistance Act.

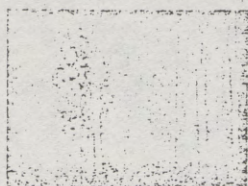
Thank you.

Sincerely,

Rhea L. Cohen

Rhea L. Cohen
Washington Representative

Enclosures



by Ansel Adams in *This is the American Earth*

SIERRA CLUB

330 Pennsylvania Avenue, S.E.
Washington, D.C. 20003
(202) 547-1141

October 16, 1979

FOR THE RECORD OF THE HEARING ON

S. 1136

THE INTEGRATED ENVIRONMENTAL ASSISTANCE ACT

Submitted to the Senate Committee on Environment and Public Works
Subcommittee on Environmental Pollution

Submitted by

J. William Futrell, Ph.D.
Director and Former President, Sierra Club

and

Rhea L. Cohen
Washington Representative

The Sierra Club has long advocated the need for an integrated approach to environmental problem solving. The bill, S. 1136, Integrated Environmental Assistance Act of 1979, or IEAA, which is currently before your Committee, is one step along that path. The Sierra Club supports that bill and urges the Committee to approve it.

We are concerned that the current Environmental Protection Agency grants system forces most states and local governments to deal with the environment not as a whole but in separate parts, such as air, water, and solid waste.

Nature does not respect those artificial boundaries. For example, hazardous waste is not merely a solid waste problem: it can create air pollution if burned or water pollution if buried. Aerial applications of chemicals, which are regulated under a pesticide control program, can cause both air and water pollution. Environmental protection officers constantly face problems caused by our current piecemeal approach, especially as exemplified by EPA's current grant awards process for states and local governments.

When environmental protection and the grants to bring it about do not follow nature's organization, the result is inflexibility, inadequate program planning and administrative complications. If the Congress passes the Integrated Environmental Assistance Act, EPA and its state/local government grant recipients would be enabled to deal with environmental matters as a whole--not through independent programs rigidly limited by legislative and organizational boundaries.

Some key features of S. 1136 in which the Sierra Club is particularly interested are section 5(c), public participation; section 6(d) Federal oversight; section 7(b)(3), savings to the public; section 7(d)(4), trial program; and Section 13, supplemental assistance.

Public Participation. In the past, citizen groups such as the Sierra Club have only infrequently monitored EPA grants to the states. This is primarily because EPA and the states currently negotiate up to sixteen grant agreements, which amounts to having to deal with sixteen officers and sixteen plans. Volunteer organizations have neither the staff nor the resources to review so many plans. IEAA would simplify this procedure by telescoping two or as many as sixteen grant programs into one, with one contact person.

An additional feature that we support is the provision that the public be involved in the development of a proposed integrated plan, and in the implementation of the approved integrated program. Members of the general public would be enabled to review and affect what a state or local government intends to do, and does, with its EPA grants.

As with any legislation, implementation is a key step. We recommend the inclusion of a section in EPA's state grant applications requiring the appli-

cant to report on its public participation program, both in developing an integrated plan, and also in the implementation of its proposed program. (Several proposed amendments are attached for your Committee's consideration.)

Federal Oversight. A crucial element of IEAA is the role of Regional EPA Administrators in reviewing and approving proposed integrated plans. We support increased flexibility for the states in managing their environmental programs. However, our experience with the implementation of early environmental laws of the late 1950's and throughout the 1960's, has shown that without federal oversight, states and localities are subject to intense local political pressures opposed to implementing controversial or stringent environmental laws or regulations. Congress recognized this problem when it drafted amendments to the Clean Air and Water Acts early in the present decade. We support the provisions that provide the Administration the necessary review and approval powers to ensure that federal mandates are carried out.

Savings to the Public. We support those efforts of the federal government to institute cost savings, so long as they streamline but do not undermine environmental programs. Since IEAA's goal is to simplify multiple programs' administrative procedures, by means of a single grant application, a single reporting process and single matching funds requirement, the government's cost of doing business should be noticeably reduced.

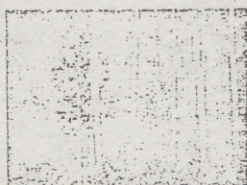
Trial Program. We support the concept contained in S. 1136, of phasing in the integrated planning program over three years' time with review by and reports to Congress. This would allow for either refinement or abandonment of the program, before EPA has made irretrievable commitments.

Supplemental Assistance. Incentives for performance appear to be necessary to foster innovation. Frequently, state and local governments resist funding innovative programs. New programs, such as a toxic registry or consolidated laboratory facilities, go begging for lack of start-up funds. This is an area in which the Sierra Club would welcome an opportunity to work with states and local governments to devise projects worthy of supplemental assistance.

In the previous paragraphs, we have discussed sections of S. 1336 which the Sierra Club supports. In closing, we wish to touch upon a matter of major concern, funding flexibility (Section 11). Some safeguards against abuse of Section 11 are currently written into the bill—prior approval of the Regional Administrator, public participation, and the meeting of environmental mandates—but we must underscore the importance of closely monitoring the implementation of this section. Our concern stems from the fact that certain jurisdictions might want to transfer money from politically sensitive programs, such as transportation control planning, to less sensitive ones, such as emergency response preparedness. The Administrator must review each plan carefully for the applicant's ability to meet all of the local environmental goals required by the Congress and EPA. Obviously, EPA must not approve any transfer of funds away from a program if that program would thereby be made weaker or less effective in meeting its objectives. This is where the adequate involvement of citizens will be crucial to the development of a proposed plan that will enhance and not detract from the necessary environmental programs of their state and local governments.

In the initial years of implementing IEAA, the local chapters of the Sierra Club will be interested in reviewing and commenting upon the proposed plans. We feel it is necessary to assist volunteers to participate in the planning process, by providing some funds under this program for transportation and other incidental expenses.

While we view IEAA as a step in the right direction toward integrated environmental planning, we hope it will not be the last. Once again, we urge the Committee to support S. 1136.



by Ansel Adams in *This is the American Earth*

SIERRA CLUB

330 Pennsylvania Avenue, S.E.
Washington, D.C. 20003
(202) 547-1141

October 16, 1979

SUGGESTED AMENDMENTS TO S. 1136, THE INTEGRATED ENVIRONMENTAL ASSISTANCE ACT OF 1979 (May 15, 1979 Printing)

/underlined material is added/:

p. 7, Sec. 5(c):

The Administrator shall establish procedures which assure that the applicant...received, and, (3) includes with the proposed plan a report that describes the public participation measures used to involve citizens in the development of the plan, and also sets forth a program for continuing public participation in the implementation of the plan. Financial assistance for transportation and other incidental costs shall be a part of such public participation programs. Once the Administrator has approved the plan, the applicant shall provide an annual report on the program elements for public participation in the implementation of the plan.

p. 9, Sec. 6(a)(2)(c):

...In the event of disapproval, the Administrator shall notify the applicant in writing within thirty days, unless s/he decides to hold a public hearing on the proposed plan. In which case, the time necessary to meet all legal requirements for notification and other hearing-related procedures shall be added to the thirty-day limitation.

pp. 9-10, Sec. 6(a)(2)(d): The Administrator shall not approve an integrated program plan unless he determines--(4) that the proposed program contains efficient and effective management mechanisms, and sets out provisions for citizen participation in the implementation of the plan and program.

Submitted by:

Rhea L. Cohen
Washington Representative



**NATIONAL
ASSOCIATION
OF REGIONAL
COUNCILS**

1700 K St., N.W., Washington, D.C. 20006 • Area Code (202) 457-0710

RICHARD C. HARTMAN, Executive Director

October 26, 1979

The Honorable Edmund S. Muskie
Chairman, Subcommittee on Environment
Senate Committee on Environment and Public Works
4204 Dirksen Senate Office Building
Washington, DC 20510

Dear Mr. Chairman:

The purpose of this letter is to put into the record the views of the National Association of Regional Councils (NARC) on S. 1136, the "Integrated Environmental Assistance Act of 1979." We understand that the Committee will hold hearings on S. 1136 on November 8, 1979.

NARC is a membership organization of regional councils from throughout the country. It represents over half (350) of the nation's regional councils. In the main, these organizations are areawide or substate agencies of general purpose local governments, and are managed through the elected officials of the member local governments. Most of the regional agencies designated to do air quality, water quality and resource recovery planning required under federal law are members of NARC. Accordingly, our membership has a strong interest in S. 1136.

NARC supports the general principles incorporated in this proposed legislation. For too long, we have attempted to plan and manage our environmental issues on a categorical basis. We do need a broader view and S. 1136 would foster such an objective. At the same time, we have several serious reservations about the pilot program to test the feasibility of comprehensive and integrated environmental planning. These problem areas are listed below together with recommendations for improvements.

S. 1136 emphasizes state government participation in the demonstration projects. The preferred local government and regional agency participation is through the state program. However, there are exceptions. Under Section 8(a), local and regional units may apply directly if the state or states, in case of an interstate

The Honorable Edmund S. Muskie
 October 26, 1979
 Page two

regional agency, do not receive integrated assistance or where the Administrator finds inadequate involvement of local or interstate interests. As a final exception, direct participation is permitted where the state(s) concurs.

While it is recognized that the program in its initial stages is a voluntary one, we nevertheless believe local and regional interests should be better protected. As presently cast, local/regional involvement is essentially provided for only in a negative way. The Administrator must find that local interests have been frustrated in the state's integrated planning proposal. Thus, it is possible for a state to be funded without having to adequately consider the vital interest of the local governments and regional agencies. The only recourse available to local governments and regional agencies would be to seek direct involvement. However, this raises an interesting question. Would EPA be anxious to fund a local effort where there has been a breakdown in state and local government cooperation? We believe that Section 8 should be changed to provide for a positive approach. In NARC's opinion, the section should require the state to come to terms with its local and regional units as a condition precedent to a demonstration grant to any interested state. The state should only be allowed to proceed in cases where the Administrator finds that the local and regional units have failed to participate in the program on reasonable terms offered by the state.

Similarly, the state/local consultation requirement in Section 9 should be modified. This provision is stated in general terms; no standard for performance or protection for lack of adequate consultation is provided. We suggest that the Subcommittee restate the local consultation requirements it placed in Section 121 of the Clean Air Act Amendments of 1977. Section 121 is specific and informs the affected parties of the substantive and administrative standards that are required. We cannot emphasize this point too strongly. Presently, EPA regulations dealing with the development of the annual state/EPA agreement on water quality planning require state/local consultation in the formulation of state priorities and work programs. Nevertheless, the meaningful involvement of local and regional interest in this annual process has proved to be the exception - rather than the rule.

In addition to the above central concerns, we offer the following further suggestions to improve the proposal:

- Under Section 8(a)(1) any interested agency in an interstate area would be required to participate in the state integrated program if any one of the states within the area has such a program. This provision is not

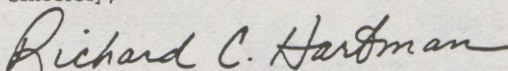
The Honorable Edmund S. Muskie
October 26, 1979
Page three

realistic. The chances are that the state would not desire to involve an interstate agency whose jurisdiction included another state not participating in the program. We believe that interstate agencies should have direct access unless all the states in an area have an approved program plan which adequately deals with the interstate region.

- Finally, we hope that Section 11 is modified to permit local or regional units in the program to transfer up to 30% rather than 20% of categorical planning funds among the various covered programs. NARC's suggestion is based on a simple but significant factor. Areawide agencies usually participate in only two or three of EPA's current planning programs, and at a much lower funding level than provided to the state. Therefore, a higher percentage of transfer of funds should be authorized to give areawide agencies the flexibility they need to deal with local environmental issues.

In summation, NARC concurs with the objectives in S. 1136, but we believe the suggested changes set forth above should be made if the Congress enacts this proposal.

Sincerely,



Richard C. Hartman
Executive Director

RCH/jm

cc: Karl Braithwaite, Cmtee Staff
Phil Cummings, Cmtee Staff
Douglas Costle, EPA
Chris Beck, EPA
Dave Hawkins, EPA



**NATIONAL
ASSOCIATION
OF REGIONAL
COUNCILS**

1700 K St., N.W., Washington, D.C. 20006 • Area Code (202) 457-0710

RICHARD C. HARTMAN, Executive Director

May 7, 1979

Attached are recommended short-term and long-term policies, formulated by NARC Policy Committees and submitted to the Board for their review and approval.

Short-term policies, which are generally in effect for two years, are to provide guidance to the NARC staff in dealing with current legislative or administrative actions. Such policies, which have as their base existing NARC "Policies for Regional Action," need only Board approval to be implemented.

Long-range policies, on the other hand, are subject to the approval of the membership since they presumably alter existing "Policies for Regional Action." Such policies, which have no sunset clause, are presented to the Board sitting as the Resolutions Committee. The Board then makes its recommendations on these long-range policy revisions to the membership who vote to approve or disapprove them at the yearly business meeting.

ENVIRONMENT AND NATURAL RESOURCES POLICY COMMITTEE
Page Two . . .

INTEGRATED ENVIRONMENTAL ASSISTANCE

Be It Resolved that Congress, in its deliberations over the Integrated Environmental Assistance Act, be urged to provide for uniformity of eligibility requirements by allowing that the least restrictive of the requirements in a grant application be the standard of eligibility for the application.

WHEREAS, the National Association of Regional Councils has endorsed the concept of integrated environmental assistance, and

WHEREAS, an act to provide for integrated environmental assistance now being prepared by the Administration and has become available for discussion, and

WHEREAS, the proposed act provides for state dominance of local participation in the program including funding, and

WHEREAS, the states in many cases have not adequately demonstrated an interest in involving local governments and regional councils in environmental planning and implementation, and

WHEREAS, the National Association of Regional Councils holds that environmental programs must be planned and implemented by local governments and their regional councils.

Now, Therefore, Be It Resolved that the National Association of Regional Councils continues to endorse the concept of integrated environmental assistance, and

Be It Further Resolved that the National Association of Regional Councils does not approve of state control over environmental programs and funding or state mandating of solutions to local environmental problems, and

Be It Further Resolved that the National Association of Regional Councils advocates the direct relationship between local governments and the USEPA to plan and implement environmental protection within a framework jointly created by the states and the local governments.

1740 Broadway, New York, N.Y. 10019 (212)245-8000

AMERICAN LUNG ASSOCIATION
The "Christmas Seal" People

March 29, 1979

William Drayton
Assistant Administrator for
Planning and Management
U.S. Environmental Protection Agency
PM-208
401 M Street, S.W.
Washington, D.C. 20460

Dear Mr. Drayton:

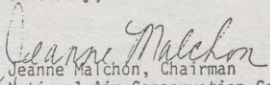
We are deeply grateful to you for taking time in your busy schedule to meet with the National Air Conservation Commission on Thursday. Yours and Daphne's discussion of the Integrated Assistance Act was very interesting and enlightening.

The Commission discussed the proposed legislation at length. While we recognize many good points in the proposal, a number of questions were raised with regard to the funding and the mechanism for determining the levels of assistance. In view of these concerns, the NACC agreed that it supports the concept of the proposed Integrated Environmental Assistance as an opportunity for greater flexibility and local choice in the use of federal categorical funds for state and local environmental programs.

In view of the Commission's priorities related to the Clean Air Act and its implementation, we may not be able to actively support the legislation at this time.

Again, thank you very much for meeting with us.

Sincerely,


Jeanne Malchon, Chairman
National Air Conservation Commission

es
.cc: Daphne Gemmill

NACO

Draft

3/11/79

Resolution on Consolidate Environmental Assistance

Whereas, the Administration has proposed legislation to consolidate federal assistance to state and local governments for clean air, water quality management, solid waste, toxic substances, noise control, radiation, and pesticides; and

Whereas federal clean air, water quality, and solid waste management legislation mandates local implementation of controls on air and water pollution and the closing of open dumps; and

Whereas, the proposed legislation would provide a greater opportunity for state governments to unilaterally decide to allocate to the state greater portions of assistance under section 208 of the Clean Water Act, section 105 of the Clean Air Act, and subtitle D of the Resource Conservation and Recovery Act at the expense of assistance to local implementation; and

Whereas, the Environmental Protection Agency has agreed with a number of states to dedesignate local 208 agencies and withdraw funds from local agencies; and has mandated that very little if any federal assistance be passed through to local governments under RCRA;

Be It Resolved that NACO urges Congress to enact consolidated environmental assistance legislation which;

1. encourages integrated environmental planning, and management which is implementation oriented by unites of general local government, and authorizes an appropriation for that purpose;

2. requires that a specified minimum amount of assistance be provided directly or by mandatory pass through to local

3. requires that states provide assistance to local governments from federal or state funds commensurate with federal regulatory or program mandates imposed on them, and commensurate with the amount of management responsibility delegated to them;

4. requires states to establish effective procedures for local government participation in planning and in the division of responsibilities and funds; provides for joint determination of key issues between the state and local governments; and requires EPA to enforce such procedural safeguards;

5. authorizes local governments to apply directly to EPA for any program covered by the consolidated legislation if such authority exists now, if the state does not provide sufficient assistance to meet mandated responsibilities or is not meeting procedural requirements; and

6. establishes a goal to shift an increasing amount of federal assistance to local governments in recognition of implementation responsibilities for environmental programs.

The Council of State Governments



3384 Peachtree Road, N.E., Suite 610, Atlanta, Georgia 30326 (404) 266-1271

SOUTHERN OFFICE

July 31, 1979

Memorandum

TO: All Members, SERC Executive Committee

FROM: Gould Hagler, Secretary to SERC

GH

RE: Resolutions Adopted at 1979 Annual Meeting

The attached resolutions were adopted on June 22 in Baltimore. Those urging Congressional action have been sent to the proper Senators and Congressmen, along with cover letters from Chairman Saxton. The resolution expressing SERC's appreciation has been sent to all those mentioned in the resolution.

GBH/nb

RESOLUTIONS OF THE SOUTHERN ENVIRONMENTAL RESOURCES CONFERENCEADOPTED AT ITS ANNUAL MEETING IN BALTIMOREJUNE 20 - 23, 1979

(RESOLUTION 1)

THE INTEGRATED ENVIRONMENTAL ASSISTANCE ACT

WHEREAS, at a time when all levels of government are concerned with improving efficiency in government, the National Governors' Association (NGA) has developed a supportive position on the proposed Integrated Environmental Assistance Act, and advised various committees of Congress of its support of this type of legislation; and

WHEREAS, proposed legislation has now been introduced to implement an integrated environmental assistance program; and

WHEREAS, many states could conduct their environmental programs more cost-effectively if a single integrated federal grant were available to assist in these programs; and

WHEREAS, the proposed legislation would authorize a voluntary approach to the integrated environmental program grants process and result in improved efficiency in many states:

NOW, THEREFORE, BE IT RESOLVED that the Southern Environmental Resources Conference urge Congress to enact such legislation so that those states desiring such opportunity, including some flexibility to shift some funds between programs, will be able to operate under an integrated federal grant.

CONFERENCE OF STATE SANITARY ENGINEERS

Meredith H. Thompson
Executive Secretary
1 Deerfield Drive
Troy, New York 12180
Telephone (518) 273-7917

Officers and Executive Board

Chairman
John E. Jenkins
Columbia, South Carolina

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Jackson, Mississippi

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New Orleans, La. 70150

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Second Vice-Chairman
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Montgomery, Alabama

Past Chairman
Oscar H. Adams
Richmond, Virginia

State Department of Health
Office of Environmental Health
Services
1800 Washington Street, E.
Charleston, West Virginia 25305
May 18, 1979

Mr. David Johnson
National Governor's Association
Hall of the States
444 North Capitol Street
Washington, D. C. 20001

Dear Dave:

In accordance with the agreement made at our conference with ASWIPCA, STAPPA and EPA representatives, the proposed Integrated Environmental Assistance Act was carefully reviewed by the Conference of State Sanitary Engineers during its annual meeting held in Denver, Colorado on May 8-11, 1979. We were very pleased to have with us during our deliberations Regional Administrator Alan Merson and Harvey Pippen, Headquarters, EPA, as well as top program managers in the EPA Water Supply Branch. A very fruitful interchange was held between Conference members in its executive session on May 11, 1979.

I am very pleased to forward to you the enclosed copy of the CSSE statement which expresses its concerns relative to some of the provisions in this act.

Sincerely yours,



R. G. McCall, Chairman
Water Supply Committee

RGM/bjw

Enclosure

CONFERENCE OF STATE SANITARY ENGINEERS

POSITION STATEMENT

INTEGRATED ENVIRONMENTAL ASSISTANCE BILL

CONFERENCE OF STATE SANITARY ENGINEERS

May 10, 1979

Marshall H. Thompson
Executive Secretary
1 Douglass Drive
Troy, New York 12180
Telephone (518) 279-7517

Officers and Executive Board

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John E. Jenkins
Columbia, South Carolina

Chairman-Elect
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First Vice-Chairman
John Wilford
Trenton, New Jersey

Second Vice-Chairman
W. T. Wills
Montgomery, Alabama

Past Chairman
Oscar H. Adams
Richmond, Virginia

Any effort to increase the flexibility of the states in implementing federal programs, on a voluntary basis, is conceptually beneficial. However, the Conference of State Sanitary Engineers views the present Integrated Environmental Assistance bill with some question, in view of the problems listed below.

1) The bill depends for its effect on the USEPA regulations which will be promulgated to implement it. It is conceivable that the regulations will help achieve the stated objectives. On the other hand, it is also possible that the regulations may have the opposite effect, forcing the states into reorganizational changes and other steps which will benefit only USEPA administration of the proposed act, but will operate detrimentally to the interests of the affected states. We therefore recommend that this possibility be considered, and the language of the bill be changed to prevent, or at least minimize, the possibility of such an undesirable occurrence. The Act should require state participation in developing such regulations. The state should be free to determine its own internal organization and administrative procedures.

2) The time schedule for the submission of an integrated program grant application and its review by the regional office is such that, if it is disapproved and the state must then reapply for the separate categorical grants, the categorical grant applications will be late. Provisions should be made under these conditions to waive any regulatory penalties for late submission which may be applicable.

3) As the system is set up, a draft program plan is submitted by June 1, after which the regional administrator negotiates the plan program accomplishments for an August 1 final submission. It must be assumed that the negotiations will be successful for the August 1 submission to be made. Therefore the authority of the regional administrator to subsequently conditionally approve or disapprove the plan is an unnecessary step. Furthermore, some procedure for appeal of the regional administrator's decisions during the negotiating process must be available. This, however, may be part of the regulations, although it may be more desirable to have it in the bill.

4) Section 6 (a), in the paragraph following item (7), implies that national objectives are the most important constraints. The particular needs of the individual state must be the primary consideration if the goals of the program are to be met. Sufficient flexibility must be available to the state to work beyond the national objectives when it is necessary to further the aims of the program.

5) In spite of all hopes to the contrary, it is obvious that, at least in the first years of operation, the consolidated grant program under this bill will increase, rather than decrease, the amount of paperwork. It is consequently recommended that the bill contain a requirement that other reports now requested by the USEPA be re-examined to delete all but the minimum needed for proper USEPA oversight of state programs.

6) The stated aim of the Administration's authority to veto transfers of categorical grant funds is to prevent weakening or destruction of a new program. Rather than have this power, which in fact removes flexibility from the states, it is, in our opinion, more desirable to have a provision in the bill preventing transfers of funds from a new program for the first five years following its implementation. If it cannot then survive loss of 20% of its funds, it has defects which should be re-examined. Furthermore, the transfer, including state funds, when allowed, must be in timely fashion so that it can be built into the normal budgetary process of the state. If this is not done, state legislative action, which may be unavailable, will be needed for transfer of the funds. This becomes more important when allotments are not released on time. There must be some provision, such as a simplified carry-over process, which will alleviate this problem.

7) Section 8 (a) (2) should have the words, "after consultation with the state or states," inserted after the word "Administrator," so that it reads: "Directly from the Administrator after consultation with the state or states, if:"

8) Section 9 of the bill requires that provision be made for consultation with local governments. This is so broad that it needs more interpretation in the bill. As stated, it is impossible to determine the extent of consultation required, and therefore whether it will forward the aims of the bill or merely add red tape and expense. We suggest that this be clarified, while still maintaining a reasonable level of participation.

9) Section 10 of the bill appears to remove any requirement for local funding or matching funds, which is inequitable. Many local government agencies now fund, in part or wholly, their environmental activities. There should be a requirement for local match of federal funds where applicable. The state should not have to provide all non-federal funds.

10) While it is obvious that there be accountability for federal funds as described in Section 12, it is impossible in many states to dictate to the lower levels of government what their bookkeeping procedures must be. Therefore, under Section 12 of this bill, it is at least implied that these local governments cannot receive grant funds. Unless this is the actual intent, this situation should be remedied.

11) It would seem more equitable to have competition for incentive funds on a regional rather than national basis, since each regional office is in a better position to evaluate the comparative programs of its states than can be done on a national basis. It is therefore recommended that these funds be allocated to the regions, with any unexpended funds available for other states in the region where the funds have not been obligated.

12) State budgetary process are such that the proposed \$25,000,000 incentive will be unavailable to many states. The budgetary and legislative processes in those states are such that, unless the incentive grant can be carried over, it will expire before state authorization for its use is given. Furthermore, many worthwhile projects, which can be completed with the financial resources available from this grant, cannot be brought past an early stage within the time frame of one year. It is therefore suggested that an incentive grant, although given in one year, can be carried over for not more than five years.

13) The new maintenance of effort requirements do not take into account reduction in federal funding. If the match were to be made on a percentage basis, rather than a fixed state dollar amount, reduction in state funding will be possible, although not mandatory, if federal support is reduced. Possibly other more satisfactory solutions to meet this deficiency can be worked out.

14) Target dates mandated in Federal legislation historically have been unrealistic. This bill is no exception. It will be impossible for a bill to be introduced in May, 1979, have 180 days for promulgation of the Federal regulations, and still have it effective for FY 1980. Assuming that all steps are taken according to plan, the bill could not possibly be enacted in time, since the grant process starts in July, which is only 60 days from the date of introduction of the bill. Even assuming that the regulations need only be promulgated by October 1, 1979, 180 days before that date is May 1, which has already passed. Obviously the earliest this bill could be effective is FY 81.

Because of the need to have Congress study the above comments and resolve the problems they present, the Conference of State Sanitary Engineers respectfully recommends that no hasty action be taken on this bill, but that it be given the opportunity for detailed study and hearings by the applicable congressional committee, so that the resulting act will be practicable, reasonable, and advance the environmental programs of the states and of the nation.



CITIZENS ADVISORY COMMITTEE

NEW YORK 208/WATER QUALITY MANAGEMENT PROGRAM

40 Worth St. New York, N.Y. 10013/Telephone: (212) 566-3730, Room 902

PAUL DANIELS, Chairperson

MARGARET KOCHER, Staff Director

5 November 1979

Mr. Karl Braithwaite, Staff Director
Subcommittee on Environmental Pollution
Committee on Environment and Public Works
Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Braithwaite:

The New York City 208 Citizens Advisory Committee wanted to testify on S 1136 at the October hearings, but lack of funds to bring our representatives to Washington limits us to the written testimony which follows.

The New York City 208 Citizens Advisory Committee is a diverse group of people concerned with water quality in New York City. Its 40-member Governing Board is made up of representatives of business, the professions, real estate, labor, environmental groups, good government organizations, local civic organizations and the Community Boards of each borough, which has worked with 208 for the past three years.

Although organized around water quality concerns, the CAC is the only citywide environmental citizens advisory committee, and as such has been involved also in Land Use, Solid Waste, and, on occasion, Air Quality issues. From this experience we understand the importance of comprehensive and integrated environmental planning. We go further to say that planning should extend beyond acts under the aegis of EPA to include other programs such as Coastal Management.

Our concerns on this score are documented in CAC positions on the 208 Plan, Institutional Arrangements, Public Participation and the NYS/EPA Agreement, which are covered in the five enclosures.

From a citizen's perspective, it is very difficult to react meaningfully to a multiplicity of separate programs when close analysis reveals that the issues involved are inextricably interrelated. We commend EPA for its increasing recognition of interdependence, for example, its recent seminars to promote understanding of the interrelationship of water supply and wastewater management.

Public participation has also been increasingly recognized as essential to planning and implementation of many programs. But the effectiveness of participation has continually been restricted by lack of staff or funding to service volunteer citizen committees and to carry on the outreach efforts citizens deem important. The integrative function of public participation should be supported through automatic and independent funding, rather than the fragmentation of funding, project by project, which promotes confusion and competition. We caution that integration should not detract from individual programs but should be designed to enhance program analysis, management and coordination.

Finally, public participation and interaction with state and local government should not be written out in detail by Washington, but should be designed at the local level with citizen input.

We would appreciate having a copy of the Committee's recommendations as a result of its hearings.

Paul Daniels

Chairperson



**National
Conference
of State
Legislatures**

Office of
State
Federal
Relations

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Washington, D.C.
20001
202-624-5400

President
George B. Roberts, Jr.
Speaker, New Hampshire
House of Representatives
Executive Director
Earl S. Mackey

November 7, 1979

The Honorable Edmund S. Muskie
Chairman, Committee on Environment and Public
Works Subcommittee on Environmental Pollution
U.S. Senate
6231 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Muskie:

I would like to submit comments for the record on behalf of the National Conference of State Legislatures regarding S. 1136, "Integrated Environmental Assistance Act of 1979."

The Conference has long supported the concept of "grant consolidation" as a possible means to achieve financial savings, reduce administrative burdens, and provide greater coordination in obtaining overall program goals. NCSL has particularly been supportive of such efforts in the environmental area. S. 1136 represents a good initial step toward the integration of EPA environmental programs. The proposed legislation would allow state and local policymakers greater authority and flexibility over the use of federal monies for priority environmental problems within their respective jurisdictions, if they so desire.

As the representative of the nation's 7500 state legislatures, the Conference is not as concerned with some of the more specific environmental programs called for in the Federal Water Pollution Control Act, the Clean Air Act, the Safe Drinking Water Act, and the Resource Conservation and Recovery Act, among others, as with the overall attainment and maintenance of adequate public health and safety. At the same time, we are very aware of the heavy financial burden that many of these programs and problems place on state governments. We are also only too aware that the states are being delegated the administrative, enforcement and financial responsibility for meeting many of the national goals established by Congress and interpreted by the U.S. Environmental Protection Agency—with increasingly limited federal monies. Therefore, we urge that state governments should be allowed greater flexibility over the uses to which these funds are put, in accordance with an integrated state plan.

Many arbitrary programmatic boundaries at federal, state and local levels of government have resulted from the existing federal statutes. For a state legislator concerned about an abandoned, leaking chemical dump site, it makes little difference whether funds to alleviate this problem are appropriated under Section 208 of the Federal Water Pollution Control Act (water quality management), under Section 3011 of the Resource Conservation and Recovery Act (development and implementation of authorized State hazardous waste programs,

or Section 1421 and 1443 of the Safe Drinking Water Act (ground water protection and supervision of the state public water supplies). His or her concern is finding a solution for the problem and raising the revenues to pay for that solution.

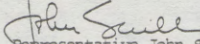
Because of the increasing programs and financial responsibilities of state governments in environmental management, the Conference urges the Subcommittee to consider the following addition (page 10, lines 5-7) to Section 6(e) "The Administrator shall not award integrated assistance to a State unless the Governor [in consultation with the state legislature] has signed the assistance application containing the integrated program plan." The involvement of the state legislatures in this process could establish a level of commitment and understanding to the continuation of these programs which that body might not otherwise have.

Section 8 (pp. 12-13) would authorize local governments to receive direct integrated program funding under certain conditions. While we do not want to raise issues here that would involve changes to existing statutes, we would like an added condition to further safeguard any state comprehensive plans. After Section 8 (iii), the Conference would like to see added: Section 8 (iv) the proposed activities are consistent with the existing State plan or plans developed under laws enumerated in Section 4(4)A.]

In conclusion, the Conference supports the passage of the "Integrated Environmental Assistance Act of 1979" (S. 1136). We see this as a limited, pilot program which would allow the U.S. Environmental Protection Agency and state governments to experiment with a more integrated approach to environmental problems as well as give the states greater flexibility to tackle the problems as they differ among the states.

I thank you for your serious consideration of our comments. Please do not hesitate to contact me or other members and staff of the National Conference of State Legislatures, if you would like additional comments or further elaboration.

Sincerely,



Representative John Scully, Montana
Chairman of the NCSL Natural Resources
Committee



COMMONWEALTH OF VIRGINIA
COUNTY OF FAIRFAX

4100 CHAIN BRIDGE ROAD
FAIRFAX, VIRGINIA 22030



OFFICE OF THE COUNTY EXECUTIVE

September 10, 1979

Mr. Douglas M. Castle.
Administrator
Environmental Protection Agency
Washington, D. C. 20460

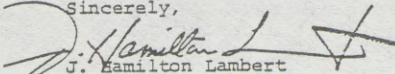
Dear Mr. Castle:

I am writing to convey Fairfax County's comments on the proposed Integrated Environmental Assistance Act of 1979 (S. 1136).

While we feel the intent and general thrust of this legislation are excellent, we think the proposal can be improved, and we offer three recommendations. First, criteria development for supplementary assistance awards should include the participation of state and local governments. This could be achieved by the use of an advisory panel of grant recipients or by some other means. Second, supplementary assistance award decisions also should include similar state and local government participation. We believe this is particularly important for the program's early phases so that both the EPA and grant recipients have a voice in selecting a range of integrated program plans. Finally, assignment of EPA personnel to program operators and assistance level reduction for such assignment should require the concurrence of the government administering the integrated plan.

Thank you for considering our views in this matter. If you have any questions, please contact us.

Sincerely,


J. Hamilton Lambert
Acting County Executive

cc: Mr. Alexander Greene, Director ✓
Grants Administration Division
Environmental Protection Agency
cc: Board of Supervisors

RECEIVED
SEP 13 AM 5:33
GRANTS ADMIN DIV.
MAY 21 1980



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 1 1979

Honorable Harley O. Staggers
Chairman, Committee on Interstate
and Foreign Commerce
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

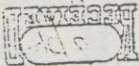
This is in response to your request of June 15, 1979, for the views of this Office on H.R. 4213, a bill "To authorize a flexible environmental program of integrated financial assistance to States and local governments to plan, manage, and implement abatement and control strategies in a more efficient and effective manner."

H.R. 4213 is an Administration proposal submitted to the Congress by the Environmental Protection Agency on April 26, 1979. We urge prompt and favorable consideration of H.R. 4213, enactment of which would be in accord with the program of the President.

Sincerely,

(Signed) James M. Frey

James M. Frey
Assistant Director for
Legislative Reference



ENVIRONMENTAL PROTECTION AGENCY



ADVISORY
COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20575

February 28, 1979

Alexander J. Greene, Director
Grants Administration Division
U.S. Environmental Protection Agency
Washington, D.C. 20460

Dear Alex:

Many thanks for your letter of February 13 and the enclosed copy of EPA's new legislative proposal. I have reviewed the latter and the accompanying section-by-section analysis and, in general, find it to be imaginative, astutely drafted, and, hopefully, something that will serve on the Hill. I have only a few minor problems with it:

- Section 5(c) is not all that clear (although the explanation in the section-by-section analysis helps.
- Section 8, relating to state/local consultation, is pretty cryptic and might well be fleshed out a bit.
- The maintenance of effort provision (section 12(c)) might be reworked; to use simply recipient-based fiscal year outlays would raise questions in the minds of many--two or three years might be more appropriate; moreover, the Administrator will be under severe pressure if the waiver proviso in this subsection is not beefed up some; OMB, I am sure, will raise even more strident comments on this last issue.

Keep up the good work. With all best wishes.

Cordially,

David B. Walker
David B. Walker
Assistant Director

DBW/lss

RECEIVED
FEB 28 1979
M 10:00
OFFICE OF THE ASSISTANT DIRECTOR

INTEGRATED ENVIRONMENTAL ASSISTANCE ACT

Statement by

Larry E. Crane, Executive Director
Iowa Department of Environmental Quality

Before

Subcommittee on Environmental Pollution
Committee on Environment and Public Works
United States Senate

November 8, 1979

Good morning.

My name is Larry E. Crane. I am the Executive Director of the Iowa Department of Environmental Quality, which is the lead environmental planning and enforcement agency for the State of Iowa.

I appreciate the opportunity to comment on the Integrated Environmental Assistance Act (S. 1136). In addition to commenting on behalf of Iowa DEQ, I have also been authorized by the National Governor's Association (NGA) to express that group's support for the concepts addressed in this proposed legislation. Attached to my testimony is a copy of NGA's letter of support which is signed by Governors Carroll, ^Lamm and Snelling.

I and several other State Environmental Directors have worked with the U.S. Environmental Protection Agency (EPA), the Office of Management and Budget (OMB), and the NGA in developing the concept that this Act encompasses.

I would like to first of all express my total support for the concept of this Act. This concept provides great benefits to all involved governmental agencies and the public they serve. By allowing State and local governments the flexibility of shifting up to 20% of awarded funds, the National program can be tailored to meet real local needs in high priority environmental problem areas without necessitating the alteration of funds distribution formulas. Iowa has been a recipient of an Environmental Protection Agency (EPA) Consolidated Grant wherein a single funding application form and subsequent grant is used to fund our agency's integrated program plan encompassing all environmental program areas under our jurisdiction. This consolidated grant mechanism, however, still places rigid funding constraints on each program area and does not provide in any way for the flexible "shifting" of funds as this Act would. Therefore our existing

Consolidated Grant still limits our ability to really address top priority issues.

I would like to now address some specific aspects of this Act which I feel should be reviewed. I should point out that these are my views as Director of Iowa DEQ, and they are not necessarily those of NGA. You will find specific comments on the part of my agency, in addition to those I will address, attached to my testimony.

My department's position is that the funds authorized under Section 17 of this Act are not required, at least by our agency, to provide an incentive to participate in the Integrated Grants program. Iowa DEQ already has an integrated program plan and approach for addressing environmental issues in our State, and such short-term or one-time funding will not provide for our building of a stronger base program. Other States, however, may be able to legitimately use such funding to develop an integrated approach such as our agency already has.

We also believe that the use of formulas to fund all covered programs must be addressed. Currently some program funds, such as those under Section 106 of the Clean Water Act, are distributed to the States using a formula. In other areas, such as Section 208 of the Clean Water Act, a formula is not used in funds distribution resulting in States not knowing what amounts should or will be awarded. EPA has also issued a proposal that each States' funding needs under Section 106 of the Clean Water Act be assessed, and I assume be funded on the basis of that assessment of need. States need to have a firm knowledge of a base budget projection in order to appropriately allocate funds to covered program areas and address State needs, and to more sensibly use the flexibility of funds to truly attack high priority issues. Without some type of fixed formula for

funding each covered program, this Act becomes pointless, particularly if EPA allocates monies on a national needs basis.

A good example of what funding problems can develop would be our experience with funding under Section 208 of the Clean Water Act. In EPA Region VII, the various State and local agencies submitted their proposals for Fiscal Year 1979 funding early in the year. All of these proposals had been the subject of careful and intensive public participation, and intergovernmental cooperation between the four States in the Region. Yet, Iowa received funding sufficient only to maintain staff and then only when the termination of staff was imminent. The funding for actual projects to be carried out was not awarded until one month before the end of the Fiscal year. The result has been that Iowa is now using our State appropriations for Fiscal Year 1980 to match Fiscal Year 1979 Federal funds. Virtually no additional work will be possible with Federal 1980 monies because we have no matching funds now available.

One additional comment on funding relates to Section 14 of this proposed Act. This section requires that the States not reduce their levels of funding for the covered programs below the base year level. There is, however, no commitment that the Federal level of effort will be similarly maintained. I would strongly recommend that this Section be modified to permit a State to reduce its level of funding in direct proportion to any reduction in Federal funding for covered programs. This would seem fair, reasonable and wholly consistent with the Federal/State partnership concept.

Administratively, Section 8 of the Act provides a mechanism whereby the Administrator of EPA may make direct grants to local agencies under certain conditions. I strongly urge that such direct granting to local agencies have as

a precondition the concurrence of the responsible State agency. If there are to be conditions which would warrant direct granting to local agencies without State concurrence, these conditions should be spelled out and not left to the "Judgement" of the Administrator. The Administrator of EPA should set forth regulations enumerating what such conditions for direct granting would be and the mechanism for determining the appropriate involvement of all parties.

Section 10 of this Act requires funding from State or Federal sources to local governments for carrying out activities under the States' integrated program plan. This section does not, however, address the extent of funding or matching requirements, or provide any clarification of the intent of the section. The level of funding should be commensurate with the level of activity performed.

My last comment addresses Section 6 of this Act and its requirement that a Governor must sign the application for assistance before the Administrator of EPA can make an award of funds. I recommend that this be modified so that the Governor or the Governor's designee must sign the application. This provides the flexibility for the Governor to determine how to administer this program.

I again wish to state my belief that the Integrated Environmental Assistance Act would be a significant step toward improved State-Federal-Local cooperation in addressing environmental issues facing us all. It is a desirable goal that Congress set national environmental policies. Specific State programs addressing those national policies could then be negotiated between the States and EPA Regional Offices and set forth in State-EPA Agreements. These Agreements should outline in policy terms how each agency will respond in addressing jointly defined environmental problems existing in the States, and determining program funding levels. Congress should assure adequate funding is available to support national priorities,

as well as providing some flexibility for supporting specific priority problems within the States.

This approach should allow the States and EPA to address national environmental problems in the most effective and efficient manner.

Thank you, Mr. Chairman. This ends my formal comments. I am available to answer any questions you may have.



National Governors' Association

Otis E. Bowen, M.D.
Governor of Indiana
Chairman

Stephen B. Farber
Executive Director

February 28, 1979

Honorable Edmund Muskie
Chairman
Senate Subcommittee on
Environmental Pollution
Committee on Environment &
Public Works
Washington, D.C. 20510

Dear Senator Muskie,

We are writing to express the support of the National Governors' Association for the general concept of consolidating existing federal grant-in-aid programs and specifically to endorse the thrust of the Administration's pending legislative proposal to permit consolidation of environmental protection grants.

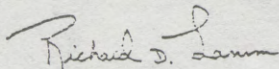
The major advantages of this proposal include flexibility for state and local governments in determining their individual environmental protection priorities and the ability to more accurately target available resources; encouragement of integrated planning, implementation and management across individual media program lines; and simplification of state and local grant administration through the reduction of paperwork, duplication of effort and reporting requirements.

Additionally, a consolidated approach would compliment and support current state efforts to streamline their permitting procedures. Such efforts promise significant results in reducing inflation associated with permitting delays and should be encouraged at all levels of government.

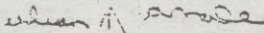
Given the variety of administrative arrangements for environmental programs which currently exist among the states, we would urge that such legislation provide an optional approach to individual state participation. In this manner, incentives would be provided for interested states to develop successfully integrated programs which other states may choose to adopt in the future, while maintaining current categorical funding arrangements for states preferring that approach.

We believe the proposed consolidation of environmental protection programs to be entirely consistent with our mutual goals of improving the responsiveness and effectiveness of government and bringing inflation under control. We therefore urge that you give prompt consideration to this initiative and invite you to work closely with the National Governors' Association on the legislation.

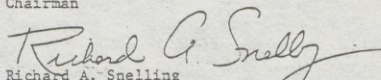
Sincerely,



Richard D. Lamm
Chairman, Committee on Natural
Resources and Environmental
Management



Julian M. Carroll
Chairman



Richard A. Snelling
Chairman, Committee on Executive
Management and Fiscal Affairs

RECOMMENDED CHANGES TO S. 1136

Iowa Department of Environmental Quality

- 1) Page 3, line 4 - Change to read:

"covered program, the fiscal year prior to the first year in"
This change would establish the base year precisely.

- 2) Page 8, lines 10, 11, 12.

No specific change is suggested. In the past, EPA has on occasion threatened to withhold funds for existing programs unless new program activities were added. States should not be punished for not taking on new programs.

- 3) Page 10, line 6 - Change to read:

"ance to a State unless the Governor or the Governor's designee has signed the assistance"

- 4) Pages 12 and 13, Section 8(a)(2)

Recommend that subsection ii be clarified to provide the conditions under which this direct funding of local governments may be exercised. A requirement for the Administrator to adopt regulations setting forth the conditions and procedures is necessary for the subsection to be carried out effectively.

- 5) Page 13, lines 21 and 22. State/Local Consultation.

The State can provide for some level of consultation with local governments. However there are one thousand municipal and county governmental units in Iowa. Since consultation with everyone would be impossible, it is hoped that the regulations would be flexible and that our performance in this regard is evaluated on effectiveness.

- 6) Page 13, lines 24 and 25 and Page 14, lines 1 and 2.

This must be clarified perhaps as follows. Page 14, line 2 reads as follows: "plan provides funding from State or Federal funds equivalent to a proportional share of funds in relationship to the effort expended by the local government."

- 7) Page 14, lines 4-10, Funding Flexibility.

It might be simpler to allow transfer of 20 per centum from the 10 acts listed under "covered program" instead of applying this to each program under these acts. The 20 per centum appears to be an appropriate cutoff.

- 8) Page 15, lines 24 and 25, Page 16, lines 1-9, Maintenance of Effort.

If the Federal level of effort is reduced the required State maintenance of effort level should be reduced proportionally. The following should be added to the end of line 9:

"In the event the Federal funding is reduced below the level in the base fiscal year, the recipient's maintenance of effort level shall be reduced in an equivalent proportion."

- 9) Page 17, Section 17, lines 5-10.

As stated in the text of the testimony, the funds are not required in Iowa's case to provide the incentive for participation. Since these are not "firm" funds, the recipients should provide for how these funds will be phased out without hampering long-term implementation of the integrated environmental approach. Perhaps Section 13 should contain these provisions.

OFFICERS:

[illegible]

Mr. Chairman and Members of the Subcommittee. I am David Shepherd, Mayor of Oak Park, Michigan and a member of the National League of Cities' Natural Resources Policy Committee. On behalf of the Nation's municipalities, I appreciate this opportunity to comment on S. 1136, the Integrated Environmental Assistance Act.

As we read this bill, it would permit states and eligible local governments to consolidate some or all of their categorical environmental programs, provided the program integration meets certain statutory objectives and receives EPA's approval. States and local governments would not be penalized if they did not integrate their categorical programs, and funding levels and formulas for categorical programs would not be affected. Eligible recipients choosing an integrated program would be allowed to transfer up to 20 percent from one categorical program to another. And they would become eligible for \$25 million in new grants for innovative integrated programs.

NLC strongly supports provisions in S. 1136 that preserve the right of local governments to receive categorical assistance for which they are eligible in lieu of integrated assistance; that allow pass-through assistance in the state integrated plan to include program funds for which local governments would otherwise be ineligible; and that earmark for local government applicants ten percent of the \$25 million in special integrated assistance funds.

NLC's National Municipal Policy, developed by the nation's cities, generally supports the objectives of S. 1136 since the bill aims at a more comprehensive and flexible approach to the management of environmental programs. An integration that will

eliminate duplications, conflicts and red tape is long overdue. Local government officials are in an excellent position to see the need for a more integrated approach to problem-solving, particularly in air, water and solid waste management programs.

However, we believe the subcommittee could make major improvements in S. 1136. The bill particularly does not address two major problems of environmental programs: intergovernmental cooperation and adequate funding for local environmental programs. Without improvements in the bill in these areas, the subcommittee could not expect municipalities to support this bill.

This subcommittee should take advantage of the opportunity this bill presents to encourage state-wide comprehensive environmental planning and implementation with all levels of government participating in the effort. Throughout this decade, environmental programs have been conducted along categorical tracks with little encouragement for local and state policymakers to view these programs in their broader context. In fact, local involvement in the programs has been sporadic. In the mid-1970's, changes in the Clean Air and Clean Water Acts drew local officials into some environmental planning, as in the state air quality implementation plan revisions for non-attainment urban areas. But generally local involvement is still confined to a few categorical programs. And, in the case of non-attainment planning, local involvement is required under a temporary program that will expire next year.

In short, there has been no real effort to have local and state officials jointly agree on a comprehensive program for controlling environmental pollution, as has been done in other fields. This subcommittee has the opportunity to change this. By mandating a truly integrated approach to environmental programs,

you can draw local policymaking officials directly into the process and thus build a strong political base of support at the local government level for environmental programs.

This can only be done, however, if local governments are given a meaningful and effective role in this legislation. Unfortunately, we do not believe that S. 1136 meets this test. The bill is strong on the end product, but weak on the process for getting there. Sections 5 and 6 carefully spell out the requirements for an acceptable integrated program plan. But it is the process for arriving at this integrated program that is most important to local governments. It is here that the bill falls short.

The only process requirement is in Section 9 which directs that the "state shall provide for consultation with local governments" when developing an integrated program plan. Our experience with such requirements is that it will not be sufficient to insure that local governments are given an adequate voice in development of this important plan.

As a Mayor and Chairman of the Southeast Michigan Council of Governments, I have seen that "consultation" frequently means a very different thing to local officials than it does to the state government. Only occasionally does it mean significant involvement of local officials in state environmental policymaking; very rarely does it mean a joint and cooperative determination of important policy issues.

We believe that Section 9 must be expanded to guarantee a significant role for local governments in developing a state-wide integrated environmental program plan. It should include the following specific components of a consultation process for state integrated plans:

- information dissemination to and education of local elected officials on the integrated program plan and its effects on local governments;
- an opportunity for the involvement of local elected officials in the development of the state plan; and
- an opportunity for joint resolution by local governments and the state of key issues in development of the state plan. Key issues would include the integrated plan requirements of section 6, the transferal of funds provisions of Section 11, any element of the state integrated program that affects existing federally-funded local environmental programs, and any element that requires local implementation or enforcement or the commitment of local resources.

Additionally, we believe that Section 9 should guarantee local governments the right to appeal to the EPA Administrator or to petition for judicial review on the basis of a violation of the specified consultation requirements. Our experience with a similar judicial review provision in the Clean Air Act demonstrates that it is an effective method for insuring that local governments are adequately involved in state-wide policymaking.

Section 9 should spell out for the states exactly what is expected of them to involve local governments in drawing up the integrated program plan. In some states, existing consultation processes will easily meet the consultation objectives listed above. And, it should be noted, the objectives we recommend are phrased in terms of states offering local officials an opportunity for involvement;

states would not be required to require involvement by local officials who are not interested.

If our recommendations are incorporated into S. 1136, we feel confident that they will effectively bring local elected officials into state-wide environmental policymaking for the first time. They will help to build a strong local base of support to federal environmental programs. They will also encourage local governments to take on a larger role in planning and implementation of environmental programs, particularly since Section 10 of the bill guarantees adequate assistance to local governments that take on new responsibilities.

We have placed a great deal of emphasis in this testimony on local involvement in the state integrated program plan for two reasons. First, we believe that few local governments will be eligible to receive integrated assistance directly and so will have to receive it on a pass-through basis through the state integrated plan. Few municipalities currently receive direct federal assistance under more than one categorical program. EPA estimates that only three to six municipalities receive assistance under two or more programs; therefore, they are the only cities that would be directly eligible under S. 1136.

Furthermore, Section 8(A)(2) narrowly limits direct integrated assistance to local governments. Essentially, direct integrated assistance can be obtained by an eligible local government only if the state permits it.

In our opinion, it would be better to eliminate these restrictions on direct integrated assistance to local governments. Instead, the

cooperative process for Section 9 consultation which we have recommended should be expanded to include consultation with the state by eligible local applicants developing a local integrated plan. This would insure that local governments could freely propose an integrated plan, but that it must be sufficiently coordinated with a state integrated plan or with state categorical programs.

Our second reason for emphasis on local involvement in the state integrated plan is that S. 1136 clearly encourages a state-wide focus on environmental programs. It will probably change institutional relationships in environmental programs in subtle and unforeseen ways. It is essential that this subcommittee guard against any change that will lessen the role and involvement of local governments in federal environmental programs.

Many local governments now receive federal categorical funds on pass-through basis from the state. The state integrated program plan may drastically change this, particularly if the state transfers significant funds out of several programs. It is important that this integration not be to the detriment of existing local programs without the consent of local officials.

EPA, of all agencies, should realize the importance of local governments to their programs. I could cite numerous examples from the past where exclusion of local governments has delayed or crippled important environmental programs. Compare, for example, the success of Clean Air Act Transportation Control Plans prepared by EPA and the states in the early 1970s with the success of transportation control plans prepared and submitted to EPA this year by local governments.

We firmly believe that if this subcommittee wants to report integrated program legislation that will be successful, you must provide for a more cooperative local-state-federal planning process than S. 1136 does. Some may argue that the cooperative planning process we propose is too burdensome or cumbersome. However, the development of integrated program plans is too important to take any procedural shortcuts. S. 1136 envisions a complete and thorough alteration of institutional and programmatic relationships. This subcommittee should ensure that this is done with the full involvement of affected parties, including local governments.

Because only three to six municipalities will be eligible for direct integrated assistance, the ten percent of supplementary assistance funds earmarked in Section 13 (a) for local governments will benefit few cities. Therefore, we believe there should be a separate set-aside of state supplementary assistance grants for the vast majority of local governments that are ineligible to receive direct supplementary assistance. A set-aside of 20 percent for pass-through by the states would ensure that local governments can also receive funding for special, innovative local environmental programs.

Because this legislation is in the nature of a demonstration, we also believe that the authorization for the program should be shortened from five to three years. This will provide sufficient time for the demonstration program to produce results and will provide Congress the opportunity to supervise, evaluate, and alter this important program before it goes into full operation.

Finally, if this subcommittee chooses not to act on integrated program legislation, we hope that you will examine in oversight hearings the administrative agreements that EPA has been negotiating

with many states. These state-EPA agreements are aimed at achieving many of the legislative goals of S. 1136 administratively. Our concern is that these agreements are being negotiated without the consultation process requirements that we believe are necessary to a successful integrated environmental program. We hope the subcommittee will scrutinize these administrative agreements, which can have a significant impact on the operation of federal environmental programs.

Thank you.



iowa department of environmental quality

reply to: Larry E. Crane
phone: 515/281-8854

February 15, 1980

Mr. Karl R. Braithwaite
Senate Committee on Public Works
and the Environment
344 Russell Office Building
Washington, D.C. 20510

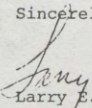
Dear Karl:

I have attached two statements to this letter in response to questions by Senators Culver and Muskie at the January 22, 1980, hearing on the Integrated Environmental Assistance Act. One addressed Iowa's experience with the EPA Consolidated Grant program which I should point out is apparently not a part of the joint funding simplification legislation referred to by the Senators at the hearing. The second addresses the local government involvement in the Iowa environmental program. Senator Culver requested these two responses for the record.

I trust that these responses will answer the questions. If any additional materials are desired I can provide that as well.

Thank you for the courtesies extended to me during the hearing.

Sincerely,


Larry E. Crane
Executive Director

LEC:klg

Enclosures (2)

cc: Pete Rosenberg, Washington, D.C.
John Logomacino, National Governor's Association
Jack Gwynn, EPA, Washington, D.C.

Local Government Involvement
Iowa's Experience

Larry E. Crane

Executive Director

Iowa Department of Environmental Quality

February 15, 1980

Iowa may be somewhat different than many other states in that there are only two local programs which provide environmental regulatory programs equivalent to the State programs. Des Moines/Polk County and Cedar Rapids/Linn County both carry out air pollution control programs compatible with those of the Iowa Department of Environmental Quality (DEQ). These two agencies receive federal funding from the U.S. Environmental Protection Agency (EPA). On an annual basis they submit their grant requests to EPA through DEQ for review and comment. Each of these local programs have a place on the monthly agenda for reports and discussion with the Department's Air Quality Commission. They carry out the programs wholly on their own with only consultation with DEQ. The programs are both excellent and the relations at the State and local level are open and supportive one to the other.

In all the other environmental areas the local programs are those of city and county health departments, where they exist. These programs supplement the State program where possible. These local units cover environmental programs not covered by DEQ such as regulation of septic tanks and private water supplies as well as other programs related to health agencies. Some of these agencies cover programs for which DEQ is not adequately staffed to cover such as small lagoon wastewater facilities for camp grounds. These local programs are not adequately staffed to carry out very many of the environmental programs. During the last Iowa Legislative Session DEQ requested \$50,000 to establish a pilot project with funding by contract in a few of these local health departments to supplement our activities and to provide for more local control. Unfortunately the funding was turned down and we are not able to provide much assistance to these agencies except consultative work. Meetings with these local health directors as a group are held every three to six months. New programs or program directions are discussed and the local officials express their ideas or concerns. In addition these local officials as well as any other officials have access to the various Commissions of the Department at their monthly meetings which are open to the public. The Commission members are mainly members of the lay public from all parts of the State. As a group they are very receptive to the impact of the Department's programs on local officials as well as other public groups.

An example of local official involvement in DEQ matters happened recently when DEQ was deciding whether to accept delegation of the water quality construction grants program. The preliminary staff analysis presented a large number of negative factors in regard to the assumption of the program. The recommendation of the Executive Director for discussion at the public hearing before the Water Quality Commission was to not pursue delegation. Meetings also were held with the other parties such as municipal officials, and consulting engineers involved in construction grant projects. These meetings as well as comments at the hearing convinced the Executive Director to recommend pursuance of delegation since the negative aspects of delegation were all related to DEQ and the overwhelming positive factors were related to the local governments. The Water Quality Commission voted unanimously to pursue the delegation.

The types of activities described above are only a few of the many contacts of the Department with the total public including local government. Even though local government in Iowa does not actually operate most of the environmental regulatory programs does not mean that they have no voice in what is happening. The local officials are also key participants in the preparation of the State/EPA agreement.

Obviously in some of this nation's major metropolitan areas there is a desire for local operation of environmental programs and the opportunity to share in the federal grant funds, but that is not the situation in Iowa. If DEQ grant funds were distributed equally to all of the local governments according to population, each local government would find that sufficient staff could not be obtained and staff that was hired would be spread so thin that no real technical expertise on the complex environmental program would be available.

In summary, Iowa's environmental programs do operate with adequate involvement and participation by local governments. It is unlikely that any voice would be raised in support of any further local government take-over of the complex programs. There is a willingness in the more populated areas to supplement the state program but not at the expense of the local agencies being required to carry out the total programs.

THE EPA CONSOLIDATED GRANT

Iowa's Experience

Larry E. Crane

Executive Director

Iowa Department of Environmental Quality

February 15, 1980

The Iowa Department of Environmental Quality (DEQ) chose to accept the consolidated grant delivery mechanism in fiscal year 1974. This is now the sixth year of operation under the mechanism and this report covers the history of the efforts and points out the strengths as well as the weaknesses in the program.

The Iowa DEQ was formed in January 1973 and started to really function as an integrated environmental agency in the summer of that year. The only major environmental program not included in DEQ was and continues to be the pesticide regulation program which is carried out by the Iowa Department of Agriculture.

The consolidated grant provided a mechanism for the top management of the agency to create a total environmental approach to the agency's activities. Previously the programs such as Water Quality, Air Quality, and Solid Waste operated on their own independent grant funding and state funds which were considered necessary and each reported to separate units in the U.S. Environmental Protection Agency in the Kansas City Regional Office. The first item accomplished by the DEQ Executive Director and the EPA Regional Administrator was to establish a single central contact point for all consolidated grant related information, negotiation and reporting. A single noncategorical group now provided better access to top management on all of the programs and their interrelationships.

DEQ on their own initiative undertook a separate action which was just as instrumental in bringing about integration and consolidation of environmental activities in Iowa. A management-by-objection (MBO) and programmed budget approach was instituted soon after the initial consolidated grant from EPA. These activities for the first time really brought the program into focus for top managers and in fact pointed out weaknesses of the consolidated grant program.

The management program for the budgeting process resulted in clearly identifying all agency activities, related the activities to the goals and objectives established, set forth the priority for every activity and identified the resource requirements. For the first time the real needs of the total environmental program was laid out for complete review. Here was also the first time that the agencies real environmental priority needs could be compared with the EPA categorical funding available through the consolidated grant. Perhaps not surprisingly the two programs did not mesh. Because of the funding constraints lower priority activities in areas adequately funded with Federal monies were to be accomplished while higher priority activities in less adequately funded areas could not be undertaken.

The positive aspects were however that unwarranted activities due to low priority were dropped in lieu of higher priority activities even if the activities were new or expanded in scope. The overlying constraints however were the federal funds and the allocation to categorical areas along with the required state matching monies. Early in the process the DEQ learned to build the greatest flexibility possible by maintaining only the minimum matching requirements on funding with state monies and utilizing the uncommitted balance to address the discrepancies in priority activities. In a state with abundant state monies in the budget a great deal of flexibility can be accomplished. In Iowa over 50% of the funds are federal and the options for flexibility are limited.

In working with the EPA Kansas City Region the DEQ provides the total program plan for the agency which includes federal funds, state minimum match funds, and the balance of state funding. By these means the state and the EPA Region can negotiate the total program requirements in Iowa with only the constraints on the federal funds being the limiting factor.

In preparation of the budget documents for the Iowa DEQ the main constraint is still the federal categorical fund limitations. After preparation of the total activities and priorities for the agency, these constraints are used to eliminate certain activities which would otherwise be funded and lower priority activities moved up for funding with the categorical grant monies.

Attached to this report are copies of some of the basic program planning and budgeting documents for the agency. The materials are prepared from the bottom up with each higher level of management assessing the priorities and resource requirements until the Executive Director has completed the package. It is at this point that the funding needs are set forth and the contents examined. After adjustments the package is reviewed for approval by the Department's Executive Committee which is made up of the chairpersons of four Commissions.

This program plan, the budget which results and the Consolidated Grant application make up the major aspects of the materials for negotiation of the State/EPA Agreement which pinpoints some of the significant activities of both DEQ and EPA Kansas City for the next year. The same constraints faced by the State are also faced by the EPA management officials in their review of the program plan and the activities encompassed in the plan. No federal funds movement is allowed by these officials even if they would concur in any proposed moves or recognize the need from the plan.

The Consolidated Grant has been a most useful tool to initiate improved environmental program management by the Iowa DEQ. At this point any further improvements in carrying out the priority needs in Iowa rest with the fate of the Integrated Environmental Assistance Act. As little as 10% funds reallocation flexibility with EPA approval, coupled with the existing flexibility from state funds would enhance DEQ's ability to set forth the programs needed to address the priority programs. The State/EPA agreement process is the vehicle envisioned for carrying this out. Public Participation in the program assessment and resource allocation is an integral part of this agreement. Interested public groups and individuals can review not only the DEQ proposed program but the EPA Regional activities proposed for Iowa. These programs can be interrelated to a much greater extent than is now done. The public involvement process coupled with EPA approval and reporting to Congress on the extent of funds transfer should insure that the nations goals as well as those in each state are in fact being accomplished.

In summary the Iowa DEQ is extremely pleased with the results of the Consolidated Grants program to date. Neither DEQ nor the EPA region allowed the program to be diminished to the point where the consolidated grant application was just a large staple holding all the categorical grant requests together. Without acceptance by the EPA regional top managers and a willingness to assist with the consolidation process, the consolidated grant program would have been a failure. EPA is to be congratulated for their efforts to assist states like Iowa in accomplishing program integration to the extent it is practiced today.

