May 14, 2004

The Honorable James M. Jeffords
Ranking Minority Member
Committee on Environment and Public Works
United States Senate

Subject: Superfund Program: Breakdown of Appropriations Data

Dear Senator Jeffords:

On February 18, 2004, we issued a report updating the appropriations and expenditure data for the Environmental Protection Agency's (EPA) Superfund program that we included in our July 2003 report on the status of the program.1 To supplement this information, you requested that we provide a breakdown of the appropriations data, showing the amounts for the Superfund program, amounts designated for the Agency for Toxic Substances and Disease Registry (ATSDR) and the National Institute of Environmental Health Sciences (NIEHS), and the Brownfields program. Superfund program operations are funded by appropriations from the general revenue fund and the Superfund trust fund. Historically, a tax on crude oil and certain chemicals and an environmental tax on corporations were the primary sources of revenues for the trust fund; however, the authority for these taxes expired in 1995. The trust fund continues to receive revenues in the form of cost recoveries, interest on the fund balance, fines and penalties, and general revenue fund appropriations that supplement the trust fund balance.

In preparing this report, we relied primarily on our prior work on EPA’s Superfund program, updated where appropriate through discussions with EPA officials in the Office of the Chief Financial Officer and the Office of Solid Waste and Emergency Response. We determined that the appropriations and expenditure data used were sufficiently reliable through our interviews with EPA officials. We conducted our work from February through April 2004 in accordance with generally accepted government auditing standards.

As enclosure I shows, total Superfund program appropriations decreased from fiscal year 1993 to fiscal year 2004, in constant 2003 dollars, from $1,884 million to

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Since fiscal year 2000, the Superfund program has increasingly relied on revenue from general revenue fund appropriations. In fiscal year 2004, the appropriation from the general fund was the only source of funds for the program. Enclosure II provides a breakdown of the appropriations for the Superfund program, including amounts designated for ATSDR, NIEHS, and the Brownfields program. The enclosure shows that the net Superfund program appropriations—excluding the amounts for ATSDR, NIEHS, and the Brownfields program—decreased from $1,757 million to $1,242 million, in constant 2003 dollars, from fiscal year 1993 to fiscal year 2004.

We provided EPA with a draft of this report for review and comment. EPA generally agreed with the information in the report and provided several technical comments, which we incorporated as appropriate.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution of it until 5 days from the report date. At that time, we will send copies to the appropriate congressional committees; the Administrator, EPA; and other interested parties. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at http://www.gao.gov.

If you or your staff have any questions, please call me at (202) 512-3841. Key contributors to this report were Ellen Crocker, Tim Guinane, Jerry Laudermilk, Nico Sloss, and Tatiana Winger.

Sincerely yours,

[Signature]

John B. Stephenson
Director, Natural Resources and Environment

Enclosures

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Enclosure I shows the enacted amounts of the appropriations. In February 2004, we provided the actual appropriation amounts, which include amounts carried over from prior years, consistent with our July 2003 report.
Enclosure I

Sources and Amounts of Appropriations to the Superfund Program, Fiscal Years 1993 through 2004

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</thead>
<tbody>
<tr>
<td>Enacted appropriations in current year dollars</td>
<td>From general revenues</td>
<td>$250</td>
<td>$250</td>
<td>$250</td>
<td>$250</td>
<td>$250</td>
<td>$250</td>
<td>$325</td>
<td>$700</td>
<td>$634</td>
<td>$635</td>
<td>$633</td>
<td>$1,258</td>
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<tr>
<td></td>
<td>From the Superfund trust fund</td>
<td>1,323</td>
<td>1,247</td>
<td>1,104</td>
<td>1,063</td>
<td>1,144</td>
<td>1,250</td>
<td>1,175</td>
<td>700</td>
<td>636</td>
<td>635</td>
<td>633</td>
<td>0</td>
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<tr>
<td></td>
<td>Total in current year dollars</td>
<td>$1,573</td>
<td>$1,497</td>
<td>$1,354</td>
<td>$1,313</td>
<td>$1,394</td>
<td>$1,500</td>
<td>$1,400</td>
<td>$1,270</td>
<td>$1,270</td>
<td>$1,265</td>
<td>$1,258</td>
<td></td>
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<tr>
<td>Enacted appropriations in constant 2003 dollars</td>
<td>From general revenues</td>
<td>299</td>
<td>293</td>
<td>287</td>
<td>282</td>
<td>277</td>
<td>274</td>
<td>351</td>
<td>741</td>
<td>656</td>
<td>645</td>
<td>633</td>
<td>1,242</td>
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<td>From the Superfund trust fund</td>
<td>1,585</td>
<td>1,462</td>
<td>1,268</td>
<td>1,198</td>
<td>1,267</td>
<td>1,368</td>
<td>1,269</td>
<td>741</td>
<td>658</td>
<td>645</td>
<td>633</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total in constant 2003 dollars</td>
<td>$1,884</td>
<td>$1,755</td>
<td>$1,555</td>
<td>$1,479</td>
<td>$1,544</td>
<td>$1,641</td>
<td>$1,620</td>
<td>$1,482</td>
<td>$1,314</td>
<td>$1,291</td>
<td>$1,265</td>
<td>$1,242</td>
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</tbody>
</table>

Source: GAO analysis of EPA data.

Note: Through fiscal year 2000, the Superfund program appropriations included funds for the Agency for Toxic Substances and Disease Registry (ATSDR) and the National Institute of Environmental Health Sciences (NIEHS); through fiscal year 2002, the appropriations included funds for the Brownfields program.

*a For the purposes of this analysis, we excluded a $40 million emergency supplemental appropriation from the fiscal year 2002 Superfund program appropriations because it was designated specifically for homeland security purposes.

*b We converted the annual appropriations to constant 2003 dollars using the Gross Domestic Product (Chained) Price Index.
Breakdown of Funding for the Superfund Program, Fiscal Years 1993 through 2004

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<td>$1,573</td>
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<td>$1,500</td>
<td>$1,500</td>
<td>$1,400</td>
<td>$1,270</td>
<td>$1,270^a</td>
<td>$1,250</td>
<td>$1,258</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amount designated for ATSDR and NIEHS</td>
<td>106</td>
<td>117</td>
<td>128</td>
<td>110</td>
<td>118</td>
<td>132</td>
<td>136</td>
<td>130</td>
<td>130^b</td>
<td>130^b</td>
<td>130^b</td>
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<tr>
<td></td>
<td>Amount designated for the Brownfields program^b</td>
<td>0^b</td>
<td>1</td>
<td>2</td>
<td>8</td>
<td>37</td>
<td>89</td>
<td>91</td>
<td>92</td>
<td>91</td>
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<td></td>
<td>Superfund program appropriations excluding amounts for ATSDR, NIEHS, and the Brownfields program</td>
<td>1,467</td>
<td>1,379</td>
<td>1,224</td>
<td>1,195</td>
<td>1,239</td>
<td>1,279</td>
<td>1,273</td>
<td>1,178</td>
<td>1,179</td>
<td>1,175</td>
<td>1,265</td>
<td>1,258</td>
</tr>
<tr>
<td><strong>Enacted appropriations in constant 2003 dollars^e</strong></td>
<td>Superfund program appropriations</td>
<td>1,884</td>
<td>1,755</td>
<td>1,555</td>
<td>1,479</td>
<td>1,544</td>
<td>1,641</td>
<td>1,620</td>
<td>1,482</td>
<td>1,314</td>
<td>1,291^e</td>
<td>1,265</td>
<td>1,242</td>
</tr>
<tr>
<td></td>
<td>Amount designated for ATSDR and NIEHS</td>
<td>127</td>
<td>137</td>
<td>147</td>
<td>124</td>
<td>131</td>
<td>144</td>
<td>147</td>
<td>138</td>
<td>138^b</td>
<td>138^b</td>
<td>138^b</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amount designated for the Brownfields program^e</td>
<td>0^e</td>
<td>1</td>
<td>2</td>
<td>9</td>
<td>41</td>
<td>97</td>
<td>98</td>
<td>97</td>
<td>94</td>
<td>97^e</td>
<td>97^e</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Superfund program appropriations excluding amounts for ATSDR, NIEHS, and the Brownfields program</td>
<td>1,757</td>
<td>1,617</td>
<td>1,406</td>
<td>1,346</td>
<td>1,372</td>
<td>1,399</td>
<td>1,375</td>
<td>1,247</td>
<td>1,219</td>
<td>1,194</td>
<td>1,265</td>
<td>1,242</td>
</tr>
</tbody>
</table>

Sources: GAO analysis of data from EPA and the President's Budget Appendix, Fiscal Years 1994 through 2005.

^aFor the purposes of this analysis, we excluded a $40 million emergency supplemental appropriation from the fiscal year 2002 Superfund program appropriations because it was designated specifically for homeland security purposes.

^bBeginning in fiscal year 2001, appropriations for ATSDR and NIEHS were no longer included in the Superfund program appropriations.

^eFor fiscal years 1993 through 1996, the amount designated for the Brownfields program represents budget authority as estimated by EPA, rather than appropriations to the program.

^fThe amount designated for the Brownfields program in fiscal year 1993 was $0.15 million in current year dollars ($0.18 million in constant 2003 dollars).

^gBeginning in fiscal year 2003, appropriations for the Brownfields program were no longer included in the Superfund program appropriations.

^hWe converted the annual appropriations to constant 2003 dollars using the Gross Domestic Product (Chained) Price Index.
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