Note from COG Staff

The following is a copy of the letter sent from EPA to GAO on November 28, 2005 in response to the GAO report on the Chesapeake Bay Program. GAO faulted EPA (1) for the manner of its reporting on progress and (2) for the lack of an integrated implementation plan.

The first three items highlighted below, focus on the reporting issue. The other two relate to implementation.

COG staff feels that GAO was on target regarding reporting and that EPA is making appropriate and effective changes. Regarding implementation, however, both GAO and EPA skirted the implementation responsibilities at the state and local levels. While EPA has taken steps to better align federal resources and the "keystone commitments" mentioned by EPA in its response are arguably the most important commitments of the Chesapeake 2000 agreement, the response is silent on plans to develop implementation plans which are state responsibilities.

The Honorable Susan Collins Chair Committee on Homeland Security and Governmental Affairs United States Senate Washington, D.C. 20510

Dear Madam Chair:

I am transmitting the Environmental Protection Agency=s (EPA) response to the Government Accountability Office (GAO) report recommendations on management of the Chesapeake Bay Program and measures used to determine the environmental health of the Chesapeake Bay. The report is entitled <u>Chesapeake Bay Program: Improved Strategies are Needed to Better Assess, Report, and Manage Restoration Progress</u> (GAO-06-96). EPA prepared this response pursuant to 31 U.S.C. 720.

The Chesapeake Bay Program is a unique, regional partnership leading and directing the restoration of the Bay. Formed in 1983, the Program is directed by the Chesapeake Executive Council, comprised of the Governors of Maryland, Pennsylvania and Virginia; the Mayor of the District of Columbia; the Chair of the Chesapeake Bay Commission, a tri-state legislative body; and the EPA Administrator, representing the federal government. EPA's Chesapeake Bay Program Office supports the Council. In addition, the Program Office develops information on the environmental quality of the bay and coordinates EPA activities with other federal agencies, states and local authorities.

The Chesapeake Bay is a national treasure. We are committed to working with our state and other federal partners to accelerate the pace of the restoration effort. In the past year alone we have added more than 800 miles of pollution-fighting forest buffers along the rivers and streams in the Chesapeake Watershed. The partners also added

75,000 acres to our list of permanently protected lands, bringing the total to 6.7 million acres. In 2005 we began putting into place a new wastewater treatment facility permitting approach that will cut pollution to the Bay by approximately 17 million pounds of nitrogen annually.

GAO Recommendation

To improve the methods used by the Bay Program to assess progress made on the restoration effort, GAO recommends that the Administrator of EPA instruct the Chesapeake Bay Program Office to complete its plans to develop and implement an integrated approach to assess overall restoration progress. In doing so, the Chesapeake Bay Program Office should ensure that this integrated approach clearly ties to the five broad restoration goals identified in *Chesapeake 2000*.

EPA concurs with the recommendation. The integrated assessment approach is a key element in the framework for measuring restoration efforts developed by the Program Office. In November 2004, a Bay Program task force began developing a new framework for organizing the Bay Program's restoration measures and the Implementation Committee it in April 2005. The Bay Program plans to release an initial integrated approach on restoration in January 2006 to be followed by an integrated approach on bay health in March 2006.

GAO Recommendation

To improve the effectiveness and credibility of the Bay Program's reports on the health of the bay, GAO recommends that the Administrator of EPA instruct the Chesapeake Bay Program Office to include an assessment of the key ecological attributes that reflect the bay's current health conditions.

EPA Response

EPA concurs with the recommendation. As the GAO report indicates, the Bay Program is developing a new set of indicators that clearly identify key ecological attributes that represent the health of the bay. Development of these indicators is based on the Bay Program's decision to develop a framework for assessing the health of the bay that was approved in April 2005. Based on the new indicator data set, the Bay Program will publish the first integrated health assessment of the bay in March 2006.

GAO Recommendation

To improve the effectiveness and credibility of the Bay Program's reports on the health of the bay, GAO recommends that the Administrator of EPA instruct the Chesapeake Bay Program Office to report separately on the health of the bay and on the progress made in implementing management actions.

EPA Response

EPA concurs with the recommendation. We have acted on this recommendation and will separate the reporting of the environmental status of the bay and the implementation of management actions.

In the summer 2005, the Program began publishing *Chesapeake Currents*, a monthly electronic newsletter on current health conditions of the bay, and produced its first-ever annual Summer Forecast that looked exclusively at current and predicted bay health conditions. In addition, the Program will produce a separate report on the environmental health of the bay in March 2006. In January 2006, the Program will report on restoration management actions underway. These ongoing communication initiatives will fulfill the GAO recommendation.

GAO Recommendation

To improve the effectiveness and credibility of the Bay Program's reports on the health of the bay, GAO recommends that the Administrator of EPA instruct the Chesapeake Bay Program Office to establish an independent and objective reporting process.

EPA Response

EPA concurs with the recommendation. As GAO reports, the Bay Program makes extensive use of peer review processes to assure the scientific integrity of its work. We are committed to ensure appropriate scientific review of communication products, and the Program will continue these processes as it develops new reporting tools. The new Summer Forecast communications product, for example, was peer reviewed by independent scientists to assure that the methods used for constructing the prediction models were scientifically sound. The Program's Scientific and Technical Advisory Committee will be actively involved in assuring the scientific integrity of the data used in communication products.

GAO Recommendation

To ensure that the Bay Program is managed and coordinated effectively, GAO recommends that the Administrator of EPA instruct the Chesapeake Bay Program Office to work with Bay Program partners to develop an overall, coordinated implementation strategy that unifies the program's various planning documents.

EPA Response

EPA concurs with the recommendation. As report notes, the Bay Program partners adopted 10 "Keystone Commitments" to implement a coordinated strategy of 102 commitments cited in the Chesapeake 2000 agreement. These keystone commitments provide the greatest environmental benefits to the bay and are likely to have significant collateral benefits to other commitments and will strengthen the

coordination of management strategies. In addition, in October 2005, 17 federal agencies formally agreed to use the keystone commitments to effectively integrate and prioritize federal interagency strategic planning for Chesapeake Bay restoration efforts.

GAO Recommendation

To ensure that the Bay Program is managed and coordinated effectively, GAO recommends that the Administrator of EPA instruct the Chesapeake Bay Program Office to work with Bay Program partners to establish a means to better target its limited resources to ensure that the most effective and realistic work plans are developed and implemented.

EPA Response

EPA concurs with the recommendation. In October 2005, the Bay Program partners approved a funding priorities framework that will assure the most cost-effective actions.

In October 2005, the partners reaffirmed their dedication to Chesapeake Bay restoration as outlined in *Chesapeake 2000* and have agreed to create a "Chesapeake Bay Watershed Assistance Network" that will provide improved access to appropriate funding and technical assistance to accelerate restoration of the Chesapeake Bay and its tidal tributaries. Federal, state and local governments, watershed associations and landowners will participate in the network. All Network participants will share a common understanding of funding priorities that will results in a more efficient use of available resources. In addition, the Network will provide routine reports to members on the status of current and projected resources relative to restoration work plan development.

Thank you for the opportunity to respond to the recommendations. If you have any questions, please contact me or your staff may contact Betsy Henry in EPA's Office of Congressional and Intergovernmental Relations at 202-564-7222.

Best wishes,

Lyons Gray Chief Financial Officer