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## Second Key Issue:

# Why Depend On Contracting To Such A Great Extent?

Originally, there was congressional concern that Superfund could become a large, unwieldy public works program. Inexperience with uncontrolled hazardous waste sites in 1980, as well as the desire to get a quick start, also fed into the contracting policy decision. Embedded in the statute was also a heavy responsibility for government to identify responsible parties and seek private cleanups and cost recovery for government-funded cleanups.

In 1980, many people thought that cleaning up uncontrolled hazardous waste sites was a short-term problem, to be solved relatively quickly with known engineering techniques. A short-term program had no need for a huge internal government bureaucracy that would gain a life of its own, and Congress wanted the money to be spent on cleaning up sites instead of building a bureaucracy. Also, EPA--a regulatory agency--had no expertise in running a major operational, engineering program. There was, as well, a crisis atmosphere. Congress and EPA assumed that contracting would enable EPA to get the program started faster than if the agency had to first develop internal structure and expertise. These congressional concerns and actions, aided by the Reagan administration's policy to accelerate the privatization of the Federal Government, have led to the current large scale dependence on contractors in the Superfund program.

Regarding its contracting policy and how it came about, EPA told OTA:

... The real deciding factor on how to effectively operate and manage the Superfund program was made early in the program and is a result of both Congressional intent and Agency management decisions. Congress envisioned the program to be overseen and managed by the Agency. Agency managers set up the current structure as the most *cost effective and efficient*.

The restriction is an end result of the budget development process and is included in the Superfund appropriation as an assurance to Congress that *resources provided will be expended on site cleanup and related activities*.

The Agency believes that *management and oversight of the cleanup of abandoned hazardous waste sites* is a prudent and appropriate role. The structure necessary to establish a major construction workforce in EPA for Superfund site work would exceed the role intended by Congress for the Agency and would unnecessarily duplicate services readily available in the public sector [emphasis added].<sup>21</sup>

The relative merits of contracting out versus the use of in-house government staff is an old issue, the pros and cons of which will not be extensively explored here.<sup>22</sup> But, the points usually debated--whether contracting out is cost effective and efficient, results in quality work, and is appropriate for the government activity being contracted out--are questions that Congress might ask of the Superfund program. These are the same questions Congress has been asking about government defense programs. The key issue is the *extent* of contracting and particularly its growth versus building an effec-

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U.S. Environmental Protection Agency response to an OTA letter, Sept. 29, 1987.

<sup>22</sup> For a quick review of the issue, see Congress, Congressional Research service, "Contracting Out: Some Basic Policy Questions for the DOD and Other Government Agencies," Report No. 83-142 F, Sept. 19, 1983.

tive government workforce to ensure that contractors provide high quality and cost-effective services.

What was a reasonable policy decision eight years ago may not make as much sense today. First, the Superfund program and related cleanup programs are and will not be short-term Federal programs whose problems can be easily solved. Second, large scale contracting under Superfund has not necessarily been--nor has any attempt been made to show that it is--cost effective and efficient, and it has not yet assured that funds are "expended on site cleanup and related activities," as EPA states above. Third, contracting has not avoided the development of dependent bureaucracies. Fourth, emphasis on contract management does not lead to the development of an infrastructure and technical capability that drives EPA up the learning curve. Fifth, the large pool of contracting money creates a pulling force on personnel--out of the Federal (and State) system and into the private sector. And, sixth, Super-

fund contracting contains a potential for conflict between public and private interests.

There has been little reconsideration of the immediacy of environmental threats from most Superfund sites. If there is, in fact, not a crisis situation to deal with (only a tiny fraction of Superfund's resources are spent on true emergency situations), then a slower pace of spending on contracting could be justified.

But, as we have shown, the trend is toward increased funding for contracting; sometimes, not intentionally. For instance, the imposition of mandated schedules for attaining certain levels of activities has also contributed to increased dependence on contractors. The policy of mandated schedules was a reaction to a slow program, but Congress gave little consideration to who would do the work and whether the requirements might worsen an already heavy workload for a largely inexperienced contractor and EPA workforce.