



OXFORD JOURNALS  
OXFORD UNIVERSITY PRESS

CSF Associates Inc.

---

Environmental Protection and the New Federalism: A Longitudinal Analysis of State Perceptions

Author(s): Richard J. Tobin

Source: *Publius*, Vol. 22, No. 1 (Winter, 1992), pp. 93-107

Published by: [Oxford University Press](#)

Stable URL: <http://www.jstor.org/stable/3330236>

Accessed: 19-08-2015 22:36 UTC

## REFERENCES

Linked references are available on JSTOR for this article:

[http://www.jstor.org/stable/3330236?seq=1&cid=pdf-reference#references\\_tab\\_contents](http://www.jstor.org/stable/3330236?seq=1&cid=pdf-reference#references_tab_contents)

You may need to log in to JSTOR to access the linked references.

---

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <http://www.jstor.org/page/info/about/policies/terms.jsp>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).



*Oxford University Press and CSF Associates Inc.* are collaborating with JSTOR to digitize, preserve and extend access to *Publius*.

<http://www.jstor.org>

# Environmental Protection and the New Federalism: A Longitudinal Analysis of State Perceptions

Richard J. Tobin  
*State University of New York at Buffalo*

*Surveys of the directors of state air and water quality programs in 1979, 1985, and 1990 are used to assess the directors' (and, indirectly, the states') reactions to the New Federalism of the 1980s and related federal efforts to increase the role of the states in environmental decisionmaking. Despite frequent claims that the New Federalism led to significant improvements in state-federal relations in the environmental arena, the survey data suggest that these relations have changed little since 1979.*

The New Federalism of the 1980s and 1990s has spawned a voluminous literature assessing the policy's causes and consequences and drawing conclusions about the merits of nearly every aspect of intergovernmental relations. For example, in their assessments of Ronald Reagan's quest to enhance the intergovernmental role of the states, some researchers have claimed that the New Federalism was "strikingly successful,"<sup>1</sup> "contributed to a fundamental shift in the balance of power and responsibility in American federalism,"<sup>2</sup> "returned power and authority to the states,"<sup>3</sup> or "resulted in a significant displacement of influence and authority in making environmental policy from the federal to state regulatory agencies."<sup>4</sup>

Despite the agreement among these researchers, much of the literature that has examined the New Federalism suffers from several problems. Researchers who attempted to study changes in intergovernmental relations during the 1980s frequently did so without an empirically based consideration of the status of these relations before the decade, thus frustrating efforts to assess changes due to the New Federalism. Some researchers examined data from too short a time period; still

**AUTHOR'S NOTE:** I would like to thank Donald B. Rosenthal and this journal's reviewers for comments and suggestions.

<sup>1</sup>Richard P. Nathan, "Institutional Change under Reagan," *Perspectives on the Reagan Years*, ed. J. L. Palmer (Washington, D.C.: Urban Institute Press, 1986), p. 123.

<sup>2</sup>Nathan et al., *Reagan and the States* (Princeton, N.J.: Princeton University Press, 1986), p. 5.

<sup>3</sup>James P. Lester, "A New Federalism: Environmental Policy in the States" (Paper presented at the annual meeting of the Western Political Science Association, Salt Lake City, Utah, March-April 1989), p. 5.

<sup>4</sup>Walter Rosenbaum, "The Bureaucracy and Environmental Policy," *Environmental Politics and Policy: Theories and Evidence*, ed. James P. Lester (Durham, N.C.: Duke University Press, 1989), p. 237.

others focused on a single point in time. In addition, these assessments were often conducted in tandem with the changes. Although the purpose of doing so is obvious, each such study implicitly assumed that the consequences of the New Federalism on intergovernmental relations could be detected and observed soon after the changes themselves. In fact, relations among organizations and governments change gradually; patience is required to observe changing patterns of relations.<sup>5</sup>

The present research addresses these concerns through an examination of intergovernmental relations in environmental regulation. Such regulation involves the federal government's passage of laws that rely on state implementation to achieve federal goals. Environmental laws enacted in the 1970s provide some of the best examples of regulatory federalism. These laws envision a cooperative partnership between the states and the national government in which the latter delegates authority to the states once they demonstrate their commitment to national goals and their administrative capacity to achieve them. Under this model of partial preemption, the federal role declines as the states' responsibilities increase. Once a state accepts responsibility for program administration (or what some researchers call primacy), federal administrators supposedly limit themselves to arm's length oversight, except when states are unable or unwilling to meet their obligations.

Regardless of expectations, in the 1970s many state environmental agencies found that they did not have the trust or confidence of the Environmental Protection Agency (EPA), which is responsible for delegating authority to the states. All too often, it seemed, the EPA granted primacy but then acted as if the states were subordinate to the agency. Not unexpectedly, the states' reactions to this perceived heavy handedness was one of frustration. One study from the late 1970s found, for example, that directors of state environmental programs believed they had "been largely ignored in Federal decisions affecting their programs," and that the collaborative working partnership between state environmental agencies and the EPA that the Congress had envisaged was largely a myth.<sup>6</sup>

Given this disenchantment, it was perhaps fortuitous that President Reagan made improved intergovernmental relations one of his major domestic goals. Reagan promised to restore the proper balance to relations between the states and the federal government and to ensure that the states would be treated as partners in implementation rather than as agencies subordinate to distant and unelected federal bureaucrats. President George Bush, although not quite as vocal about devolving federal authority to the states, has remained largely faithful to the goals of his mentor.<sup>7</sup> In brief, the New Federalism of the 1980s and early 1990s has promised an end to federal dominance of state decisionmaking and the creation of an era of good

<sup>5</sup>Paul Peterson, "When Federalism Works," *Emerging Issues in American Federalism*, ed. U.S. Advisory Commission on Intergovernmental Relations (Washington, D.C.: ACIR, 1985), p. 24; Deil S. Wright, *Understanding Intergovernmental Relations* (3rd ed.; Pacific Grove, Cal.: Brooks/Cole, 1988), p. 253.

<sup>6</sup>U.S. General Accounting Office, *Federal-State Environmental Programs—The State Perspective* (Washington, D.C.: GAO, 1980), p. 10.

<sup>7</sup>Michael A. Pagano and Ann O'M. Bowman, "The State of American Federalism—1988-1989," *Publius: The Journal of Federalism* 19 (Summer 1989): 6-7.

relations.

After a decade of experience, it is now possible to assess some of the consequences of Reagan's New Federalism and to examine whether intergovernmental relations have experienced an improvement. What are the effects of the New Federalism on state-federal relations? Are the intended beneficiaries satisfied with the results, and do they now consider themselves to be effective participants in a cooperative partnership?

These questions are best answered in the context of an intergovernmental policy arena in which conflict and rivalry have characterized relations between the states and the federal government. Not only will the prospects for improvement be greater and the changes more easily observed in such an arena, but improved relations will also be more meaningful, especially if there is any link between effective cooperation and successful policy implementation.<sup>8</sup>

Intergovernmental administration of federal air and water quality laws easily meets the criteria of conflict and rivalry. These laws envisage a cooperative partnership between the states and the EPA, but whether such a partnership exists and whether it is effective are often causes of debate. The following longitudinal analysis focuses on this debate and assesses how the New Federalism has affected intergovernmental relations in the implementation of the two environmental laws. Their implementation depends on effective intergovernmental cooperation, and they have been the subject of sustained attention from the Congress, the last three presidents, all of the EPA's administrators during the 1980s and 1990s, and from several EPA programs designed to improve intergovernmental relations. In short, the laws arguably provide the New Federalists with one of their best opportunities to improve relations with the states.<sup>9</sup>

Equally important, the study bears directly on research about the relative importance of political institutions in determining bureaucratic behavior. One approach to this debate adapts the principal-agent model, which asserts that principals, or central political institutions, such as the president or the Congress, are able to alter and mold the actions of their agents, namely, public bureaucrats.<sup>10</sup> Support for this model comes from research that demonstrates federal bureaucratic responsiveness to changes in presidential administrations. Terry Moe's research, for example, led him to conclude that presidents are successful in affecting the behavior of independent federal regulatory commissions. John Scholz and Feng Wei's study on the enforcement practices of the Occupational Safety and Health Administration produced similar findings.<sup>11</sup>

A competing approach suggests that changes in the preferences and ideologies

<sup>8</sup>John E. Chubb, "The Political Economy of Federalism," *American Political Science Review* 79 (December 1985): 994-1015.

<sup>9</sup>William T. Gormley, Jr., "Intergovernmental Conflict on Environmental Policy: The Attitudinal Connection," *Western Political Quarterly* 40 (September 1987): 290.

<sup>10</sup>B. Dan Wood, "Principals, Bureaucrats, and Responsiveness in Clean Air Enforcement," *American Political Science Review* 82 (March 1988): 214.

<sup>11</sup>Terry M. Moe, "Regulatory Performance and Presidential Administration," *American Journal of Political Science* 26 (May 1982): 197-224; John T. Scholz and Feng Heng Wei, "Regulatory Enforcement in a Federalist System," *American Political Science Review* 80 (December 1986): 1249-1270.

of principals are less important to bureaucratic behavior than are the preferences of the bureaucrats.<sup>12</sup> According to this view, bureaucratic behavior is largely immune to political influences and presidential preferences for policy change. The present research provides support for the second approach, at least in regard to the EPA and its seeming resistance to the policy and ideological changes introduced with the inauguration of Ronald Reagan.

## METHODS OF STUDY

Deil Wright observes that a full comprehension of the changing status of intergovernmental relations requires data from an extended period of time. He further notes that one of the best ways to study these relations is to examine the images, or overall perceptions, that state officials "have of the attitudes held and actions pursued by national officials."<sup>13</sup> Such images, which are crucial to conflict management, allow one to identify problems with intergovernmental relations. If these images are examined over time, they can also provide useful indicators of change or stability.

This study provides an empirical assessment of images over an eleven-year period beginning prior to Reagan's call for a New Federalism. The benchmark is early 1979, in the middle of Jimmy Carter's administration, when the U.S. General Accounting Office (GAO) surveyed directors of each state's air and water quality programs in order to assess the status of state-federal relations in the implementation of the respective laws.<sup>14</sup> The GAO's questionnaire asked the programs' directors, of whom 90 percent responded to both surveys, to evaluate the management of the two laws, to provide their perceptions of their relations with the EPA, and to indicate how much they participated in the EPA decisionmaking processes that affected their states.

The author sent similar questionnaires to each state's air and water quality program directors in 1985 and 1990. The response rate exceeded 80 percent for each of the four separate surveys.<sup>15</sup> These surveys included many of the same questions asked in the 1979 GAO surveys as well as additional items intended to test hypotheses about the effects of the New Federalism on intergovernmental relations. If the New Federalists have succeeded and the principal-agent model is correct in arguing that bureaucracies are responsive to presidential direction, then state directors should demonstrate significantly higher levels of approval with current relations between their agencies and the EPA than they revealed in the late 1970s.

Having noted the virtues of this approach, it is also appropriate to acknowledge

<sup>12</sup>Graham T. Allison, *Essence of Decision* (Boston: Little, Brown, 1971); Eugene Bardach, *The Implementation Game: What Happens after a Bill Becomes a Law* (Cambridge, Mass.: MIT Press, 1977).

<sup>13</sup>Wright, *Intergovernmental Relations*, p. 243.

<sup>14</sup>GAO, *Federal-State Environmental Programs*.

<sup>15</sup>Responses from Puerto Rico and Washington, D.C. are included in the 1990 survey of air quality directors. Some of the data from the 1979 and 1985 water quality surveys were previously reported in Richard J. Tobin, "New Federalism and State Implementation of the Clean Water Act," *Environmental Management* 10 (November-December 1986): 785-796.

an important caveat. The surveys do not address the perspectives or motivations of federal policymakers, who are presumably responsible for many of the views that state officials hold. Nonetheless, the states are supposed to be the major beneficiaries of the New Federalism; thus, focusing on the perceptions of state officials allows at least a partial assessment of the policy and the success of its objectives.

## AN ASSESSMENT OF CHANGE

### *State Participation in EPA's Decisionmaking*

Studies of implementation consistently find that the prospects for success are enhanced when policy formulators involve implementors in the development of programs. Put in other terms, effective consultation and interorganizational communication are imperative, especially when policy formulators share responsibility for the implementation of their decisions, as is the case with the two environmental programs.<sup>16</sup> With the division of responsibilities inherent in the law, it is incumbent upon the EPA to consider the states' needs, abilities, and resources when developing policies.

According to Anne Gorsuch, Reagan's first EPA administrator, one of the EPA's "primary goals" was to increase the involvement of state and local governments in the agency's decisionmaking processes. This goal was meant to reverse the "previous pattern of EPA dictating to the states, treating them at best as junior partners," thus creating "bad relations, . . . bad regulations, and, therefore, poor environmental protection."<sup>17</sup> Gorsuch was not the only EPA administrator of the 1980s to focus on improved intergovernmental relations. When the agency issued its "EPA Policy Concerning Delegation to State and Local Governments" in 1984, for example, William Ruckelshaus explained that the policy was intended to "foster a viable and mutually beneficial partnership with the states."<sup>18</sup> As part of this policy, Ruckelshaus indicated that the EPA would reduce its involvement in the states' day-to-day decisionmaking activities. Ruckelshaus' successor, Lee Thomas, reemphasized the agency's commitment to a complete partnership with the states. He asserted that the EPA would "continue the strong movement envisioned in our statutes to decentralize our programs and delegate additional responsibility to . . . states. . . . We intend to do everything we can to increase the flexibility with which states and localities may implement federal standards."<sup>19</sup>

More broadly, Executive Order 12612, "Federalism," which was issued in October 1987, requires all federal agencies to consult with the states before federal standards are imposed on them and to grant to the states "the maximum administrative discretion possible" with respect to federal programs that the states admin-

<sup>16</sup>John T. Scholz, "Federal versus State Enforcement: Does It Matter?," *Power Divided: Essays on the Theory and Practice of Federalism*, ed. Harry N. Scheiber and Malcolm Feeley (Berkeley: University of California at Berkeley, Institute of Governmental Studies, 1989), p. 105.

<sup>17</sup>U.S. Environmental Protection Agency, *Annual Report to the President: The Protection of the Environment* (Washington, D.C.: EPA, 1982), p. 6.

<sup>18</sup>GAO, *Environmental Protection Agency: Protecting Human Health and the Environment Through Improved Management* (Washington, D.C.: GAO, 1988), p. 158.

<sup>19</sup>*Ibid.*, p. 159.



ister. The order further requires federal agencies, including the EPA, to designate a federalism officer to ensure the order's effective implementation. The EPA of the 1990s has pledged its allegiance to the executive order and declared it essential that all units of government be active participants in achieving what the EPA calls "environmental federalism."<sup>20</sup> From the EPA's perspective, all of these efforts have "resulted in improved relations over those that prevailed in the early 1980s."<sup>21</sup>

Respondents in the surveys were therefore asked to indicate the extent to which their viewpoint "as a state director is given adequate consideration" in the EPA's regulation and policymaking processes. The 1985 and 1990 surveys also asked about state participation in the EPA's enforcement processes.

For the principal-agent model to provide an explanation of outcomes, a significant change in perspectives about state participation should be evident. As the data in Table 1 reveal, however, state directors almost universally feel excluded from effective consultation with the EPA, regardless of when asked. Among the water quality directors, as an illustration, not a single respondent believed that the EPA considered his or her views to a "very great extent" in 1979, 1985, or 1990. Similarly, in all six surveys, no more than one-seventh of the respondents believed that their views, to a substantial or great extent, had been given adequate consideration in the regulation and policymaking processes. This finding is consistent with other research on federal environmental programs, which has found that as the federal responsibility for an area is enlarged, states increasingly find themselves excluded from policy formulation.<sup>22</sup>

Is this also the case for policy enforcement? The percentage of directors indicating satisfaction with their involvement was highest in the enforcement area, especially in regard to water quality in 1990. When placed in context, however, this outcome is less meaningful. No doubt exists about the EPA's responsibility for issuing nationally applicable policies and regulations. Effective consultation with the states is desirable before the EPA issues policies or regulations, but some parts of the federal air and water quality laws are so specific that the EPA's administrative hands are tied so that it cannot be responsive to state concerns. Statutorily and judicially imposed deadlines likewise circumscribe opportunities for state involvement. In contrast, decisions to initiate enforcement actions are frequently discretionary and not subject to deadlines. These considerations suggest that consultation will precede any enforcement actions involving both the EPA and a state agency.

The EPA usually will not initiate an enforcement action when a state agency is already taking action against a polluter. Under such conditions, no formal consultation between a state and the EPA is necessary because the latter remains uninvolved, except at a state's request. Despite this arrangement, the EPA has intervened in state-initiated enforcement actions when it believes that a state's enforcement efforts have not produced satisfactory results. In these cases, the

<sup>20</sup>Office of Management and Budget, *Regulatory Program of the United States Government*, April 1, 1990-March 31, 1991 (Washington, D.C.: OMB, 1990), p. 441.

<sup>21</sup>Letter to the author from Richard D. Morgenstern, acting assistant administrator, Office of Policy, Planning, and Evaluation, EPA, 21 June 1991.

<sup>22</sup>Timothy Hall, Irwin L. White, and Steven C. Ballard, "Western States and National Energy Policy: The New States' Rights," *American Behavioral Scientist* 22 (November/December 1978): 193-194.

TABLE 1  
Perceptions of State Participation in EPA Decisionmaking for Air (A) and Water (W) Quality

	Percent of Respondents Indicating <sup>a</sup>						N	Index of Relative Satisfaction		Index of Improvement			
	Very great, substantial, or great participation		Some, little, or no participation		A	W		A	W	1979-1985		1985-1990	
	A	W	A	W						1979-1985	1985-1990	1979-1985	1985-1990
Regulation-Making	1979	2.2	2.2	82.2	86.7		45/45	1.76	1.56				
	1985	4.8	7.5	54.8	75.0		42/40	2.19	1.88				
	1990	7.1	7.1	73.8	80.9		42/42	1.95	1.69	W: .09	- .06		.04
Policymaking	1979	2.2	2.2	86.7	88.9		45/45	1.53	1.40				
	1985	2.4	5.1	66.7	79.5		42/40	2.05	1.78	A: .15	.04		.18
	1990	14.0	4.8	62.8	78.6		43/42	2.16	1.86	W: .11	.02		.13
Enforcement <sup>b</sup>	1985	14.3	7.5	52.4	62.5		42/40	2.43	2.25				
	1990	13.6	16.7	65.9	51.3		44/42	2.39	2.45	A: .02	-.02		.07

<sup>a</sup>Percentages do not equal 100; respondents who indicated that they participated to a moderate extent comprise the "missing values."

<sup>b</sup>Not asked in 1979.



EPA's involvement can undermine a state's credibility and contribute to friction between a state and the EPA.<sup>23</sup> Such situations, it would seem, could be reduced or even eliminated through effective prior consultation. Again, however, the data in Table 1 indicate that consultation on enforcement actions is the exception.

The table also includes an Index of Relative Satisfaction, which ranges from 1.00 to 5.00, and which incorporates the views of all respondents, not just those in one or two categories. Low scores reflect dissatisfaction; high scores indicate the opposite.<sup>24</sup> "Acceptable" satisfaction scores should, therefore, be well above 3.00. As Table 1 shows, however, none of the scores approached this level in any of the surveys.

Another way to assess the results is to measure the magnitude of the change or improvement that occurred relative to the amount of change that was possible. The Index of Improvement provides just such a measure.<sup>25</sup> High positive scores (with a maximum of +1.00) indicate substantial improvement relative to what was possible, while negative scores reflect a deteriorating situation. The improvement scores for 1979-1985 show some modest changes in the expected direction. In contrast, the pace of improvement slowed considerably between 1985 and 1990, and even deteriorated in regard to state participation in the EPA's regulation-making processes for both air and water quality.

Perhaps the most remarkable feature of these data is how little change occurred despite the significant opportunities for change and the repeated emphasis on the need for and desirability of increased interaction and consultation. If assessments of the consequences of poor consultation are correct, then one explanation for unsatisfactory levels of pollution control can be traced to the near exclusion of many states from effective participation in the EPA's decisionmaking processes.

### *Perceptions of the EPA's Trust and Confidence in the States*

Growing federal involvement in a policy area typically follows a process of incrementalism, in which federal responsibilities are increased gradually. At least through the late 1960s, incrementalism probably provided a satisfactory explanation of events and changes in the division of responsibility between the states and the federal government. In contrast, the passage of environmental laws in the early 1970s marked a significant increase in federal responsibility at the expense of state prerogatives. One common explanation for this shift is that many states had supposedly not demonstrated either a commitment or an adequate level of competence to combat pollution. Many states, it was argued, could not be trusted to act responsibly and in the public interest.

Despite their alleged weaknesses, many states developed effective pollution control programs in the 1970s and 1980s. The states' renewed capacity to address

<sup>23</sup>National Commission on Air Quality, *To Breathe Clean Air* (Washington, D.C.: NCAQ, 1981), p. 235.

<sup>24</sup>Each question had five response categories, and each category was assigned a value of one through five. The latter score was assigned to the category indicating the highest level of satisfaction. Thus, the scores on the Index of Relative Satisfaction are an average of all responses to an item or statement.

<sup>25</sup>The Index of Improvement is calculated using the formula  $(S_2 - S_1) / (5 - S_1)$ , where  $S_1$  equals the score in the first year and  $S_2$  equals the score in the second year. Each item had five possible response categories.

environmental problems meshed nicely with Reagan's desire to return responsibility to the states and to delegate to the states responsibility for as many programs as the law would allow. Between December 1981 and December 1983, as an example, the number of states authorized to administer programs to prevent significant deterioration of air quality more than doubled, and significant transfers of authority occurred in other programmatic areas as well.

For proponents of the New Federalism, the rapid pace of delegation to the states has several implicit corollaries. First, transferring responsibility from the federal government to the states means that they will be given greater opportunities to determine the priorities with which they feel most comfortable. Second, the New Federalism's principle of increased autonomy for the states means that they will have greater discretion in how federal grants for state programs are spent. Third, the willingness to delegate increased authority to the states presumably reflects the federal government's renewed trust in the states and its confidence in their ability and willingness to implement environmental laws effectively.<sup>26</sup>

A contrasting view holds that the rapid delegation of responsibility to the states represented little more than an effort to reduce budget deficits and a general disenchantment with environmental and other regulatory programs.<sup>27</sup> Advocates of this position believe that increased delegation to the states has not improved intergovernmental relations. The mistrust that characterized relations in the 1970s remains largely the same in the early 1990s, or so it is argued.

The survey data provide an opportunity to see which position best reflects reality, at least from the perspective of state administrators. In each of the three air surveys, for example, state directors were asked to indicate who exerts the most influence on their assignment of priorities to meet the requirements of the Clean Air Act. However interpreted, the responses to this question do not support the views of the New Federalists. A majority of respondents in each air survey (i.e., 62.2, 70.0, and 56.8 percent, respectively) reported that the EPA exerted the most influence on the assignment of state priorities, a finding contrary to what the principal-agent model would suggest (at least for the latter surveys).

It was further hypothesized that the EPA of the 1980s would exercise less influence over state priorities in (1) states with outstanding environmental programs, and (2) states with governors and legislatures highly supportive of environmental protection.<sup>28</sup> Neither the air nor the water data support the second part of the hypothesis, and they only weakly support the first part. In the opinion of the state directors, the EPA is as likely to determine program priorities in the states with the best programs as it is in states with weak or limited commitments to environmental protection. Having a governor or legislature strongly supportive of environmental programs mitigated only slightly the EPA's influence on priorities in 1985. Similar patterns existed in 1990. State directors perceived the EPA to be

<sup>26</sup>Joseph Cannon, "Delegation to States: Realizing a Long Delayed Mandate," *Environmental Forum* (January 1983): 41.

<sup>27</sup>Conservation Foundation, *State of the Environment: An Assessment at Mid-Decade* (Washington, D.C.: Conservation Foundation, 1984), p. 448.

<sup>28</sup>Peer ratings are used to identify outstanding programs. Respondents in the 1985 and 1990 surveys were asked to identify and rank the states with the most outstanding air and water quality programs.

indiscriminate in its meddling.

A related question in the 1985 and 1990 surveys asked respondents whether they had experienced a change in the amount of discretion in spending federal funds within the last four years. Despite promises to increase discretion, none of the forty-two air quality directors reported a substantial increase in discretion between 1981 and 1985, and only seven (16.7 percent) reported a moderate or slight increase in discretion. Eighteen (42.9 percent) reported no change, and still another seventeen directors reported that they had experienced a moderate, slight, or substantial decrease in discretion. The overall pattern remained essentially unchanged in the 1990 survey. More than half of the respondents reported no change in discretion, and over a quarter said they had less discretion in spending federal funds in 1990 than four years earlier. The water quality directors reported similar disenchantment. In the 1985 survey, for example, 36.6 percent (of forty-one respondents) said that their agency had experienced little or no change in discretion. Another 31.7 percent reported a moderate, slight, or significant decrease in discretion over the previous four years. By 1990, the proportion of water quality directors reporting similar decreases in discretion had risen to 46.5 percent.

State directors were also asked to agree or disagree with the assertion that EPA officials often have little confidence in the states' willingness to take tough regulatory steps to control pollution. In both 1985 and 1990, more than 70 percent of the air and water quality directors agreed with the assertion. Relatively few disagreed, and several in each survey were undecided or neutral. Furthermore, knowing whether a state has a comprehensive commitment to environmental protection did not serve as a useful predictor of perceptions of the EPA's confidence in the states. Apparently, federal officials are relatively indiscriminate in their lack of confidence in the states, at least according to state directors.

### *Perceptions of Relations Between the States and the EPA*

GAO's 1979 survey found poor relations between the states and the EPA. For those who believe that cooperation and a sense of partnership are prerequisites for successful implementation, this finding provided evidence that national environmental programs were not accomplishing as much as was expected from them.

Perhaps in response, the EPA of the 1980s stressed the need for increased sensitivity to the states' perspective. As the data in Table 2 show, however, state program directors display little enthusiasm for their relations with the EPA. When asked to assess the extent to which the EPA headquarters' staff understands the problems that state directors face in administering their programs, three or fewer respondents in the 1979, 1985, and 1990 surveys indicated satisfaction (and agreed that this staff understands to a "very large" or "substantial" extent). In contrast, over two-thirds of the respondents in each of the six surveys thought that the headquarters' staff had limited (and sometimes even no) awareness of the problems that state directors face. In the summary of its 1979 survey, the GAO concluded that state directors perceive that the EPA staff in Washington has "no understanding of the real workings of pollution control programs."<sup>29</sup> The results from the 1985 and 1990

<sup>29</sup>GAO, *Federal-State Environmental Programs*, p. 15.

TABLE 2  
Perceptions of EPA-State Relations Among State Air (A) and Water (W) Quality Directors

		Percent of Respondents Indicating <sup>a</sup>				N	Index of Relative Satisfaction		Index of Improvement					
		Satisfaction		Dissatisfaction			A	W	1979-1985	1985-1990	1979	1990		
		A	W	A	W									
EPA headquarters' understanding of state problems	1979	4.4	4.4	86.7	84.4	45/45	1.69	1.69						
	1985	4.8	7.3	66.7	70.7	42/41	2.17	2.02	A: .15	-.07	.09			
	1990	6.7	2.3	73.3	81.8	45/44	1.98	1.93	W: .10	-.03	.07			
Impact of EPA understanding on effectiveness of state program	1979	11.1	6.8	75.6	79.5	45/44	2.13	1.93						
	1985	12.5	14.6	42.5	56.1	40/41	2.65	2.49	A: .18	-.08	.11			
	1990	4.5	7.2	52.3	52.4	44/42	2.46	2.48	W: .18	.00	.18			
Relations with EPA's regional staff	1979	68.9	68.9	11.1	4.4	45/45	3.73	3.73						
	1985	88.1	78.0	2.4	0.0	42/41	4.26	4.07	A: .42	-.50	.13			
	1990	79.5	77.3	9.1	9.1	44/44	3.89	3.86	W: .27	-.23	.10			
States are full partners with federal government <sup>b</sup>	1985	26.2	14.6	57.1	61.0	42/41	2.62	2.51						
	1990	11.6	13.6	69.8	65.9	43/44	2.28	2.34	A: .14					
									W: .07					

<sup>a</sup>Percentages do not equal 100; respondents in the middle category of responses comprise neutral or intermediate values.

<sup>b</sup>Not asked in 1979.

surveys reveal little change. As the Index of Relative Satisfaction shows, some improvement occurred between 1979 and 1985, but many of the gains disappeared in subsequent years.

Program directors were similarly asked how the current level of EPA headquarters' staff understanding of state problems influenced the effectiveness of their programs. The responses mirror the directors' reactions to the EPA's understanding of state problems. Only when asked about their relations with the EPA's ten regional offices do directors reveal high levels of satisfaction. These levels are evident in all surveys. For the original survey, the GAO explained the results by noting that the "key ingredients were clearly good communications and interaction between the States and regional people who have made a concerted effort to jointly pursue environmental goals."<sup>30</sup> The proximity of the regional offices to the states not only seems to enhance their sensitivity to state concerns but also encourages the regional offices to develop a sense of identity with their state counterparts. It is not unusual for the regional staffs to ally with the states when they have disagreements with the EPA's headquarters.

With the exception of their favorable views toward the EPA's regional offices, most state directors tend to be critical of their relations with the EPA. These views undoubtedly color the directors' perceptions of the federal-state partnership. Although the Reagan and Bush administrations can point to many programs intended to improve intergovernmental relations, their cumulative effects have been limited, at least in terms of the shared responsibilities that are supposed to characterize implementation. By overwhelming margins in both 1985 and 1990, directors believe that states have not been accorded a full partnership with the federal government as represented by the EPA. Indeed, this feeling increased among air and water directors between 1985 and 1990. Many of the directors feel that the EPA does not treat them as coequal partners, but rather as subordinate agents expected to accomplish federally mandated goals and programs regardless of state perspectives or problems.

### *The Desirability of EPA's Presence*

If state directors remain largely dissatisfied with their relations with the EPA, are there any areas in which state directors believe the EPA serves a useful intergovernmental role? One can hypothesize that the EPA will be most useful to state environmental agencies in the area of enforcement. Federal environmental laws employ a carrot-and-stick philosophy. States that do not comply with certain requirements face the prospect of federal sanctions. As a consequence, the prospect that the EPA will impose such sanctions might encourage states to take stronger actions than they would do otherwise. Faced with possible sanctions, state directors might also find it easier to justify certain enforcement actions than they would in the absence of the EPA's potential involvement.

In contrast, in their discussions with polluters, state agencies can assert that they have no choice but to enforce the mandates that the federal government has imposed on them. If egregious violations of the law occur and a state does not act, the EPA

<sup>30</sup>Ibid., p. 12.

can initiate enforcement actions. Most polluters prefer to negotiate with state agencies because they are often hesitant to initiate legal action, to impose large fines, or to risk environmental blackmail. States are also less likely than the federal government to have the legal expertise and financial resources necessary to pursue judicial relief. The states can further argue that the EPA will be less sympathetic to polluters and will impose more stringent terms on a polluter than would a state agency. As Ruckelshaus once noted, "Unless the states have a gorilla in the closet, they can't do the job. And the gorilla is the EPA. If they open the closet and find nobody there, or somebody who won't come out, that doesn't do them any good."<sup>31</sup>

TABLE 3  
State Air (A) and Water (W) Quality Directors'  
Perceptions of the Desirability of EPA's Presence

		Agree or strongly agree (%)		Disagree or strongly disagree (%)		Index of Relative Satisfaction		N
		A	W	A	W	A	W	A/W
State agency can effectively enforce the Clean Air/Water Act without EPA's assistance	1985	36.6	57.5	51.2	35.0	2.95	3.23	41/40
	1990	41.9	62.8	51.2	30.2	2.95	3.37	43/43
Threat of federal sanctions has prompted stronger state abatement action than otherwise would have occurred	1985	54.8	26.8	28.6	46.3	3.29	2.71	42/41
	1990	46.7	31.8	37.8	38.6	3.09	2.95	45/44
Threat of EPA intervention strengthens state position with polluters	1985	65.8	65.8	14.6	22.0	3.54	3.54	41/41
	1990	88.9	70.5	6.7	13.6	3.93	3.68	45/44

NOTE: Respondents who were undecided or neutral are not reported. The 1979 survey did not include these statements.

All these reasons suggest that the states will not be averse to having the threat of EPA involvement as a potential resource in their enforcement arsenal. The data in Table 3 clearly support this view, as evidenced by the remarkably consistent responses in the 1985 and 1990 surveys.<sup>32</sup> Moreover, about half of the air quality directors agree that the threat of federal sanctions has prompted their states to take

<sup>31</sup>Cited in Rochelle Stanfield, "Ruckelshaus Casts EPA as 'Gorilla' in States' Enforcement Closet," *National Journal*, 26 May 1984, p. 1034.

<sup>32</sup>Questions about the desirability of the EPA's enforcement role were not included in the GAO's 1979 survey.



stronger enforcement actions than would have occurred otherwise. Even a larger percentage of respondents report that the threat of EPA involvement strengthens their hand in negotiations with polluters, but this was probably the case even before the New Federalism.

## DISCUSSION

If meaningful changes in attitudes among state directors had been detected during the 1980s, it would have been plausible to link the changes to the accomplishments of the New Federalism. In the absence of such changes, however, it is necessary to consider some possible explanations for the state directors' continuing disenchantment with their intergovernmental partner, the EPA.

Perhaps most important, many variables, not all of which the EPA controls, influence the perceptions of state directors. For example, at the same time that Reagan was espousing improved relations with the states, federal grants to the states declined in real dollars without simultaneous reductions in the mandates imposed on the states. In fact, rather than reducing or holding constant the number of environmental mandates in the 1980s, the Congress imposed scores of additional requirements on the states.<sup>33</sup> This decade also witnessed a dramatic increase in the frequency with which federal laws preempted state and local laws. Coupled with a widely acknowledged increase in the capability of state governments in the 1980s, it is understandable that state directors feel a sense of frustration about their federal partners whose administrative competence and commitment to environmental protection were subject to considerable doubt in the early 1980s.

A related explanation for the harsh attitudes of the state directors focuses on the burdens placed on the EPA. Although it was expected to be an enthusiastic participant in the effort to improve intergovernmental relations in the 1980s, the EPA's many Democratic congressional overseers were often suspicious of the motives behind efforts to decentralize the administration of environmental programs. Many Democratic members of Congress believed that each sign of flexibility or delegation of authority to the states represented the Reagan administration's effort to weaken federal regulation of the environment. Moreover, because the Congress holds the EPA responsible for the overall success of federal environmental laws, the agency is often reluctant to cede any authority to the states that will undermine the EPA's ability to meet congressional expectations.<sup>34</sup> The Congress also provides the EPA's budget and can require the appearance of EPA officials at innumerable hearings. The agency thus presents an inviting target. Finally, the precepts of the New Federalism do not necessarily provide appropriate rules for intergovernmental environmental relations. However desirable it may be to strengthen the states' role, the EPA has a natural interest in seeking at least some

<sup>33</sup>GAO, *Environmental Protection Agency: Protecting Human Health*, pp. 156-157; GAO, *Federal-State-Local Relations: Trends of the Past Decade and Emerging Issues* (Washington, D.C.: GAO, 1990), pp. 28-29. As John Kincaid has noted, "the number of federal preemptions of state and local authority more than doubled after 1969. . . . Reagan did not halt this preemption." See Kincaid, "From Cooperative to Coercive Federalism," *Annals of the American Academy of Political and Social Science* 509 (May 1990): 148.

<sup>34</sup>GAO, *Environmental Protection Agency: Protecting Human Health*, p. 163.



level of uniformity in program administration and accomplishments. The consequences of poor administration of an environmental program in one state can affect adjacent states, however conscientious the latter may be in administering their own programs. The EPA may also wish to avoid situations in which a state abuses its discretion and uses lax environmental enforcement as a means to attract or retain industrial development. This concern may explain why William Reilly, the EPA administrator in the early 1990s, made clear his desire to work cooperatively with the states while also stressing that he would not hesitate to initiate actions against them should the agency deem it necessary.

## CONCLUSION

If the perceptions of state environmental directors reveal the accomplishments of the New Federalism, then the conclusions are clear. When asked to assess the consequences of the New Federalism of the 1980s on their relations with the EPA, most directors believe that only limited change has occurred. The actions of two presidential administrations have had some effects, but in several instances, early improvements have evaporated. Most state directors remain at least as dissatisfied in the 1990s with the state-federal partnership as did their counterparts before Reagan's crusade. In some areas, images have changed so marginally that one can argue that the variables affecting perceptions before the New Federalism still operate today. Most directors do not feel they are treated as peers in a collaborative partnership to achieve common goals.

From another perspective, the findings contrast with the conclusions reached by other studies of the New Federalism. Although caution is the rule in generalizing from research in one policy domain, the findings reported here offer no solace to those who claim that fundamental change occurred in the nature of intergovernmental relations in the 1980s. Instead, a more modest assessment of the consequences of the New Federalism is in order. Of course, having made the argument that changes in intergovernmental relations occur slowly, it may be too early to claim definitive conclusions. The evidence presented here does suggest, however, that the trend is not in the direction that the New Federalists have sought.