

US EPA ARCHIVE DOCUMENT



# Aiming for Excellence

Actions  
to Encourage

Stewardship

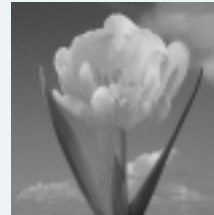
and  
Accelerate  
Environmental Progress

Report of the EPA Innovations Task Force



# Contents

2 Reinvention at EPA

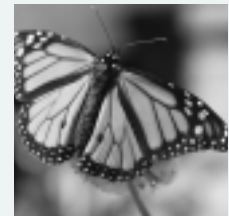


4 Introduction



7 Our Commitments

24 Ensuring Success



28 Appendices

28 Reinvention Accomplishments

38 Comments Received by the Innovations Task Force

44 Key Actions

# Aiming for Excellence

Actions to Encourage Stewardship  
and Accelerate Environmental Progress

Report of the EPA Innovations Task Force

# Reinvention at EPA

**Shortly after taking office,** Vice President Gore took charge of a new National Partnership for Reinventing Government to radically change the way our government performs. The challenge given to all agencies was to be more efficient, less bureaucratic, and to provide better service to the American people. At the U.S. Environmental Protection Agency (EPA), that challenge led us to rethink how we go about achieving environmental and public health protection goals.

In March 1995, we launched a small set of high-priority projects that quickly evolved into a broader reinvention agenda for the Agency. Today, we have numerous reinvention efforts under way. Many focus on improving well-established programs, such as permitting and compliance assurance. The emphasis is on streamlining regulatory processes and introducing innovations that can make these programs more efficient and effective. Others focus on finding fundamentally new approaches for the future. Our reinvention initiatives are designed to address environmental problems that have yet to be solved through the current system.

We'd like to tell you about all of our reinvention efforts, but for this brief overview, we'll focus on a few programs we think are especially significant. For starters, we've slashed obsolete or unnecessary requirements—representing nearly 27 million hours of paperwork a year—without sacrificing protec-

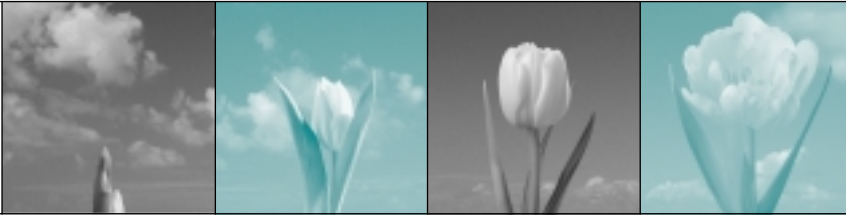
tion capabilities. We've dramatically increased public access to environmental information, enabling citizens to go

online and find out about environmental conditions and issues that affect their community. We're providing flexibility to meet new pollution reduction targets in cost-effective ways, using emissions averaging, trading, and other alternative compliance options. We're collaborating with others to make environmental progress; a recent agreement we helped negotiate between the automobile industry, state governments, and other stakeholders, which should reduce emissions from new cars by 70 percent, is just one example. We've launched special programs, such as the Common Sense Initiative and Project XL (which stands for excellence and leadership), to test innovative environmental management strategies that work more effectively for businesses, their customers, and the people who live and work around them. We're involving stakeholders earlier in the rulemaking process and we're developing new compliance assistance tools to help people understand environmental requirements and comply more easily.

Recent actions within the Agency prepare us to do more. We're in the midst of setting up a new office to significantly improve the way we collect, manage, and report environmental data. We're applying what we've learned from working with industry to improve the effectiveness of EPA programs and policies. And through agreements that clarify how we will work together to foster innovation and increase environmental results, we're building stronger relationships with state governments.

If you'd like to learn more about any of these efforts, we invite you to look at EPA's 1998 annual report on reinvention.<sup>1</sup> Or take a look at the annual report highlights, presented in Appendix 1. These materials provide helpful background for the report that follows on the additional reinvention actions we will carry out in the next 12 to 18 months as our ongoing reinvention efforts proceed.

"Our reinvention initiatives are designed to address environmental problems that have yet to be solved through the current system."



# Introduction

While we're proud of the progress we've made through reinvention efforts, we're also interested in additional ideas about ways to accomplish even more. So we decided to talk with the people who know environmental issues the best—business and community representatives, state government and EPA staff—people who have important suggestions for actions and solutions.<sup>2</sup> We received a great response to this outreach. (See Appendix 2 for more details about stakeholder comments). Comments, reactions, and suggestions came in by the hundreds. Some were specific, others more general. But two themes emerged:

- EPA needs to do more to help organizations comply with the law.
- EPA needs to encourage those who are willing and able to do more.



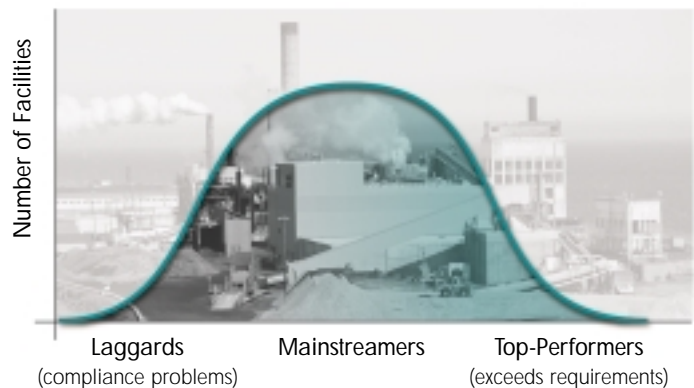


These themes underscore how far we've come and how far we still have to go in learning to protect the environment. Here in the United States, we still have tremendous variability in how well businesses and other organizations manage their environmental responsibilities. It's helpful to think of this variability as a bell curve along a performance spectrum. At one end, we have companies acting as environmental leaders, adding business value and gaining competitive advantages along the way; they are setting standards of excellence that will define future business practices for themselves and their peers. In the middle, we have the "main streamers"-businesses, industries, and other regulated parties that typically meet requirements, but do little else. And then there are those that have been left behind, who do not meet the most basic environmental standards.

As we consider this, we see evidence of environmental achievements. Yes, we have made a great deal of progress over the past 3 decades, and yes, we have companies setting high standards for others to follow. But overall, we still can do better. And we must if we are to successfully address unsolved problems such as global warming and the environmental consequences of popu-

"We believe a system that promotes stewardship, in addition to compliance with environmental requirements, has the greatest potential for advancing environmental management capabilities and solving environmental problems."

### Environmental Performance Among Regulated Facilities







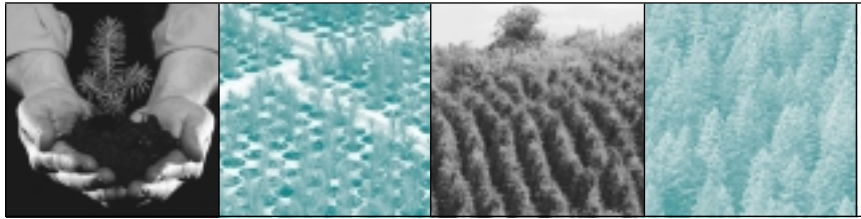
lation growth and economic expansion. Stakeholders reminded us of what might be accomplished if we could improve capabilities across the board, shifting the curve toward better performance. Clearly, such action could help us achieve significant, long-lasting environmental results on a much wider scale.

With this in mind, we believe a system that promotes stewardship, in addition to compliance with environmental requirements, has the greatest potential for advancing environmental management capabilities and solving environmental problems. For us, the goal is not just compliance, but getting more of our society to achieve environmental excellence.

This vision calls for an ethic of environmental stewardship, where everyone takes more responsibility to reduce adverse impacts upon the world in which they live. It applies to the environmental engineer in charge at the local manufacturing plant. It also applies to the local officials faced with community development and transportation issues, and the millions of private citizens who make lifestyle choices each and every day.

We realize that no one *has* to do more than just comply with environmental requirements. But with a growing number of environmental leaders in the public and private sectors practicing environmental stewardship, we hope more organizations and the people who run them will begin to see its advantages. We also realize we can't expect more without doing more ourselves. That's why we're committed to using our resources to provide businesses and communities with the additional help they need to comply and to create new incentives and tools to encourage them to achieve even more.

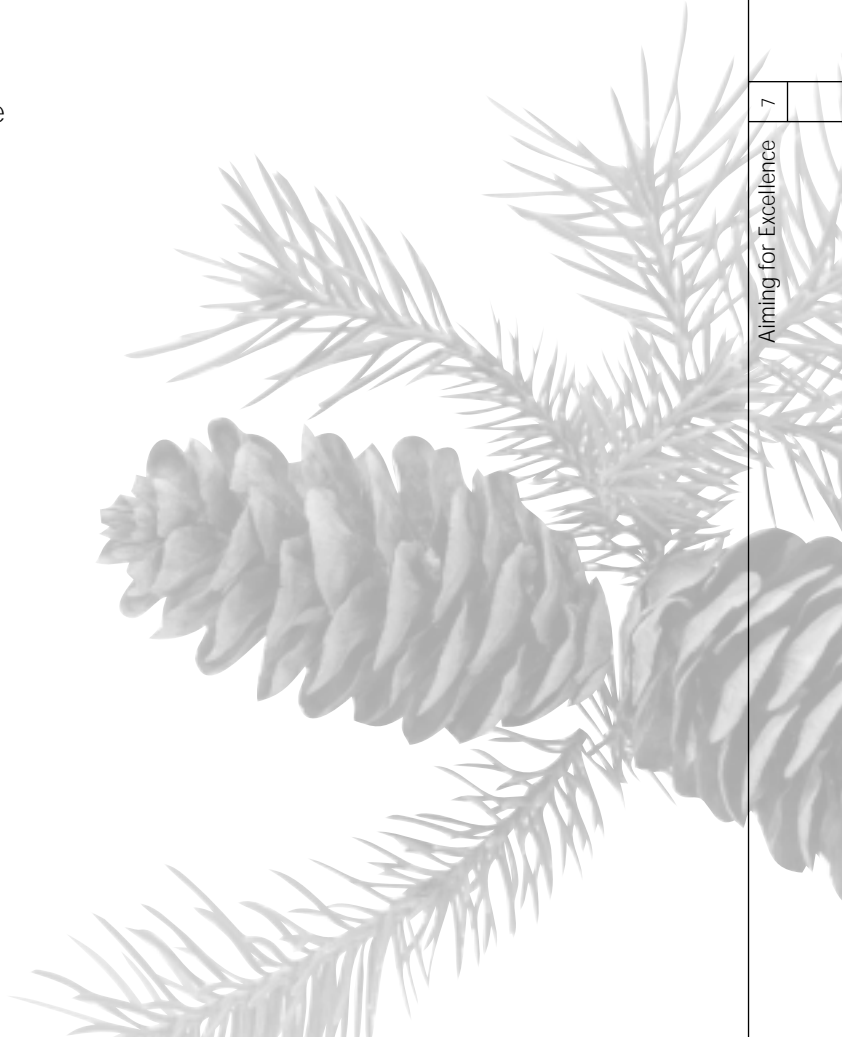
We know we cannot just talk about such a vision—we must take steps to make it happen. As the next section describes, that's exactly what we intend to do.



## Our Commitments

**Creating a system** where everyone takes more responsibility for protecting the environment is going to require some changes. In thinking about the future, we believe what we need most is a system with more incentives, rewards, and assistance. We should recognize and provide meaningful rewards to those who are already environmental leaders, using their bench-marking practices to guide others; we should give assistance and incentives to the “main streamers” to help them not only comply, but take extra steps to do more; and we must use all available means to bring those with poor environmental track records up to speed.

These changes won't be made overnight, but we can take action to make them a reality in the foreseeable future. We believe we can help accelerate environmental progress most effectively if we:



- Use incentives and promote environmental management systems (EMSs).
- Provide timely and accessible compliance assistance.
- Create flexible and streamlined permitting.
- Help communities make sound environmental decisions.

The following sections highlight where we are in each of these areas, why more needs to be done, and what we'll do in the next 12 to 18 months to make further headway. Appendix 3 provides more specific details about these commitments. The steps EPA will take to achieve success—including working with our state and tribal partners and promoting innovations within the Agency's culture—are outlined in the last section of this report.

## Our Commitment:

### Use Incentives and Promote Environmental Management Systems

Getting more of our society to continuously improve environmental performance will require new ways of thinking and new ways of doing business. Clearly, one way is by providing special assistance to help organizations comply with the law. The compliance assistance program we talk about in the next section will do that. But what can we do to encourage organizations to pursue more ambitious improvements? As a first step, we will:

- Use incentives to encourage actions beyond what is required.
- Promote use of EMSs that can help organizations incorporate environmental issues into their business operations.
- Develop a "performance track" that rewards environmental leaders.

The first step—using incentives—will provide distinct advantages to motivate organizations to go the extra mile. The second—promoting EMS use—will help organizations make better business decisions by taking environmental issues more

fully into account. The third-developing a performance track-will enable us to recognize and reward those who excel environmentally.

We believe that by using these new approaches, we can help organizations see the value and strategic advantages in improving environmental performance and lead them to increase their environmental commitments. We can also help these relatively new environmental management concepts evolve. By giving them more prominence in our programs and policies, we have an opportunity to help develop their full potential for increasing environmental results.

### Using Incentives More Widely

We believe meaningful incentives can be a powerful force for achieving environmental results. Providing incentives to “main streamers” encourages them to become leaders. Providing incentives to top performers encourages them to continue improving and create cutting-edge, efficient practices that can be adopted by others. Over time, the cumulative effect should be a safer, cleaner environment.

Incentives are already at work. EPA has them in several voluntary partnership programs and in regulatory programs. (See Box 1: *Incentives Used by EPA*). We’ve also used incentives in our compliance assurance program. EPA has waived or reduced penalties for companies that voluntarily



audit, disclose, and correct environmental violations and that take action to prevent future ones. Many states also are experimenting with incentives for stewardship; some have established “ladders” that recognize and reward different levels of performance. These experiments will give us useful information about what works and help us use incentives more widely to achieve environmental goals.

We’ve already learned that different kinds of incentives and assistance are necessary. We know that what works for one business sector might not work for another. Likewise, companies within the same industry might have different environmental management capabilities and levels of performance. The challenge is finding the right kinds of incentives to motivate different types of organizations to improve their performance and get better results.

# Incentives Used by EPA

Box 1

Some examples that we use in our voluntary partnership programs

<b>What is the program?</b>	<b>It gives. . .</b>	<b>To . . .</b>
WasteWise	Public recognition.	Encourage recycling and waste reduction.
Water Alliances for Voluntary Efficiency (WAVE)	Software and technical assistance.	Encourage facilities to evaluate and improve water-use efficiency.
Design for the Environment (DfE)	Information about alternative products and processes.	Help them manage their operations in a more environmentally sound manner.

Some examples that we use in our regulatory programs

<b>What is the program?</b>	<b>It gives...</b>	<b>If organizations...</b>
Certain Clean Air Act MACT standards and Clean Water Act NPDES requirements	Reduced reporting.	Consistently meet environmental requirements.
Project XL, Pollution Prevention in Permitting Program	Flexible permits, such as pre-approvals for certain operational changes.	Commit to meet or perform better than current air emission standards.
Acid Rain Trading Program	Option to sell SO <sub>2</sub> credits.	Reduce emissions below what is required.

There are different opinions about what can be used to motivate performance:

- A recent industry-sponsored report identified many incentives that could improve environmental results, including streamlined permit procedures, consolidated and streamlined reporting, and tax breaks for investing in advanced technologies.<sup>3</sup>
- Based on results from the Toxic Release Inventory, many see benefit from making more information about the environmental performance of individual companies publicly available.
- As Box 1 showed, our own experiments have offered public recognition, technical assis-

tance, regulatory flexibility, and market-based trading options.

It will take time to find out which incentives are most effective. To find our way, we'll work with all interested parties—Congress, state and tribal governments, industry, environmental groups, communities—to identify and develop incentives that work. We'll make incentives a more routine part of our regulatory and voluntary programs.

### Promoting the Use of Environmental Management Systems

We believe incentives will motivate organizations to comply and even improve their environmental performance. But we also think companies

# Action 1

Use incentives and voluntary partnerships more widely to encourage better environmental performance.

We will work with all interested parties to identify, test, and evaluate incentives that can be used to encourage better environmental performance by a wide range of businesses and other organizations. We'll also use voluntary partnership approaches to help address unsolved environmental problems and/or unique challenges facing communities or specific business sectors.

should take action on their own. One way to do this is by making environmental responsibilities part of “business as usual.” Today, more and more businesses and other organizations are doing just that by using EMSs. Like other evolving tools, such as lifecycle management and full cost accounting, EMSs help integrate environmental issues into business decisions and practices. Basically, they provide a framework for managing environmental responsibilities in a more systematic way. We want to encourage the use of EMSs that improve compliance and other measures of environmental performance.

So far, the business community has led the way in developing EMSs—at both the corporate and plant level. Some EMSs have been developed for specific business sectors, such as metal finishing and printing. EMSs have great potential for helping small businesses, in particular,

improve environmental performance because they offer a type of operational template that can be easily modified and adopted. Based on their potential for helping organizations gain a better awareness of how environmental responsibilities fit into their overall operations, EPA has been requiring companies with compliance problems to develop EMSs when we settle enforcement cases.

Stakeholders told us the Agency needs to continue to champion EMSs by working with industry, the environmental community, and others to support their use. We’ve already started working with states to evaluate how well EMSs actually improve environmental performance. This evaluation will provide “lessons learned” and will help us move from experimenting with EMSs to understanding how they can complement environmental programs and policies.

# Action 2

## Promote the use of environmental management systems.

We will encourage organizations to use EMSs that improve compliance, pollution prevention, and other measures of environmental performance. We’ll continue evaluation efforts to learn more about which EMS elements and applications are most effective, and we’ll determine how these systems might be used to strengthen environmental programs and policies.



## Developing a “Performance Track” for Environmental Leaders

We’ve already talked about using incentives to promote environmental improvements. But what about companies that *already* excel? We believe we should find a way to encourage leaders to continue striving for improvement. Environmental leaders help advance state-of-the-art practices that ultimately bring progress.

How can we do this? Several national policy reports have recommended that EPA develop an “alternative track” or “performance track” to encourage companies to use innovative environmental performance strategies.<sup>4</sup> Definitions of a “performance track” vary; they generally refer to allowing top-performers more flexibility in how they meet regulatory requirements *if* they do more to protect the environment and assure accountability. Doing more could mean using an EMS that improves compliance, pollution prevention, and other measures of environmental performance; involving the community in decision-making; and reporting to the public about their environmental performance.

EMSs have the potential to form the foundation of a performance track. A company’s environmental performance could be demonstrated through an EMS that measures progress toward specific environmental goals. Currently, EMSs used in the private sector, including ISO 14001

“The challenges we face as a growing, dynamic society demand that we go beyond mere compliance in the future.”

– Jack Barkenbus, Executive Director,  
Energy, Environment, and Resources Center,  
University of Tennessee

(an internationally recognized EMS standard) measure how well an organization meets its own *self-defined* environmental goals. These goals alone will not be sufficient. To create a performance track that is fair and publicly supported, we need goals that are broadly understood and applied. And we need mechanisms to verify per-

formance, which could potentially include self-auditing and third party certification.

The concept of a performance track is still relatively new. Up to this point, most experimentation has been limited to certain industry sectors or companies. Recently EPA and the states

## EPA and the States Test Leadership Approaches

Box 2

At EPA, we've created several innovative programs that experiment with ways to provide incentives and reward leadership in environmental protection:

- Project XL is testing innovative approaches that offer companies flexibility in how they meet environmental requirements *if* they can produce results that are better than what would otherwise be expected.
- Under the Environmental Leadership Program, facilities that demonstrated strong environmental performance were given rewards, such as public recognition through certificates and logo usage and a reduction in discretionary inspections.

Several states also have created programs that provide incentives and reward leadership:

- Colorado has created a voluntary environmental leadership program that offers financial incentives to companies that prevent pollution, reduce toxic use, improve energy efficiency, and perform other environmentally beneficial activities.
- Wisconsin is starting a program that will allow select businesses to experiment with regulatory innovations that remove administrative burdens, clear the way for better environmental performance, preserve environmental and public health protections, and provide for public accountability.
- Oregon has launched the EMS Incentives Program, which includes four tiers with increasing rewards for facilities meeting increasingly higher standards of environmental performance.

# Action 3

Develop a “performance track” to motivate  
and reward top environmental performance.

We will work with states, tribes, industry, and environmental and other interest groups to define what it means to be a top environmental performer and to identify appropriate building blocks for a new “performance track” that enhances the current regulatory system.

began experimenting with different programs to give incentives to environmental leaders [See Box 2: **EPA and the States Test Leadership Approaches**]. We want to continue to learn more about this type of approach, and will work with states, tribes and other stakeholders to create a system that makes it worth an organization’s time and effort to go the extra mile.

## Our Commitment:

### Provide Timely and Accessible Compliance Assistance

While we will focus on rewarding those who do more than what is required, making sure that businesses and other organizations comply with the law will continue to be one of our most

important responsibilities. In the past, EPA and state governments have relied on a strong enforcement program to do this. We’ll continue using this effective tool, but we must look for new and creative ways to help regulated parties achieve compliance and improve performance capabilities.

For some, the failure to comply comes down to a simple lack of understanding about what’s required. We need to do a better job of providing information in timely, helpful ways so people can fulfill their environmental responsibilities.

In recent years, we’ve developed new ways to improve our compliance assistance efforts by setting up compliance assistance centers on the Internet that provide certain sectors with quick, easy access to the latest regulatory requirements and pollution prevention information; developing compliance assistance tools, such as plain

language compliance guides, training modules, and compliance checklists; and launching national and regional compliance campaigns for priority industry sectors. Now we intend to do more by:

- Becoming a more effective “wholesaler” of compliance assistance information.
- Providing compliance assistance tools in a more timely manner.
- Using compliance assistance in strategic combination with enforcement, monitoring, and incentives to achieve environmental results.

### **Becoming a More Effective “Wholesaler” of Compliance Assistance Information**

The stakeholders who work directly with businesses and other regulated parties to improve environmental performance told us how they think we could most effectively assist with compliance: by supplying compliance assistance tools and information. In other words, they thought we should develop materials, but rely on an extensive network of environmental assistance providers in the public and private sector to actually deliver them. We agree, and believe this is a sound way for us to leverage our compliance resources.

# Action 4

**Support a network of public and private organizations that provide assistance on environmental compliance.**

We will focus on becoming a “wholesaler” of compliance assistance tools and information. We’ll meet with compliance assistance providers to share our approach for developing materials that help businesses and communities comply with the law and prevent pollution, and we’ll ask them to help us set priorities to determine which materials are needed most. We’ll provide these materials, and help them develop training and peer mentoring programs.

## Providing Compliance Assistance Tools in a More Timely Manner

The stakeholders we talked to consistently suggested that we begin thinking about compliance assistance at the start of the rulemaking process. We need to do more than issue sound regulations to address today's problems; we need to give people the tools, assistance, and resources they need to comply with those requirements *before* those rules take effect.

"EPA needs to support and provide resources to the state and local networks that are in place to deliver these services rather than creating new networks."

- Lynda Wiese, Director, Bureau of Cooperative Environmental Assistance, Wisconsin Department of Natural Resources

# Action 5

## Deliver compliance assistance information for new, "economically significant" rules when and where it's needed <sup>5</sup>

We will provide compliance assistance information typically within 90 days of issuing these rules so it is available *before* new requirements take effect. We will continue to make general assistance widely available through the Internet, toll-free telephone lines, and other distribution channels. We'll also evaluate the need for additional compliance assistance centers as we maintain support for existing ones.

“Compliance assistance often plays a critical role in improving the overall environmental performance of regulated entities, especially smaller businesses.”

– Keith Holman, Chief Regulatory Counsel on Environmental and Regulatory Affairs, U.S. Chamber of Commerce

### Using Compliance Assistance in Strategic Combination With Enforcement, Monitoring, and Incentives to Achieve Environmental Results

Compliance assistance is one of several avenues that can lead to compliance and better environmental performance. Incentives, public reporting on performance, and enforcement are a few others. Before we decide on a course of action to address a particular problem, our stakeholders recommended that we consider the options for getting the desired result and then determine how they might be combined or sequenced for greatest strategic advantage.

This approach would allow EPA and states and tribal governments to target limited resources more effectively. When a new rule takes effect for a certain small business sector, for example, the most effective course of action might very well be an intensive campaign of compliance assistance and a later date when monitoring would begin to assure performance. In the case of a larger, more mature industry, there might be less need for compliance assistance, and more opportunity for incentives that produce environmental, economic, and social benefits. Clearly, different problems require different solutions. We should become more flexible and responsive at using the tools we have to improve compliance problems.

# Action 6

Combine compliance assistance, incentives, monitoring, and enforcement in order to implement environmental laws in a more strategic manner.

To make better use of limited resources, we will design new strategies that incorporate a range of options to address major compliance problems.

## Our Commitment:

### Create Flexible and Streamlined Permitting

When our stakeholders told us we need to help businesses and communities comply, we thought about ways to change the permitting system. After all, by specifying levels of environmental performance that must be met, permits are one of the primary ways we assure compliance with environmental laws. And they are where most people first encounter the regulatory process.

Through the combined efforts of environmental regulatory agencies, businesses, environmentalists, and the general public, we've created a permit system that has dramatically improved environmental conditions in the United States.

"In an industry where being quick to market with a new product is a requirement for financial success, delays from frequent permit revisions are a huge concern..."

- Tim Mohin, Vice President, Environmental, Health, and Safety, Intel Corporation



## Examples of Pilot Programs to Test Innovative Approaches to Permitting

Through a variety of pilot projects, we have tested new permitting approaches that give companies and communities greater flexibility if they agree to take additional steps for preventing pollution and protecting public health and the environment.

- In the Common Sense Initiative, which focused on creating a better environmental protection system for specific industry sectors, we looked for ways to avoid unnecessary burden. Because of CSI recommendations, each of the major permitting programs has been working to eliminate excessive backlogs of permit reviews and approvals and to implement regulatory changes to streamline permitting procedures.
- Through Project XL and the Pollution Prevention Permitting Program, we've tested facilitywide permits that use an overall "cap" on air emissions as an alternative to permitting each individual new emissions source.

Now we're working with states—who issue the majority of permits today—to make this system more effective at meeting environmental goals without creating unnecessary social and economic burdens. Box 3: *Examples of Pilot Programs To Test Innovative Approaches to Permitting* shows some of the pilot projects we've used to test new permitting approaches.

Earlier this year, EPA announced "The Next Generation in Permitting," an effort to move permitting toward measuring performance while providing regulated parties more flexibility in how standards are met. This and other permitting reform efforts show we're committed to strengthening the role of the public in important decisions, focusing on results instead of procedures, and reducing unnecessary burden.

To accelerate progress, we'll proceed with some additional improvements within the two permit programs that affect the largest number of facilities: the NPDES (waste-water discharge) program under the Clean Water Act, and the New Source Review and Title V Operating Permit programs under the Clean Air Act.

We want to continue to find ways to make permitting easier on businesses and communities, while also making permits more effective for protecting public health and the environment. With these efforts, we hope to reduce the unnecessary delays and administrative burdens permits have often created in the past.

# Action 7

Develop more flexible air permitting policies for protecting the environment.

Based on our experiences in pilot projects, we will identify those approaches that increase permitting flexibility while providing equal or better levels of environmental and public health protection, provide incentives for pollution prevention, and ensure public participation in permitting decisions.

# Action 8

Speed up the review and issuance of NPDES (water discharge) permits.

We will streamline NPDES permitting by providing training to improve understanding of the NPDES permitting process, and by encouraging applicants to submit draft permit limits or conditions that can expedite regulatory review and approval. We will also encourage more public involvement in permitting actions.

## Our Commitment:

Help Communities Make Sound Environmental Decisions

Along with encouraging better performance among regulated parties, we must do more to support environmental management and problem-solving at the community level. EPA, States, and Tribes need to help communities find solutions that take local social, economic, and environmental conditions into account, and that maintain the same level of protection provided under national standards.

## Some of EPA's Community-Based Projects

- The Brownfields Initiative helps communities clean up and restore abandoned industrial properties, bringing them back into productive use.
- The National Estuary Program provides financial and technical support to help coastal communities protect their watersheds and estuaries.
- Sustainable development challenge grants offer seed money to help communities leverage additional resources for sustainable development activities with environmental, economic, and social benefits.
- New monitoring and reporting projects give citizens in 68 urban areas more timely information about the quality of local beaches, outdoor air, and other environmental conditions.



At EPA, we've already started to help communities help themselves. We've created tools to support environmental decision-making and established programs that enable communities to address problems such as abandoned waste sites, loss of wetlands, and poor air quality. Some of our successful partnering efforts with communities are shown in Box 4: *Some of EPA's Community-Based Projects*.

These partnering activities show the many roles EPA plays in working with communities. In the majority of communities, our role is to provide the tools and information resources that build local capacity for tackling environmental problems. In many cases, we are just one of many partners involved in a local effort. Sometimes, we play a stronger role, getting directly involved with the local stakeholders.

We want to continue to offer communities the help they need to find practical, workable solutions to their unique challenges and assure environmental justice for their citizens. This will include offering

tools that help them have open, constructive dialogues among citizen groups, industry representatives, and other stakeholders. And it will include tools that enable them to see the environmental consequences of planning and development decisions before those decisions are made.



# Action 9

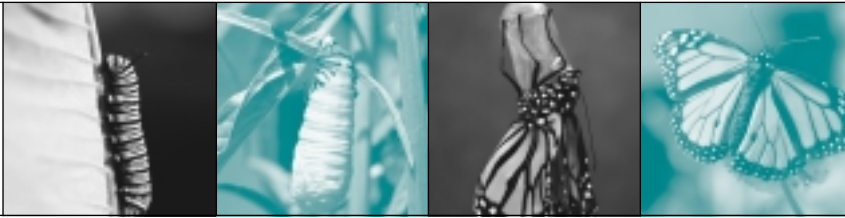
Build leadership capacity in communities to participate in local environmental problem-solving.

We will help communities make decisions about issues that improve public health and their local environment by developing new environmental management tools, offering technical assistance, and providing facilitation support for dialogue on environmental issues. We'll also include community representatives in Agency decisions about programs or policies that directly affect them.

# Action 10

Provide "smart growth" support to state, tribes, and communities to help them find local solutions to livability issues.

Because community development patterns have a great impact on environmental conditions and overall quality of life, we will support and encourage smart growth decisions by individuals; communities; businesses; and state, tribal, and local governments.



## Ensuring Success

**The plan** that we've outlined in this report will take work but we are committed to doing everything we can to ensure its success. The actions we've committed to take will be launched through our national and regional planning processes, so we need to work closely with our state and tribal partners and with staff throughout EPA who manage environmental programs.

### **Working With Our State and Tribal Partners**

Today, more than 70 percent of environmental programs that can be delegated are being run at the state level. Like EPA, states and tribes have shown commitment to finding innovative strategies to cut costs and improve environmental results. As described earlier in this report, innovations are under way to improve permitting, to provide recognition for those who deserve it, and to streamline



unnecessary requirements. We know any progress we make toward our vision of environmental excellence will depend on good communication and a close working partnership with our fellow innovators. We will:

- Consult and coordinate with states and tribes through associations, especially the Environmental Council of the States (ECOS), EPA's Tribal Operations Council, and through contact with states and tribes individually.
- Rely on well-established planning processes, such as those conducted under the National Environmental Performance Partnerships System (NEPPS) and annual or biennial planning cycles for environmental programs.
- Create additional communication forums so that states and tribes are fully informed and involved with our reinvention efforts.
- Seek out states and tribes that have pioneered innovative projects to learn from and build on their experiences.

### **Making Changes Within EPA**

Within EPA, we need to make changes to ensure all the actions in this report happen. We will:

- Continue to encourage an organizational culture that promotes innovation and learning.
- Be accountable for producing results.

### **Continue to Encourage an Innovative Organizational Culture**

Like many organizations, EPA has focused on improving its effectiveness through steps that influence organizational culture. Given our mission, we're striving for an organizational culture that promotes creativity, fosters learning, encourages testing and adoption of innovative approaches, works in partnership with others, expands public involvement in environmental decision-making, and supports efforts of businesses and others to protect the environment.

EPA's organizational culture has already evolved significantly over the last few years. As evidenced by the numerous initiatives and achievements discussed in EPA's 1998 annual reinvention report, our staff has shown a commitment to creating an environmental protection system that works better for everyone. As many of our colleagues in the public and private sector already know, however, changing organizational culture is a continuous and challenging task.

To realize our own ideals about what our Agency can and should be, and to support implementation of the actions in this report, we will:

- Create new budgetary mechanisms for making resources available to innovators within the Agency.

- Identify and act upon our own internal rules or practices that promote or inhibit innovation and learning.
- Reward employees who make significant achievements that demonstrate innovation and creativity.
- Provide career development opportunities, including training and exchange programs with outside organizations, that allow people to gain new skills and bring new insights to their jobs.
- Develop guidelines for evaluating how well innovative approaches work so we have an objective way to identify lessons learned and determine the most appropriate next steps.
- Bring together EPA front line staff to share experiences and information about innovative approaches and to develop new approaches to improve environmental programs.

### Be Accountable for Producing Results

In Appendix 3, you'll find our plans for implementing each of the report's key actions. For

each action, we've identified a lead office and specific steps to measure progress. In order for these commitments to have an impact and produce results, we need to be accountable for performance. We will take several steps to do this.

- The Office of Policy and Reinvention will track how well we follow through on specific tasks, and report quarterly on progress to the Deputy Administrator and to the Reinvention Action Council (comprised of the Agency's most senior career staff from Headquarter's programs and EPA regional offices).
- The Reinvention Action Council will identify and resolve any implementation problems.
- We will assign personnel critical to complete each task and support them with resources and training. They will be held accountable for making progress in their projects.
- We will post our progress on EPA's reinvention Web site at <epa.gov/reinvent> and in the Agency's annual reinvention report.

<sup>1</sup>U.S. EPA. 1999. *Reinventing Environmental Protection*. U.S. Environmental Protection Agency. EPA100-R-99-002. March. Available at <www.epa.gov/reinvent>.

<sup>2</sup>At the request of Administrator Browner, EPA created a task force in January 1999 to work with stakeholders on identifying next steps for reinvention activities.

<sup>3</sup>Global Environmental Management Initiative. 1999. *Environmental Improvement through Business Incentives*.

<sup>4</sup>See, for example: The Aspen Institute. 1996. *The Alternative Path: A Cleaner, Cheaper Way to Protect and Enhance the Environment*. Series on the Environment in the 21<sup>st</sup> Century.

<sup>5</sup>Under the Congressional Review Act, "economically significant" rules are generally those expected to have an impact of \$100 million or more.



"We believe a system that promotes stewardship, in addition to compliance with environmental requirements, has the greatest potential for advancing environmental management capabilities and solving environmental problems."

# Reinvention Accomplishments

This overview of EPA's reinvention accomplishments is taken from the Agency's report, *Reinventing Environmental Protection: 1998 Annual Report*.

1998 marked another year of steady progress in the U.S. Environmental Protection Agency's (EPA's) efforts to reinvent environmental programs. EPA began its reinvention efforts in 1995 when President Clinton, Vice President Gore, and EPA Administrator Carol Browner announced a reinvention agenda to make environmental and public health protection programs more efficient and effective. Since that time, EPA has pursued common sense reforms and new ideas that can help us achieve national goals, such as clean air, clean water, and better waste management.

Last year, Administrator Browner made several strategic decisions that should advance our reinvention capabilities even further. She laid out a vision for improving the way EPA manages and disseminates environmental information, and called for a new information office to be set up—the first in the Agency's history. Harnessing the many lessons learned about working effectively with industry sectors and other stakeholders through the Common Sense Initiative, the Administrator approved plans to apply this learning broadly within EPA programs. After working on the details for more than a year, she signed an agreement with the states that provides the

additional flexibility and assurance they need to proceed with their own reinvention initiatives. These decisions were milestones in a year when we followed through and delivered on some of our earliest reinvention commitments. But the year also brought new challenges and initiatives with the potential to significantly shape how environmental management is conducted in the 21st century.

## Better Environmental Information

With more than 40 million hits on EPA's Web site every month, public demand for high-quality environmental information has never been greater. To meet this and other related demands, EPA began setting up its first information office. In addition to improving data quality and streamlining reporting, this move will advance community right-to-know opportunities for citizens and improve our ability to analyze environmental conditions.

### Established a National Center for Environmental Information and Statistics

A new online center launched in August is putting EPA's vast reserves of environmental data to work for citizens. The center makes it faster and easier than ever before to retrieve, compile, and present data stored in numerous environmental databases. Users can request easy-to-understand reports about drinking water, surface water, air quality, hazardous waste, and toxic releases in their communities—just by typing in their zip code.

### Developed Real-Time Reporting Capabilities

To enable citizens to make decisions about their daily lives by taking actual environmental conditions into account, we worked with select communities on an environmental reporting breakthrough—offering real-time, rather than historical, data. This advance offers answers to basic questions, such as “is the air quality safe for me to go jogging today” or “is the water safe for a swim ?”

### Pushed for More Environmental Disclosures

Recognizing the effect that public disclosure can have on environmental performance, the Agency took actions to make more environmental information publicly





available. We proposed to expand reporting under the Toxic Release Inventory for persistent, bioaccumulative chemicals, such as dioxin and mercury, by almost 25 percent. Other actions will give Americans access to information about the hazards from lead-based paint when renovating or remodeling their homes, whether their drinking water meets federal public health standards, and the potential risks from facilities in their neighborhoods that produce, use, or store chemical products.

### Challenged the Chemical Industry to Make Product Toxicity Data Publicly Available

A new program, announced by Vice President Gore, challenges the chemical industry to provide missing information on about 2,800 of the nation's most widely used toxic chemicals to the public. By agreeing to conduct any necessary toxicity testing and to publicly report the results, companies can help resolve remaining questions about risk levels and avoid the need for further regulation.

### Offered Citizens Tools for Evaluating Environmental Performance

New databases were made publicly available that allow citizens to evaluate and compare the environmental performance of individual facilities or industry sectors as a whole. A database created under the Agency's Sector Facility Indexing project offers compliance and other environmental performance information on facilities in six industrial sectors. Another database, known as E-GRID, provides extensive data on the environmental performance and efficiency of electric utilities-information that might become more valuable as deregulation gives consumers more choice in determining their energy provider.

### Stronger Partnerships

Industries, businesses, community groups and many other organizations are increasingly working with EPA as partners to improve environmental performance, cut costs, and avoid new regulations. These partnerships are leveraging limited resources and spawning new ideas that can produce better results more quickly and more cost-effectively than what might be expected through regulatory actions alone.

### Collaborated on Joint Ventures With the States

With two-thirds of the states now working with EPA under the National Environmental Performance Partnership System, special attention was given to creating more meaningful environmental performance measures that demonstrate the results from federal and state programs. The year also brought agreement on a process that gives states the flexibility and assurance they need to engage in their own regulatory reinvention initiatives and still meet federal standards.

### Offered Assistance for Smart Growth

To help more communities avoid poorly planned development, urban decay, and loss of valuable green space, we supported “smart growth” through Agency programs. We led a national network to help expand smart growth tools and information. And by expanding a \$500,000 pilot project into a \$5 million national grant program, EPA offered 45 communities seed money to launch sustainable development initiatives in agricultural, rural, and urban settings.

### Doubled Support for Brownfields Redevelopment

By offering \$21 million to 107 communities, the Agency doubled its investment for revitalizing brownfields—abandoned, idle, or unused properties tainted by environmental contamination. Since 1995, EPA has awarded more than \$42 million to 227 communities with a goal of supporting 300 brownfield projects by the end of 1999. In March, Administrator Browner joined Vice President Gore to announce that 16 projects would collectively receive an additional \$28 million and other assistance to create “Brownfield Showcase” communities for the nation.

### Promoted Environmental Stewardship Through Partnership Programs

To spark interest among potential new members, the Agency compiled and publicized the latest annual results on the environmental and economic benefits from participating in its voluntary partnership programs. The results showed that about 6,000 partners—ranging from Fortune 500 companies to small family-owned businesses—saved \$1.6 billion through voluntary improvements that eliminated 7.6 million tons of solid waste, prevented the release of 79 million metric tons of the pollution linked to global warming, saved nearly 6 million gallons of clean water, and conserved enough energy to light 56 million households for a year.



### Shared Business Risks

In April, EPA offered to become a financial partner with responsible parties under Superfund that are willing to invest in innovative cleanup technologies. We agreed to share up to one half of the additional cost that would be incurred in cases where an innovative technology might fail and necessitate further investment. In so doing, the Agency reduced the responsible parties' financial risks and bolstered support for new technology use and development.

### More Tailored, Flexible Approaches

Increasingly, EPA is relying on a mix of regulatory and nonregulatory approaches to solve environmental problems in common sense ways. In some cases, this means offering incentives that prompt voluntary environmental improvements. In others, regulations are needed, but can be tailored to offer more flexibility in choosing among compliance options.

### Offered Flexible, Cost-Effective Program for Reducing Smog

In September, EPA issued a flexible, cost-effective plan that would allow most areas of the county to meet the 1997 antismog standards without having to implement costly new controls. The plan offers compliance options for states, which include an emission trading program for power plants and other sources of nitrogen oxide—a primary ingredient in smog formation. This approach has the potential to drop the per-ton cost of controlling these emissions from as much as \$10,000 to about \$1,500.

### Launched Clean Water Action Plan

In February, President Clinton unveiled a comprehensive Clean Water Action Plan to finish the job of protecting the nation's waters. Developed with unprecedented cooperation at the federal level, this plan offers the first-ever, multiagency budget for clean water programs and specifies more than 100 actions to address high-priority problems, such as polluted runoff from livestock operations.



### Rewarded Pollution Prevention Achievements

The Agency supported technical innovations that minimize waste and the use of toxic chemicals and that help avoid the need for new requirements. This included offering Presidential awards for outstanding green chemistry achievement. In 1998, awards were given to four companies and two university research teams whose discoveries offer more environmentally sound alternatives to current products and processes.

### Focused on the Needs of Industrial Sectors and Other Stakeholders

After 4 years of unprecedented collaboration involving many diverse parties, Administration Browner concluded the Common Sense Initiative as an experimental program for testing a fundamentally different approach to environmental protection. Lessons learned from working with six industrial sectors and other stakeholders formed the basis of new plans to adopt sector-based approaches more broadly across Agency programs and to improve EPA's ability for involving stakeholders in decision-making processes.

### Used Project XL to Pursue Innovative Approaches

The Agency approved three new projects in 1998, and developed a simplified process for approving additional projects in the future. One participating company is exploring how environmental management systems might be used to simplify permitting, recordkeeping and reporting requirements. In Massachusetts, the state environmental agency is testing self-certification procedures as an alternative to traditional environmental permits.

### Promoted Innovative Technologies

Recognizing the financial risks and regulatory barriers faced by companies trying to develop and market innovative environmental technologies, EPA offered information and sponsored trade shows and award programs to showcase new technologies. In a new role, we also helped broker discussions between technology developers and representatives from the financial community in order to secure more capital for new technology development.





## Getting to Compliance—and Beyond

Throughout the year, we looked for ways to help businesses and communities improve their environmental performance. Often, this meant providing more information or technical assistance, particularly for the smaller entities that do not always have the resources they need to understand what is required. Increasingly, it meant creating incentives that encourage companies to reach for performance goals that go beyond compliance.

### Responded to Growing Interest in Environmental Management Systems

Recognizing the interest and questions still surrounding use of Environmental Management Systems, EPA launched pilot projects to test their effectiveness and gather information that will be used in future policy decisions. In a move that sent an important signal to the regulated community, we issued a policy statement clarifying EPA's support for environmental management systems that "help an organization achieve its environmental obligations and broader environmental performance goals."

### Opened Five More Compliance Assistance Centers

In partnership with other organizations, EPA opened new compliance assistance centers on the Internet to serve five more sectors: the printed wiring board manufacturers, the paints and coatings industry, the transportation sector, chemical manufacturers, and local governments. With the four centers opened previously, nine centers are now up and running. These centers are tailored to serve small and medium-sized organizations, providing users with round-the-clock access to information about environmental regulations, pollution prevention techniques, and related issues.

### Encouraged Environmental Improvements Through Self-Auditing

More companies had environmental penalties reduced or eliminated under an incentive-based policy EPA announced in 1996 that encourages self-auditing, along with quick correction and public disclosure of any environmental violations. As of December 1998, 318 companies had corrected and publicly disclosed environmental violations at 1,668 facilities, a twofold increase over the number of facilities doing so the year before.

### Supported Corporate Environmental Mentoring

Recognizing that businesses can often help each other improve environmental performance, EPA offered funding to support what could become a new trend in corporate America—environmental mentoring. These funds are being used to create an institute that will provide the information and tools needed to support mentoring relationships between companies that have environmental expertise to offer and those in need of special assistance.

### Provided Funding to Improve Drinking Water Compliance

More than 300 small communities facing new requirements under the 1996 Safe Drinking Water Act got special help in 1998 when the Agency began administering the federal government's first-ever loan program for drinking water improvements. Rather than one-time grants to select communities, financial assistance was offered through state revolving loan programs. All but the most needy recipients repay their low interest loan, enabling the states to maintain a reliable source of capital for other communities needing assistance.

### Less Regulatory Burden

Many reinvention efforts had the effect of reducing the regulatory burden imposed by environmental requirements in 1998, but the requirements imposed for record-keeping and reporting continued to be a major focal point. By the end of the year, EPA had cut 26.9 million hours of paperwork burden by streamlining processes, eliminating outdated provisions, or consolidating duplicative requirements—without sacrificing the Agency's ability to ensure environmental and public health protection. These reductions, which surpassed the Agency's 1995 goal of reducing burden by 25 million hours, offset additional requirements that have taken effect in recent years to increase environmental protection and accountability. They should also save businesses and communities an estimated \$807 million a year.



### Proposed a Consolidated Air Rule for Chemical Manufacturers

A proposed rule that consolidates 16 federal air regulations into a single guideline could save the average U.S. chemical plant about 1,700 hours or \$80,000 a year in the future. The proposal, which represents the first consolidated rule ever under the Clean Air Act, would be voluntary. Plant managers could opt to comply with the consolidated rule or continue operating under the existing 16 rules.

### Streamlined Certification Process for Auto Makers

A streamlined process for certifying that new passenger cars and trucks meet federal standards for air pollution emissions is expected to save automobile manufacturers an estimated \$55 million a year. Under the proposed process, testing would be performed on vehicles actually in use on the nation's highways rather than on brand new vehicles. In addition to cutting burden, the new process creates an incentive for manufacturers to produce more durable emissions control equipment and gives EPA better data for managing air quality programs.

### Simplified Hazardous Waste Management Requirements

The Agency addressed several barriers that have prevented common sense practices in managing hazardous wastes. Reforms to the 20-year-old program for managing polychlorinated biphenyls, or PCBs, are expected to produce cost savings estimated at between \$178 million and \$736 million each year. New treatment standards for land disposal of hazardous waste will facilitate cleanups of contaminated sites. Another regulation simplifies the cleanup and closure of hazardous waste disposal facilities.

### Offered Compliance Alternatives to Small Drinking Water Systems

Based on the 1996 amendments to the Safe Drinking Water Act, the Agency issued new regulations that will give small community water systems less expensive treatment alternatives to comply with federal drinking water standards in the future. Smaller systems can also request more time to achieve compliance and variances from federal requirements, as long as such actions do not threaten public health.



### Eliminated Barriers That Discourage Removal of Lead-Based Paint

We proposed a new rule to expedite the removal of lead-based paint because doing so will help protect children from exposure to lead. Based on studies showing that lead-based paint debris could be safely placed in ordinary landfills (under the Toxic Substances Control Act), we proposed that this disposal option be provided as an alternative to the traditional, but more expensive disposal currently required under hazardous waste regulations.

### Published Plain Language Regulations

In 1998, the Agency issued several regulations using plainer language and simpler formats than ever before. Among them were important requirements explaining what gas station owners, industrial facilities, and others operating underground injection wells must do to protect local drinking water supplies, and what industries must do to respond in a chemical emergency situation. These improvements were possible because of a pilot program began in 1997 to improve the understanding of EPA regulations.

# Summary of Comments Received By The Innovations Task Force

March through May 1999

## Encouraging Improved Performance

**Encourage stewardship:** Many stakeholders agreed that compliance alone should not be the end goal for environmental management. We can and should do more. Specifically, we should encourage environmental stewardship, where everyone—individuals, communities, and companies—takes more responsibility for their actions. Fostering stewardship needs to be interdisciplinary, taking social, economic, and other issues into account. It will require a different approach than enforcement.

**Recognize top performers or improved performance:** Many stakeholders urged EPA to establish programs for regulated facilities that go beyond compliance with environmental requirements. Suggestions ranged from a voluntary program recognizing sound performance, based on a set of specific criteria, to “case-by-case” actions for the truly outstanding performers. Some stakeholders felt that the former, a program with broader applicability, would be well-received and a step in the right direction. Others felt this would be neither bold nor effective enough. They felt that focusing on the top performers would allow EPA to offer more meaningful incentives and make participation more attractive. It would also help to create new leaders that others could follow. They suggested bench marking performance levels in facilities that are already widely recognized as top performers as a way to get started quickly.

They also felt that criteria for defining exceptional performance should be multimedia, emphasize sustainability and include measures such as:

- Public disclosure
- Public involvement
- How well a company addresses particular environmental problems
- Product stewardship
- Mentoring other companies

A number of stakeholders suggested using a “ladder” that recognizes several different performance levels. Those who still have compliance problems would be at the lower level; those with better performance would be higher up; the best would be at the very top. Incentives and assistance could be provided to help organizations move upward.

**Incentives:** Recognition can be an incentive, especially when it is in the local community and with clients and customers. However, incentives for superior performance are important and these can and should go much further. They could involve such things as fewer compliance inspections, more flexibility in regulatory programs, reduced reporting and monitoring, and tax credits.

## Tools for Improving Environmental Performance

**Environmental Management Systems (EMSs):** Stakeholders identified EMSs as key tools for improving environmental performance. However, they felt that EMSs are just a tool, and to work best, they need to be tailored to industry sectors. They also felt that special attention was needed to help small businesses develop and implement EMSs. This would help overcome a common perception that EMSs are for big companies, not small ones. There are successful examples of tailoring EMSs to smaller business (e.g., printers) and this is an area where EPA can help. Stakeholders also explained that EMS use would likely increase if insurers, bond raters and others were encouraged to use a company’s EMSs when evaluating their performance.

Some stakeholders were sensitive about the role that EPA should take in promoting EMSs. Many states and business already are using EMSs, and they felt the Agency should not try to step into the leadership roles established by others. EPA's role should be to promote their use, support their development, evaluate their effectiveness, and make recommendations on how to improve them. Conversely, others felt EPA should play a more active role in EMS development and testing.

**Integrating environmental and business decisions:** Stakeholders noted many other tools that could also help businesses account for environmental impacts and make more cost effective decisions. These tools include: life-cycle analysis, full cost accounting, product stewardship and product "take-back" programs, industrial ecology, etc. They thought EPA should help develop these tools, and support business assistance networks that help companies use them.

**Voluntary programs:** Stakeholders emphasized that voluntary programs can help companies and individuals address unsolved environmental problems. These programs can encourage stewardship in several ways, such as by offering technical or financial assistance, or by providing public recognition for environmental actions. There were suggestions for new voluntary programs to address certain issues, such as reducing use of persistent bioaccumulative and toxic chemicals, reducing nutrient loadings into watersheds, implementing innovative air quality improvement projects, and improving labeling and creating awards for environmentally friendly products.

**Apply lessons from successful pilots:** Our stakeholders emphasized that when an innovation proves successful in a pilot project, we need to move quickly to institute the innovation more broadly. EPA has tried new approaches through its reinvention programs, such as developing flexible permits and working with specific industry on sector-based environmental management approaches. Where successful, they felt the Agency should expand use of new approaches or integrate them into existing programs so that benefits can be realized on a wider scale.

**Market-based or economic incentives:** Some stakeholders emphasized the potential of market-based approaches for addressing problems. For example, effluent trading in watersheds is one way to help address nonpoint source pollution.

## Promoting Compliance

**Improved regulations:** Some suggestions for improving our regulations were:

- *Continue to use plain language.* Plain language is important because it helps people understand what they need to do and increases their ability to comply. Stakeholders felt that if EPA can do a better job in this area, there would be less need for additional compliance assistance materials, because the requirements would be clear. They also suggested that we provide flowcharts and checklists along with rules so applicability and requirements can be determined more easily.
- *Develop more performance-based regulations.* There were a number of specific suggestions for more regulatory changes that would increase flexibility in meeting permit limits, especially in meeting air requirements.
- *Promote sector-based rulemaking.* Through the Common Sense Initiative and other reinvention efforts, EPA has seen benefits from tailoring environmental management strategies for specific industry sectors. EPA should use this approach more in rulemaking so that regulations are more effective at addressing problems associated with specific industries.
- *Provide more openness during rulemaking and pilot-test rules prior to issuance.* This will allow the regulation writers to receive input from front line agency staff and from people in companies and communities. In this way, EPA can help assure that new requirements are understandable and doable.

**Permitting, monitoring, and reporting reforms:** A number of stakeholders urged EPA to build on its successful initiatives to reduce regulatory burden. Specifically, they called for more efforts to consolidate monitoring and reporting. To further reduce burden, they also encouraged more use of electronic reporting. On permitting, they suggested a number of specific projects from testing permit reforms developed through the Common Sense Initiative (PrintSTEP), to one-stop permitting, to sector-based permits. They also had media-specific suggestions, such as expanding the Pollution Prevention in Permitting Program (for air emissions).



**Compliance assistance:** Stakeholders explained that we need to do a better job of providing compliance assistance. They had many ideas about how we could do so. Some of these were:

- Develop compliance assistance materials and tools that are targeted to the needs of the regulated parties. EPA should prepare these materials along with regulation development so that more consideration is given to how the new requirements will actually be met. This approach would allow the Agency to develop assistance materials that are more timely and helpful.
- Coordinate with industries and their trade associations to develop materials that work well for the people who will use them.
- Ensure that EPA inspectors and the regulated facilities use the same inspection checklists.
- Continue to build on traditional approaches for providing assistance, including the existing compliance assistance centers. But also provide more help for small businesses who often have fewer resources to deal with environmental issues than larger companies.
- Use electronic tools (such as the Internet and computer software programs), but don't rely too heavily on them. Gear these tools to the front line, shop floor people who are most likely to use them.
- Turn to other assistance providers to deliver compliance assistance. There are existing networks of organizations (such as local governments, state agencies, universities, non-profits, trade associations, small business and technology assistance centers) that all have frequent interactions with businesses. Businesses prefer to go to them for help with compliance issues rather than dealing with EPA. EPA should be a "broker" rather than a "retailer" for compliance assistance materials. In other words, the Agency should develop materials and make them available, but let others actually deliver them to the regulated community.

- Use existing assistance networks and compliance assistance materials to deliver pollution prevention assistance as well. Also, keep in mind that many of these providers are ideal for delivering additional tools for integrating environmental and business decision-making.
- Deliver compliance assistance separately from enforcement, so that companies build some trust in working with those who offer assistance.
- Revise EPA's Audit Policy, Small Business Policy and penalty mitigation protocol to give people more incentives to self-disclose and correct environmental violations.
- Continue to measure the effectiveness of EPA's compliance assistance activities to see what is working well.
- Integrate compliance assistance with incentives, monitoring and enforcement to address specific environmental priorities.

## Cross-Cutting Issues

**Information management:** A number of comments dealt with information-related issues. Some suggested that making data about the environmental performance of specific facilities more user-friendly and accessible would be a strong incentive for corporations to improve or maintain high standards. Others suggested that EPA needs to do more to integrate data about ecological conditions, individual facilities, and other issues so people can gain a more complete understanding of factors influencing conditions at the watershed, ecosystem or community level.

Still others felt that Agency databases should be designed so that state and EPA staff can input and update data more easily.

**Support for community-based activities:** Stakeholders spoke about how communities and citizens want and need EPA to deliver information and technical assistance that will help them use environmental data and participate in environmental decision-making. In particular, some stakeholders urged EPA to provide additional support and tools to help local governments address urban sprawl.

# Key Actions

## **Action 1: Use incentives and voluntary partnerships more widely to encourage better environmental performance.**

### **Objective:**

We will work with interested parties to identify, test, and evaluate incentives that can be used to encourage better environmental performance by a wide range of businesses and other organizations. We'll also use voluntary partnership approaches to address unsolved problems and/or unique challenges facing communities or specific industry sectors.

### **Background:**

Our program and regional offices are already developing ways to promote stewardship. Experimental programs, such as Project XL, and partnership programs, such as Energy Star, have used incentives to encourage organizations to make environmental improvements. Additionally, we have started to use incentives to enhance our regulatory programs.

Our rapidly-growing partnership programs continue to show strong promise for effecting stewardship. These programs typically improve efficiency, cut waste, and conserve resources, lowering costs and yielding environmental benefits. As such, we've used partnership programs to address a variety of issues, including climate

change, solid waste, pesticide risks, and to advance new environmental technologies and practices. These experiences have shown that voluntary approaches can be a strong complement to our regulatory system, and a tangible means for getting better environmental results.

### Approach:

We will work with states, tribes industry, public interest groups, and other stakeholders to:

- Evaluate ongoing pilots and programs that use incentives.
- Look for new opportunities to use incentives.
- Make changes in policies and regulations to remove barriers and promote stewardship.

For voluntary programs, we will study the experience gained over the past few years, to find out what kinds of voluntary programs work best and why. We will use this information to help identify new areas where a voluntary partnership approach could achieve significant environmental results, and how we might accomplish more through existing programs.

### Tasks:

1. We will partner with several states to further test incentives (such as expedited permitting, consolidated or streamlined reporting, increased permit flexibility).  
*Lead: Office of Policy and Reinvention*
2. We will co-sponsor a national conference in 1999 on how economic and information incentives can be used to promote environmental stewardship.  
*Lead: Office of Policy and Reinvention*
3. We will award competitive research grants to identify and evaluate incentive-based approaches and investigate the relationship between environmental stewardship and financial return and growth.  
*Lead: Office of Research and Development*

4. We will work to improve the accessibility and increase the potential of voluntary partnership programs:
  - First, we'll establish a central point of contact for basic information on EPA partnership programs to make it easier for current and potential new partners to discover the full range of programs available. (This will augment outreach efforts by individual programs).
  - Second, we will work with interested sectors to determine which programs have greatest value for their specific operations, how these programs might best be packaged to simplify use, and whether new features are needed to meet their needs.
  - Third, we'll explore additional areas where partnership programs might be created to achieve environmental improvements.
  - Fourth, we will publish annual results achieved by partnership programs to demonstrate environmental and economic benefits. We will also work with our partners to develop better performance measures, where needed. These measures will enable us to more thoroughly evaluate the effectiveness of these programs, and prepare a report on their collective contribution to achieving national environmental and public health protection goals.  
*Lead: Partnership Programs Coordinating Committee*
5. Working with industry and other stakeholders, we will explore incentives to encourage further toxicity testing (under the Agency's chemical right-to-know program), and to promote improved product stewardship based on the toxicity testing results.  
*Lead: Office of Prevention, Pesticides and Toxic Substances*
6. We will work with industry and other stakeholders to explore an environmental stewardship initiative that challenges U.S. companies to voluntarily meet U.S. environmental and public health standards at their facilities in other countries whose standards are less protective.  
*Lead: Office of Prevention, Pesticides and Toxic Substances*

## Action 2: Promote the use of environmental management systems.

### Objective:

We will encourage organizations to use EMSs that improve compliance, pollution prevention, and other measures of environmental performance. We'll continue evaluation efforts to learn more about which EMS elements and applications are most effective, and we'll determine how these systems might be used to strengthen environmental programs and policies.

### Background:

An environmental management system applies standard business principles to the management of an organization's environmental responsibilities. This kind of system looks at environmental concerns in a more systematic way, and as a part of all business decisions and practices. An EMS does not determine the organization's legal obligations; rather, it is a sophisticated tool used by the organization to manage compliance and other environmental issues. A strong EMS does not just set rules for employees: it tracks performance, identifies and corrects problems, and tries to prevent the problems from recurring.

Many organizations are adopting EMSs as a management tool. We encourage the use of EMSs because they have the potential to improve compliance rates and environmental performance. In 1998, EPA issued a policy statement endorsing the use of EMSs that focus on improved environmental performance, including compliance and source reduction.

It is now time for EPA to take a more prominent role in encouraging organizations to use EMSs. Already, a number of our programs and regions have helped selected sectors, or organizations in particular geographic areas, to develop strong EMSs. We've also incorporated EMSs into a number of settlement agreements in enforcement cases. We need to look strategically at what else we can do to help promote EMSs.

At the same time, we still have much to learn about how effective different types of EMSs actually are in improving environmental performance, and about how they may affect our programs and policies. We are currently working in partnership with

a number of states (through the Multi-State Working Group) to develop a national database to help us build an understanding of EMSs and their effects. This work will be continued and expanded.

### Approach:

Working with states, tribes, and other stakeholders, we will assess the real-world use of EMSs and look at their implications for environmental programs and policies. We will help selected sectors (especially smaller businesses) develop and test EMSs, and we'll promote EMSs in selected geographic areas. To do this, we will:

- Develop a stronger, more far-reaching assistance program.
- Develop additional tools that can help organizations integrate environmental planning with other business decisions.
- Continue and expand research on what kinds of EMSs are most effective, and how the growing use of EMSs may affect our programs and policies.

### Tasks:

1. We will designate a single office to provide leadership on Agency EMS policy and planning.  
*Lead: Deputy Administrator, with advice from Reinvention Action Council*
2. We will promote the use of EMSs to address known compliance and performance problems. Within six months, we will prepare a strategy to increase EMS use in targeted sectors or geographic areas, and begin developing tools such as training, best practice manuals, mentoring programs, short-term and long-term measures of environmental performance, and incentives that encourage improved environmental performance.  
*Lead: Office of Policy and Reinvention*
3. We will evaluate the environmental and economic results of EMSs, building on and expanding current research efforts. (These results will form the basis of an evaluation report to be issued within 3 years).  
*Lead: Office of Policy and Reinvention*

4. We will look at other business decision-making tools and evaluate how well they improve environmental performance. We will also assess how these other tools may work with or enhance a firm's EMS.

*Lead: Office of Prevention, Pesticides and Toxic Substances*

### **Action 3: Develop a “performance track” to motivate and reward top environmental performance.**

#### **Objective:**

We will work with States, Tribes, industry, environmental, and other interest groups to define what it means to be a top environmental performer, and to identify appropriate building blocks for a new “performance track” that enhances the current regulatory system.

#### **Background:**

States and EPA have already started using incentives to promote top environmental performance (see Box 1, page 10). Project XL, the Environmental Leadership Program, and leadership programs in Oregon, Colorado, and other states are preliminary efforts to motivate top performers. In addition to these programs, a number of policy studies have called for creation of an “alternative track” or “performance track.”

There is broad support for a “performance track” that rewards top performers, but there are diverse ideas about how this approach should be designed and operated. Unresolved issues include:

- Finding the right incentives to motivate top performance, and identifying the changes that are needed in policy, regulations, or statutes to use incentives.
- Defining and measuring top environmental performance.
- Ensuring that companies and communities are accountable for performance, in part by publicly reporting on their performance to the public.



- Determining the appropriate role for government agencies and the appropriate allocation of government resources.

We are already learning from the past several years of experimentation, and we now need to agree on a next phase of activities to create a performance track. This track should include both meaningful incentives, and a way to account for results. Because this performance track concept is not fully defined, it is not without controversy. But we believe it holds strong promise for motivating and rewarding stewardship in companies that are willing to be leaders and achieve better environmental results.

### Approach:

A process will be established so that diverse interests can work with the Agency in developing a performance track that promotes top performance and assures accountability for results. This collaborative process will assess what has been effective in previous pilot tests and programs, develop a framework for a performance track, and propose practical implementation steps.

### Tasks:

1. We will convene a group of leaders from state and tribal environmental agencies, industry, environmental and other interest groups to evaluate options for a performance track and propose practical steps for demonstration and implementation. This will include:
  - Defining and measuring environmental excellence, for example by "benchmarking" the performance of 25 to 30 top performers identified by the group participants.  
*Lead: Office of Prevention, Pesticides and Toxic Substances*
  - Defining the characteristics of EMSs and accountability measures that will demonstrate top environmental performance.  
*Lead: Office of Policy and Reinvention*
  - Identifying the best incentives for motivating organizations to improve environmental performance.  
*Lead: Office of Policy and Reinvention*

2. We will work with two industry sectors to develop sector-specific performance standards that demonstrate a more comprehensive, system-based approach to environmental management. This will involve assessing industry trends and conditions, developing environmental performance goals, and designing EMSs to help individual facilities improve environmental performance.

*Lead: Office of Policy and Reinvention*

#### **Action 4: Support a network of public and private organizations that provide assistance on environmental compliance.**

##### **Objective:**

We will focus on becoming a “wholesaler” of compliance assistance tools and information. We’ll meet with compliance assistance providers to share our approach for developing materials that help businesses and communities comply with the law and prevent pollution, and we’ll ask them to help us set priorities to determine which materials are needed most. We’ll provide these materials, and help them develop training and peer mentoring programs.

##### **Background:**

Many regulated groups, especially small and mid-sized businesses, are wary of seeking help from EPA and other federal agencies. Because of this, we are not in the best position to offer direct compliance assistance. But, there are many organizations that are in a good position to help because they already have contact with a large number of regulated entities. Some examples are state and local governments; small business assistance programs and development centers; manufacturing extension partnerships; pollution prevention programs; universities; licensing agencies and issuers of building permits; and trade and professional associations. These organizations already have an infrastructure in place to deliver information and assistance, and businesses often turn to them.

## Approach:

We will bring together other organizations in the public and private sector that provide compliance assistance, and seek their ideas about what tools are still needed. We will seek their input on the best ways to get new compliance assistance tools delivered to them in a timely manner. In this way, we can help build an effective environmental assistance network with the ability to reach a much larger audience than EPA could ever reach on its own. Our role will be primarily to enable other providers to work more effectively, and to provide compliance assistance directly only in special circumstances (e.g. in cases where assistance networks may not sufficiently reach all affected parties). We will also work to encourage more collaboration and coordination among organizations that routinely provide assistance on business, environmental or other issues. This would be more efficient for small businesses and others seeking information, as well as for EPA and other organizations that provide it.

## Tasks

1. We will convene a national compliance assistance forum to share information with participants on recently developed compliance assistance materials, get stakeholder input in setting priorities for new compliance assistance materials, and exchange compliance assistance tools. We will also use the forum to help identify industry sectors that have special compliance assistance needs.  
*Lead: Office of Enforcement and Compliance Assurance*
2. We will also sponsor a national meeting of organizations that provide assistance to the regulated community. We hope to encourage simpler and more efficient “one-stop” shopping for assistance on a variety of inter-related issues, such as business management, technical process improvements, pollution prevention, and regulatory compliance.  
*Lead: Office of Prevention, Pesticides and Toxic Substances*
3. We will assess EPA’s current suite of environmental assistance services for small businesses. We’ll assess the value and accessibility of the many hotlines, clear-

inghouses, and other EPA support functions. Working with other public and private sector assistance providers, we'll use these findings to improve our assistance to small businesses.

*Lead: Office of Policy and Reinvention*

4. We will create a clearinghouse of compliance assistance materials and tools. This clearinghouse will include information from federal, state, tribal, and local governments and from private providers, such as trade associations.

*Lead: Office of Enforcement and Compliance Assurance*

5. We will distribute and market compliance assistance tools to organizations that are likely to have contact with regulated groups.

*Lead: All offices that prepare materials or tools to support regulatory action*

6. We will support mentoring programs that help businesses and other organizations share environmental management information and expertise with one another.

*Lead: Office of Policy and Reinvention, Office of Water, and Region 4*

## **Action 5: Deliver compliance assistance information for new “economically significant” rules when and where it’s needed.**

### **Objective:**

We will provide compliance assistance information, typically within 90 days of issuing an “economically significant” rule, so it is available before new requirements take effect<sup>1</sup>. We will continue to make general assistance widely available through the Internet, toll-free telephone lines, and other distribution channels. We'll also evaluate the need for additional compliance assistance centers as we maintain support for existing ones.

### **Background:**

Clear, understandable regulations and compliance assistance tools improve a facility manager’s ability to comply, and they strengthen the public’s ability to effectively

participate in environmental and public health protection issues. Over the last several years, EPA has begun to write plain language regulations. We have also developed a variety of compliance assistance tools and mechanisms for delivering them. These include plain language guides, compliance assistance centers, hotlines, self-audit checklists, and special software. We have begun and will continue to evaluate these tools, with a special focus on how well they meet the needs of small business. Still, as we talked to our stakeholders about compliance, we heard that we need to do more. In particular, we need to integrate compliance assistance planning into the rulemaking process.

A more integrated approach should have several positive effects. Earlier consideration of compliance assistance issues during regulation development will allow us to develop more effective, understandable regulations designed for application in real-world situations. Providing more timely compliance assistance information will give the regulated community the time they need to understand regulatory obligations and to focus planning on how to comply through pollution prevention or other appropriate controls. Finally, the interaction between facilities and regulatory agencies, and public involvement in environmental decision-making will become more positive as all parties gain a clearer understanding about what is required.

### Approach:

Under the Small Business Regulatory Enforcement Fairness Act (SBREFA), EPA is required to prepare a compliance guide for new regulations that have a “significant impact on a substantial number of small entities<sup>2</sup>.” In the future, we’ll extend this type of service more broadly. Specifically, we will provide compliance assistance guides or self-audit checklists for economically significant rules that apply to companies or government facilities and that are not already covered by the SBREFA requirement. These materials will help regulated entities—in other words, companies or government facilities—comply with EPA rules that apply to them. (Rules that aren’t directly applicable to companies or government facilities may warrant different forms of guidance, such as state program guidance.)

Because guides and checklists must be tailored to each rule and to diverse audiences (e.g., small businesses versus large manufacturers), they will vary substantially in format and length. Where appropriate, they will include information about how to

comply through pollution prevention options. We will prepare these materials as soon as possible after issuing the rule, typically within 90 days so that requirements can be understood *well before* the actual compliance date. Longer time frames may be needed in some cases for stakeholder input on draft assistance materials, for highly complex rules or for special circumstances, but these extensions will be subject to the Deputy Administrator’s approval.

There may be cases in which EPA decides to produce a compliance guide for a rule that does not meet the economically significant threshold rather than for a rule that does because it would be more beneficial overall, considering factors such as the needs of the regulated community and the potential benefit to public health and the environment. These “substitutions” will be made as part of an annual compliance assistance planning process. In addition, EPA will produce compliance materials for other rules that do not meet the economically significant threshold, within budget limitations.

EPA’s media offices will integrate compliance assistance planning into rule development, with active assistance and participation from our enforcement and compliance assurance staff at Headquarters and in the regions. We’ll also seek input from State program staff, the regulated community and other stakeholders, as appropriate. As part of this process, we may identify and develop other materials to supplement guides and checklists.

### Tasks:

1. We will develop compliance assistance guides and/or self-audit checklists for economically significant rules that apply to companies and/or government facilities (or rules that were “substituted” because of greater benefit), typically within 90 days of issuance. Extensions beyond this time frame will be subject to approval by the Deputy Administrator. EPA also will produce compliance materials for additional rules that do not meet the economically significant threshold, within budget limitations.

*Lead: EPA National program office that prepares regulation, with assistance from enforcement and compliance assurance program.*

2. We will develop an annual compliance assistance plan, in consultation with State, Tribal, and other compliance assistance providers, to ensure that compliance assistance resources are focused on areas where they are most needed. Based on their input, we will consider developing compliance assistance tools for other new rules that do not meet the economically significant threshold or for existing rules known to have compliance problems.

*Lead: Office of Enforcement and Compliance Assurance*

3. We will field test certain compliance assistance tools before issuing them. For one or two rules, the Agency will also develop special software to guide facility operators through regulations and provide answers on applicability, deadlines, and what must be done to comply.

*Lead: EPA National program office that prepares regulation, with assistance from enforcement and compliance assurance staff*

4. We will field test certain draft regulations prior to promulgation. This will be done through simulated trial application of a draft rule with one or more regulated entities, with opportunity for public involvement.

*Lead: EPA National program office that prepares regulation*

## **Action 6: Combine compliance assistance, incentives, monitoring, and enforcement in order to implement environmental laws in a more strategic manner.**

### **Objective:**

To make better use of limited resources, we will design new strategies that incorporate a range of options to address major compliance problems.

### **Background:**

During the last several years EPA and States have experimented with integrated compliance and enforcement strategies. These strategies usually include some or all of the following tools: compliance assistance, compliance incentives (such as penalty

relief for firms that conduct self-audits, disclose violations, and quickly correct problems), monitoring, and targeted enforcement actions. Several examples of how these tools were strategically applied are described below:

- Steel mills: EPA Region 5 provided steel mini-mills with a 6-month period to self-audit, disclose, and correct violations in accordance with the Audit Policy or Small Business Policy; offered outreach and technical assistance; and followed up with inspections, and enforcement as appropriate, at facilities that did not audit and disclose.
- Chemical companies: This national strategy gave organic chemical manufacturers compliance assistance, including auditing protocols, and an opportunity to audit, disclose, and correct violations. It also included compliance monitoring and appropriate enforcement for non-participating companies.
- Universities laboratories: By combining targeted enforcement actions regarding hazardous waste violations with customized assistance opportunities, EPA's New England region was able to address RCRA compliance and other performance problems at laboratories.

These and other experiences have shown that strategic combination of enforcement with other environmental management tools can be effective for addressing environmental and compliance problems. During focus groups, our stakeholders voiced support for this approach.

### **Approach:**

As part of future planning processes, we will consult with states, tribes and other stakeholders to identify new opportunities for strategically combining compliance assistance, incentives, monitoring, and enforcement. Through this approach, we will tailor actions to the particular compliance issue and/or sector involved. While the combinations and sequences in these strategies may vary, we would likely start with compliance assistance first. We would then give incentives, such as extended compliance periods or penalty relief for auditing and correcting problems. Monitoring would come next, followed by enforcement, where necessary.



**Task:**

1. We will talk to states, tribes and other stakeholders to identify the priorities where combined enforcement strategies are appropriate. We will then develop the appropriate strategy for each priority area and begin implementation.

*Lead: Office of Enforcement and Compliance Assistance and EPA Regions*

**Action 7: Develop more flexible air permitting policies for protecting the environment.****Objective:**

Based on our experiences in pilot projects, we will identify those approaches that increase permitting flexibility while providing equal or better levels of environmental and public health protection, provide incentives for pollution prevention, and ensure public participation in permitting decisions.

**Background:**

For the past 6 years, we have looked for ways to provide greater flexibility under the air permit program without sacrificing environmental protection. We have done this in connection with ongoing rule development, and through a number of experimental pilot permits in Project XL and the "Pollution Prevention in Permitting Project" (P4).

**Approach:**

Because of our pilot programs, we have enough experience to identify approaches that can be taken beyond the pilot stage and used more broadly. Currently, permits are issued through a decentralized system of state and regional permit writers. We will build an extensive support system to disseminate information on new approaches among this network. We will do this through EPA staff, a variety of publicly available information sources, and training programs for federal and state permit writers.

## Tasks:

1. We will identify approaches that provide greater flexibility in the New Source Review and Title V permitting programs, without sacrificing environmental results or weakening the role of the public in permit decisions.
2. We will publicize those new approaches so that permit writers at EPA and other regulatory agencies understand and know how to use them, and so that permit applicants and holders become aware of the approaches and their benefits.
3. We will identify and work with selected sectors for which the new approaches offer the greatest benefits.

*Lead: Office of Air and Radiation*

## Action 8: Speed up review and issuance of NPDES (water discharge) permits.

### Objective:

We will streamline NPDES permitting by providing training to improve understanding of the NPDES permitting process, and by encouraging applicants to submit draft permit limits or conditions that can expedite regulatory review and approval. We will also encourage more public involvement in permitting actions.

### Background:

The National Pollutant Discharge Elimination System (NPDES) permitting program controls the discharge of pollutants from industrial and municipal sources into U.S. waters. Approximately 71,000 facilities have been issued individual NPDES permits, primarily by their State environmental agency. Under the Clean Water Act, permits are issued for a 5 year period. Permit holders must reapply at least 180 days before the day their permit expires. However, if the permitting authority does not send a new permit before the expiration date, the operations can be continued under the existing permit conditions.

The number of facilities requiring permits has grown substantially since the program's inception in 1972. In addition, the complexity of developing permits has increased due to new technology-based requirements (e.g., new effluent limitations guidelines), the adoption of comprehensive water quality standards by States, and the development and incorporation of total maximum daily loads (TMDL). For these reasons, the process for permit issuance has become increasingly costly and time-consuming for EPA and the States who issue permits and for the facilities that need them to operate. The result is a "backlog" of expired (administratively extended) NPDES permits. The Agency estimates that as many as 35 percent of individual permits are currently expired.

### Approach:

We will work with an outside organization and several select states to improve NPDES permitting for the regulated community and the public. As a first step, we will work with them to modify NPDES training materials (originally developed for permit writers at regulatory agencies) for permit holders (or applicants), their environmental consultants, and interested citizens. Using these materials, we will then develop a certification course for NPDES permit preparation. The certified individuals will be trained to prepare complete permit applications and to prepare draft permit limits or conditions that could be submitted to expedite regulatory review and approval. Members of environmental groups, and other citizens interested in the NPDES permit development process will also be encouraged to attend the training. Based on the results, EPA will decide whether training and/or the option to submit preliminary permit information should be offered nationally.

### Task:

1. Working with a national organization and two or three states, we will develop a training program to improve understanding and execution of NPDES permitting. Together, we will:
  - Modify NPDES training materials (originally developed for permit writers at regulatory agencies) for permit holders, their environmental consultants, and interested citizens.

- Design, publicize and offer training courses that improve understanding of NPDES permitting and provide professional certification for assisting with NPDES permit applications.
2. In the pilot states, we will encourage permit applicants to use certified professionals to submit draft permit limits or conditions that can be used to expedite permitting decisions.
  3. After a 3 year demonstration period, we will evaluate the experience and make recommendations on whether this permitting approach should be implemented nationally.

*Lead: Office of Water*

## **Action 9: Build leadership capacity in communities to participate in local environmental problem-solving.**

### **Objective:**

We will help communities make decisions about issues that improve public health and their local environment by developing environmental management tools, offering technical assistance, and providing facilitation for dialogue on environmental issues. We'll also include community representatives in Agency decisions about programs or policies that directly affect them.

### **Background:**

Often, environmental problems are best addressed at the state, tribal, or local level, where unique social, economic, and cultural priorities can be better recognized and considered in the decision-making process. Many individuals also want the opportunity to participate in environmental decisions that affect them. The Agency has made significant progress in developing tools and providing assistance to support community involvement. Our overall strategy has been to work in partnership with communities, states, and tribes on collaborative, flexible approaches to environmental protection.

## Approach:

Because there are already a wide variety of Agency activities related to communities, including many recent initiatives, we've chosen to focus on tasks that will increase technical assistance to communities and provide additional support for community involvement in environmental decisions. We hope that these activities will

- Create more public participation in EPA activities that will affect them;
- Foster constructive dialogues among public and private stakeholders and local, state, and tribal governments to address environmental and public health concerns; and
- Encourage all stakeholders to work cooperatively together to set community priorities for environmental action.

## Tasks:

### 1. Increase technical assistance to communities

As part of a national program on hazardous material research, we support five regional university consortiums in carrying out basic and applied research, technology transfer and training. These centers provide technical outreach services for communities in their area, with a special emphasis on providing technical assistance for brownfields cleanup and redevelopment.

As part of the next solicitation to establish new centers, we will place greater emphasis on providing technical support activities, including outreach to communities.

These centers will:

- Provide high-quality technical assistance materials for communities and other stakeholders on challenging redevelopment issues.
- Conduct forums for researchers, vendors, regulatory agencies, developers, and community leaders to discuss potential applications and benefits of cleaning up and redeveloping brownfield sites.

*Lead: Office of Research and Development*

## 2. Establish “Good Neighbor Groups” in each EP A region

Good Neighbor Groups are voluntary groups facilitated by EPA that bring together industry; state, tribal and local government; and community representatives in economically disadvantaged areas with major industrial sources. These groups meet regularly for discussions and have often led to agreements about new efforts to address pollution issues. EPA’s Region 5 office has sponsored several “Good Neighbor Groups” with key industries in a South Chicago community; the Agency is now ready to expand this program more broadly.

- Our Region 5 staff will work with other regions to develop a *Good Neighbor Group* guidance document to be used in other parts of the country.

*Lead: EPA Region 5*

- Each EPA Region will establish two “Good Neighbor Groups” over the next 2 years to facilitate communication among community groups, industry, and state, tribal, and local governments.

*Lead: EPA Regions*

## 3. Improve access to conflict resolution support

Early and meaningful stakeholder participation in Agency decision-making can increase satisfaction with results and help reduce or avoid conflicts. While we’ve already adopted a number of regulatory changes and new policies to increase meaningful participation, we need to do more to routinely involve stakeholders in all Agency programs. When conflicts do arise, we need to turn to non-adversarial, collaborative approaches for dealing with them. To do this, we will improve the ways we involve stakeholders in discussions, and we will improve the ways we prevent and resolve disputes.

- We will develop a user-friendly toolkit that explains dispute resolution processes and identifies supporting resources that are available for community members and other stakeholders.
- We will develop an Agency policy on alternative dispute resolution. We will establish a permanent office of dispute resolution to oversee and coordinate

alternative dispute resolution activities. The office will assist communities, as well as EPA programs and regions, in preventing and resolving dispute issues.  
*Lead: Office of the Administrator*

#### 4. Assist communities through Supplemental Environmental Projects

When settling environmental enforcement cases, we require alleged violators to comply with Federal environmental laws and regulations and to pay a civil penalty. Sometimes, we may include Supplemental Environmental Projects (SEPs) as part of the settlement. These projects provide environmental improvements or other forms of compensation to the community in which the violation occurred. We encourage community involvement in the development of these projects, and we've developed a brochure to explain the policy to communities. To foster more use of these projects, we will:

- Develop a guidance document for companies that explains how to involve communities in selecting and developing SEP proposals.

*Lead: Office of Enforcement and Compliance Assurance*

#### 5. Evaluate and update EPA's public participation requirements

We will assess how well our regulations and policies ensure public participation in decision-making. We will report on what we find and develop an action plan to upgrade requirements and fill gaps.

*Lead: Office of Policy and Reinvention*

### **Action 10: Provide “smart growth” support to states, tribes, and communities to help them find local solutions to livability issues.**

#### **Objective:**

Because community development patterns have a great impact on environmental conditions and overall quality of life, we will support and encourage smart growth decisions by individuals, communities, businesses, and state, tribal and local governments.

## Background:

The development patterns in the United States over the last half of this century have resulted in voracious land consumption and the loss of farmland, open space, and wildlife habitat. Some unintended consequences of these development patterns include growing traffic congestion and air pollution, diminished access to nature and open space, and more contaminated stormwater runoff. These changes have driven communities across the country to take a new look at development patterns and use innovative growth strategies. In search of smarter growth, communities are considering policies that will deliver more compact, community-oriented development centered around mass transit hubs, with walkable neighborhoods, convenient access to shopping and services, open space and access to nature.

## Approach:

Our role in smart growth is not to provide regulatory directives or mandates, but to support others' smart growth efforts. The positive impacts of smart growth directly support EPA's goals of protecting human health and the environment. To encourage this type of development, we will:

- Ensure that EPA regulations do not present barriers to smart growth efforts.
- Provide guidance or policy on how smart growth strategies can be used to meet regulatory requirements.
- Support and promote voluntary activities that encourage smart growth.
- Offer tools to help states, tribes, and communities analyze the environmental benefits associated with smart growth decisions.

Our approach involves advancing smart growth through EPA National programs, providing information and tools that link environmental, economic, and social issues, and promoting financial reforms that encourage more livable communities.



## Tasks:

### 1. Assist in establishing commuter choice programs across the country

“Commuter Choice” is a voluntary program to improve air quality and reduce traffic congestion by educating employers and employees about tax incentives for public transit, van pooling and parking benefits. We are partnering with members of the business community, environmental interests, and state and local governments to extend this program throughout the country.

- We will provide commuter choice training workshops for business and other interested parties; support new and existing commuter choice pilot programs; develop a model commuter choice program for federal agencies; and develop Internet-accessible commuter choice training and implementation materials for individual employees, employers, and metropolitan areas.  
*Lead: Office of Air and Radiation*

### 2. Safely return Superfund sites to productive use

The Superfund Site Recycling Initiative is a nationally coordinated effort to return Superfund sites to productive use. More than 100 Superfund sites, many thought to be unusable, have already been recycled without an organized effort on the Agency’s part. By focusing more on recycling Superfund sites, we can increase the number of sites in productive use. We will do this by involving states, tribes, and local governments, potentially responsible parties (PRPs) and community organizations in determining the reasonably anticipated future uses of sites and in designing cleanups that are consistent with those uses.

- We will select 50 pilot sites for Superfund recycling. For each site, we will provide up to \$100,000 for a reuse assessment and for public outreach activities to determine future uses of the site.
- We will evaluate policies and guidelines to determine where refinements can be made to facilitate site reuse.

- We will work with all regions and with real estate developers and associations to share information about reuse successes, how to replicate those successes, and how to assess the reuse potential of sites.

*Lead: Office of Solid Waste and Emergency Response*

### 3. Incorporate smart growth principles into the water pollution program

The Clean Water Act requires EPA to identify sources of pollution within a watershed and to allocate pollutant loadings among those sources in a way that assures water quality standards are met. Collectively, these allocations represent the watershed's total maximum daily load, or TMDL. By specifying how much pollutant loadings need to be reduced for the waterbody to attain water quality standards, TMDLs can play an important role in preventing water pollution problems and creating more sustainable communities.

- We will propose changes to the TMDL regulations and guidance. To encourage smart growth principles, we will include incentives for redeveloping urban lands and encouraging the protection of critical habitat, agricultural lands, and open space. (For example, in allocating the pollutant load reductions needed to meet water quality standards, smaller loadings would be allowed in limited growth zones compared to designated growth zones).

*Lead: Office of Water*

### 4. Provide tools for States, Tribes, and communities to evaluate smart growth decisions

Communities around the country are supporting new transit, land conservation, and open space preservation. Because of the direct link between development patterns and pollution problems, we will work with states and other stakeholders to encourage local efforts that will reduce or prevent pollution.

- We will provide information and modeling tools to help communities evaluate the impacts of different development choices. The tools will include indicators for analyzing environmental conditions; tracking the performance of transportation investments; and predicting the impacts of development choices on air quality, water quality, automobile use, Brownfields, and open space.

*Lead: Office of Policy and Reinvention*

## 5. Promote financial reforms that encourage more livable communities

A key barrier to creating more livable communities is financing. Current financing trends favor low density, single use, automobile-dependent development on the edges of communities. EPA will work with financial institutions that are beginning to develop reforms in financing that encourage more livable communities.

- We will work with Fannie Mae, BankAmerica, the development community, federal agencies, states and other stakeholders to implement innovative financing options that will prevent or reduce pollution.

*Lead: Office of Policy and Reinvention*

<sup>1</sup>Under Executive Order 12866, "economically significant" rules are generally those that have an economic impact of \$100 million or more.

<sup>2</sup>Under SBREFA, the definition of small entity varies by industry. Some definitions are based on annual revenues, others on the number of employees. Where not specified for a particular industry, the definition is generally a business with 500 or fewer employees.