



Reinventing Environmental Protection Executive Summary

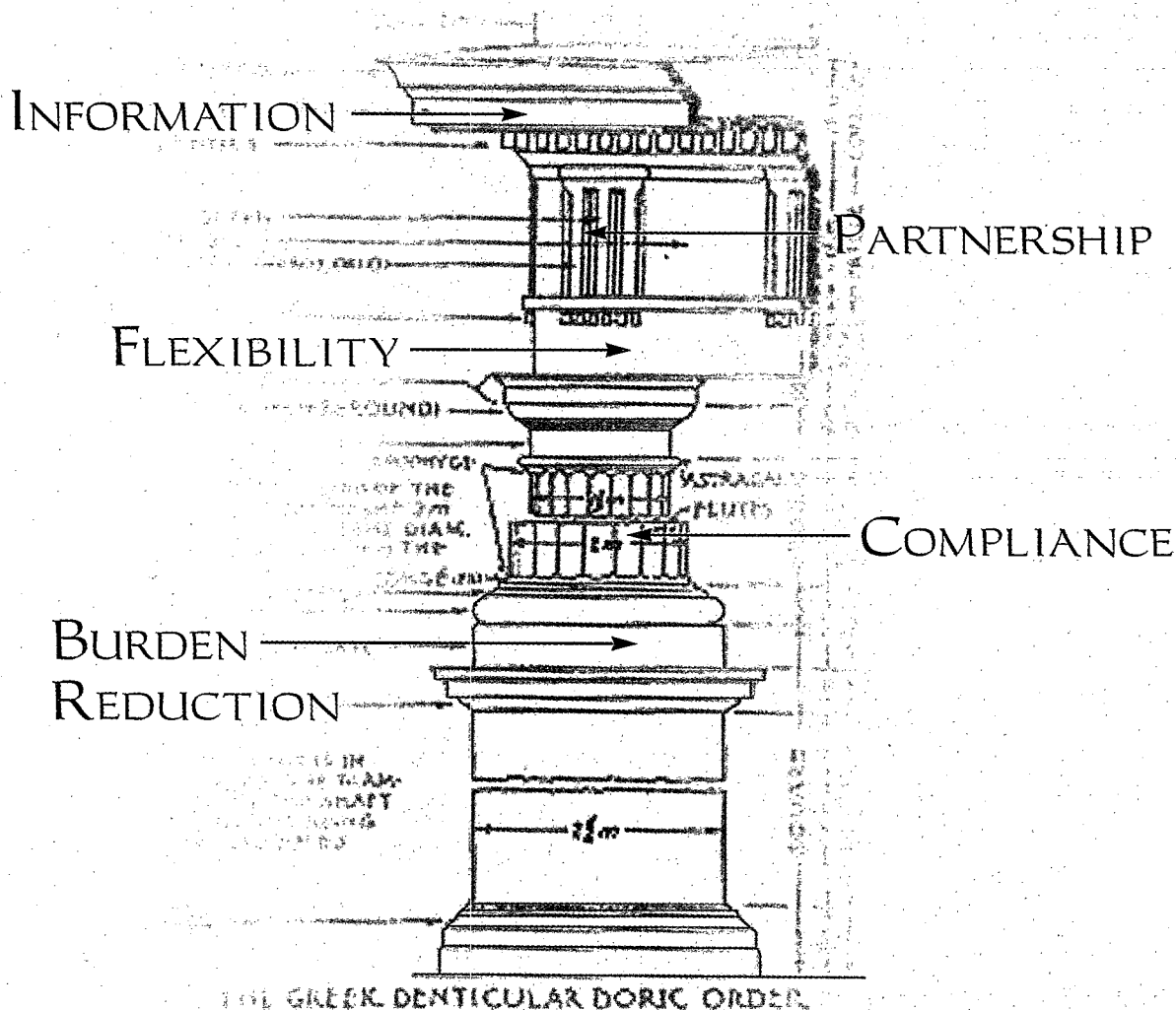
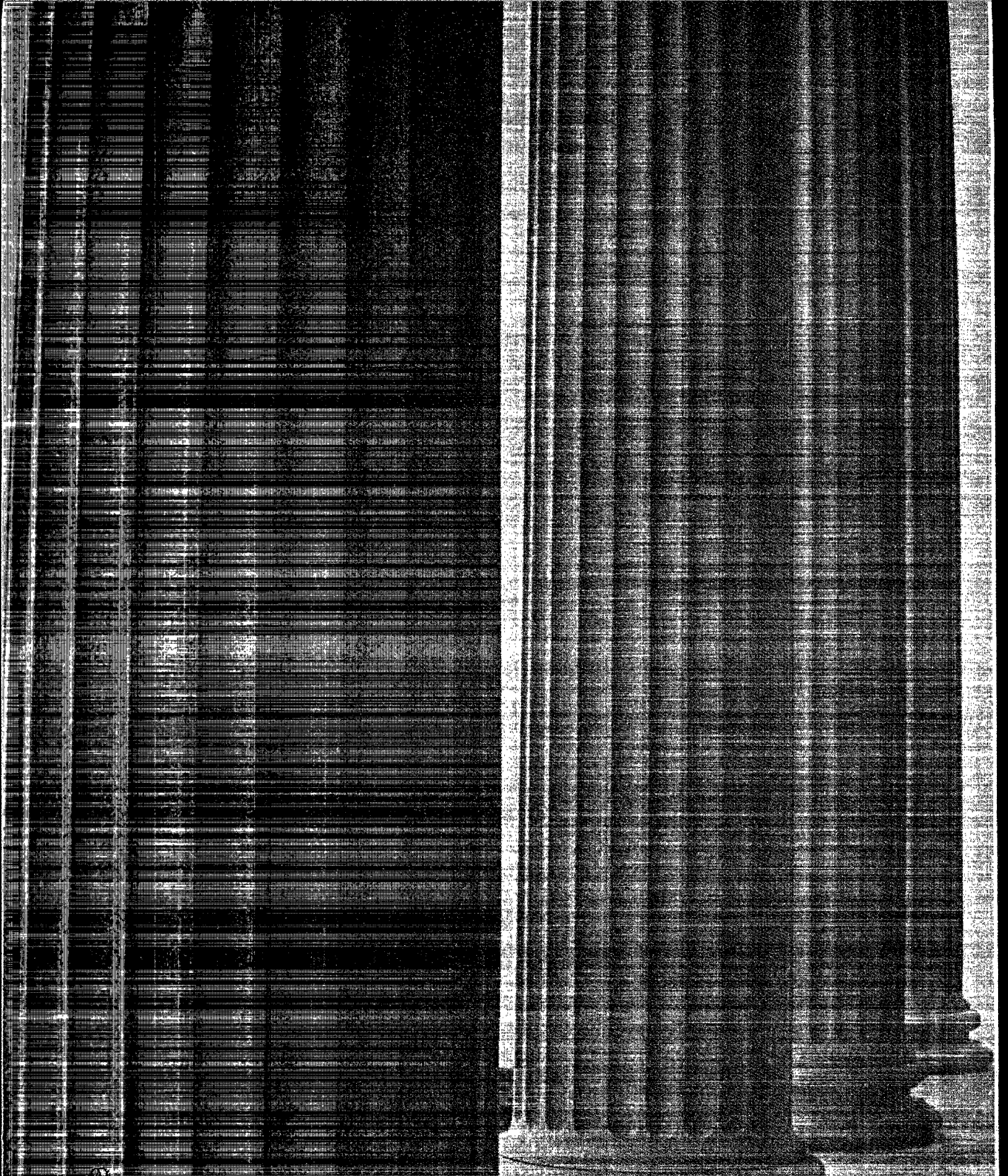


PLATE 12

1998 ANNUAL REPORT



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EXECUTIVE EXECUTIVE SUMMARY SUMMARY

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.

As a result of these efforts, the Agency has cut the annual paperwork burden associated with environmental requirements by more than 26.9 million hours a year. We've dramatically increased public access to environmental information, enabling citizens to go online and find out about issues of concern. Through an array of environmental stewardship programs, the Agency has worked with public and private sector partners to voluntarily change their business practices to produce significant environmental and economic benefits—the latest data shows these partners saving more than \$1.6 billion a year by eliminating waste, preventing pollution, and conserving energy and water. We've launched special programs, such as the Common Sense Initiative and Project XL, which allow us to test new approaches for pursuing environmental and public health protection goals. To boost environmental performance, we've created incentives that can lead regulated parties to exceed baseline requirements, and offered new tools and assistance so business and communities have what they need to comply with the law.

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

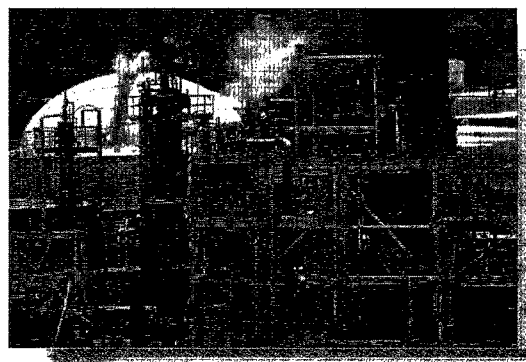
Recognizing the interest and questions still surrounding use of Environmental Management Systems, EPA launched pilot projects to test their effectiveness and gather information that will be used in future policy decisions. In a move that sent an important signal to the regulated community, we issued 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

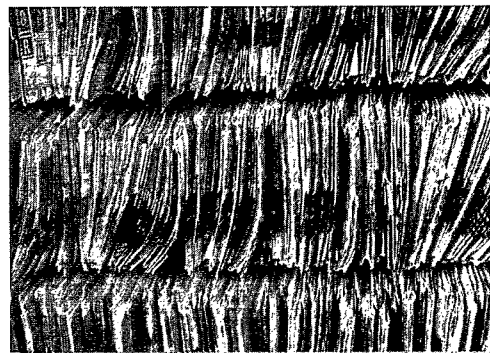
Recognizing that businesses can often help each other improve environmental performance, EPA offered funding to support what could become a new trend in corporate America—environmental mentoring. These funds are being used to create an institute that will provide the information and tools needed to support 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 recordkeeping 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

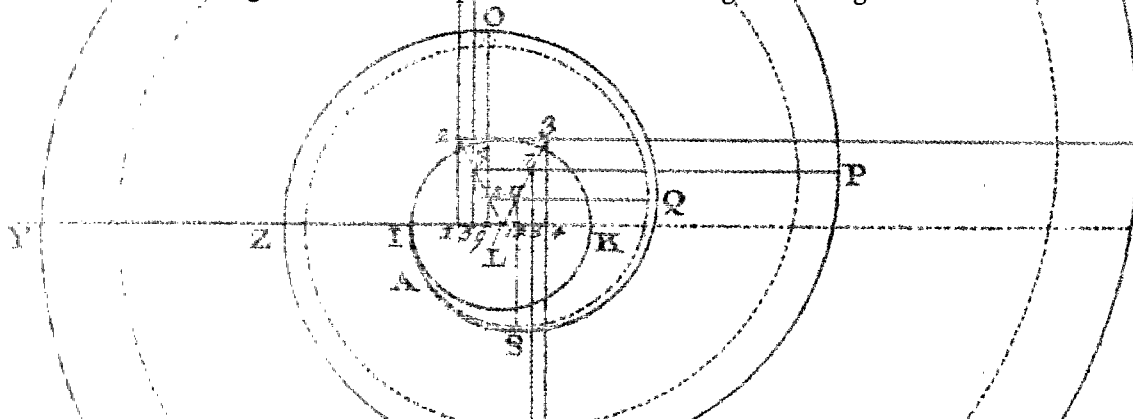
Based on the 1996 amendments to the Safe Drinking Water Act, the Agency issued new regulations that will give small community water systems less expensive treatment alternatives to comply with federal drinking water standards in the future. Smaller systems can also request more time to achieve compliance 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.



FOR MORE INFORMATION about EPA's reinvention activities, look on the Internet at <www.epa.gov/reinvent> or send an e-mail to <reinvention@epa.gov>. You can also contact the Office of Reinvention in Washington at 202 260-1849. In this office, our staff manage multimedia reinvention initiatives, such as Project XL, and coordinate reinvention activities that involve other Agency programs. The majority of reinvention initiatives, however, are managed directly in EPA national program offices or Regional offices. All of these organizations have senior level managers assigned to oversee reinvention initiatives. Together, they make up EPA's Reinvention Action Council. Their responsibilities include resolving issues that hinder reinvention progress and being available to staff and external constituents who might have ideas or concerns about reinvention issues. A current listing of the Reinvention Action Council members, along with information about how to contact them, can be obtained from the Office of Reinvention.



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