



"Protect **people**,  
not bureaucracy.  
Promote **results**,  
not rules.  
Get **action**,  
not rhetoric."

PRÉSIDENT CLINTON

# *new* **directions**

A REPORT ON REGULATORY REINVENTION

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## foreword

During President Clinton's first term in office, EPA joined other Federal agencies in an unprecedented effort to "reinvent government" so that it works better and costs less. At EPA, that challenge has meant closely examining our programs and priorities and acting on opportunities for reducing costs and unnecessary regulatory burden. Doing so will help State and local governments, private businesses, and EPA's own staff focus on areas offering greater gains for environmental and public health protection. This report is designed to provide readers with a better understanding of what reinvention is, how it is being pursued, and what is being accomplished as a result. Each edition will feature an in-depth look at a major reinvention effort as well as brief updates on other projects that are underway or under development.

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## Performance Partnerships

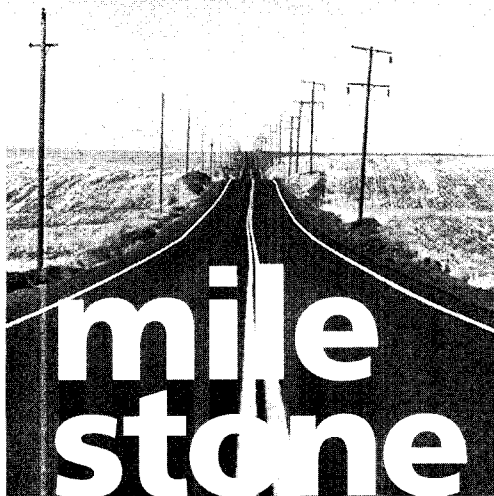
### Building a Stronger Relationship Between EPA and the States

**A**n important milestone towards reinventing environmental and public health protection was reached on May 17, 1995, when Administrator Carol Browner and Deputy Administrator Fred Hansen joined State Environmental Commissioners in establishing Performance Partnerships to reform the ways States and EPA work together.

### What Are Performance Partnerships?

Performance Partnerships establish a new working relationship whereby the States and EPA determine on an annual basis what and how work will be performed. Traditionally, the process for funding and addressing environmental and public health priorities has been conducted with a single media focus. States have submitted up to 16 annual workplans and received multiple grants to support air, drinking water, hazardous waste, and other pollution control programs. While reflective of the media-specific focus that has characterized environmental management over

(CONTINUED ON PAGE 2)



**T**uesday, November 18, 1996, marked an important date for Project XL as Administrator Carol Browner approved a new agreement with **Intel Corporation** officials, the Arizona State Department of Environmental Quality, and community leaders in Chandler, Arizona. Project XL is a national pilot program that allows regulated facilities to test alternative management strategies on the condition that they exceed minimum standards and achieve higher levels of environmental performance. Under the agreement, Intel will adopt a 5-year environmental management plan that includes meeting more stringent air pollution standards in exchange for an air quality permit that eliminates the usual permit modification process each time the plant needs to make an operational change to its manufacturing process. In addition, the plant will be allowed to file a single, consolidated report for all pollution emissions to Arizona's Department of Environmental Quality, rather than separate reports for air, water, and hazardous waste to separate agencies. The agreement will benefit the public as well—Intel has agreed to make all the plant's environmental information available on the Internet. Intel is the first company to do so.

## Performance Partnerships

(FROM PAGE 1)

the past quarter century, this approach has fueled administrative management and oversight activity, diverting resources from on-the-ground improvement efforts. To overcome this dilemma, Performance Partnerships are designed to place much greater emphasis on environmental results and to achieve better coordination between Federal and State environmental programs.

### How Do Performance Partnerships Work?

Performance Partnerships begin with a comprehensive assessment of a State's problems and conditions to establish a stronger basis for decision-making. In some cases, this step may be the first such undertaking. In other cases, States may use an existing assessment, such as an annual State of the Environment report or a comparative risk assessment. Based on this information, the State proposes environmental and public health objectives and an action plan as a basis for negotiating an annual agreement with EPA. At this point, if not before, the State also conducts outreach efforts to ensure appropriate public understanding and support.

Next, EPA and the State begin negotiating the actual agreement. Ideally, this agreement includes specific roles for EPA and the State, including how EPA's oversight of State roles will be reduced in those areas of strong performance. In addition, it includes measures of environmental and program management performance to better measure success.

An added element of Performance Partnerships is grants flexibility. States are given a new option of combining two or more single-media grants into a single Performance Partnership Grant.

They also have the option of maintaining media-specific grants or requesting a combination of both.

### What Are the Advantages?

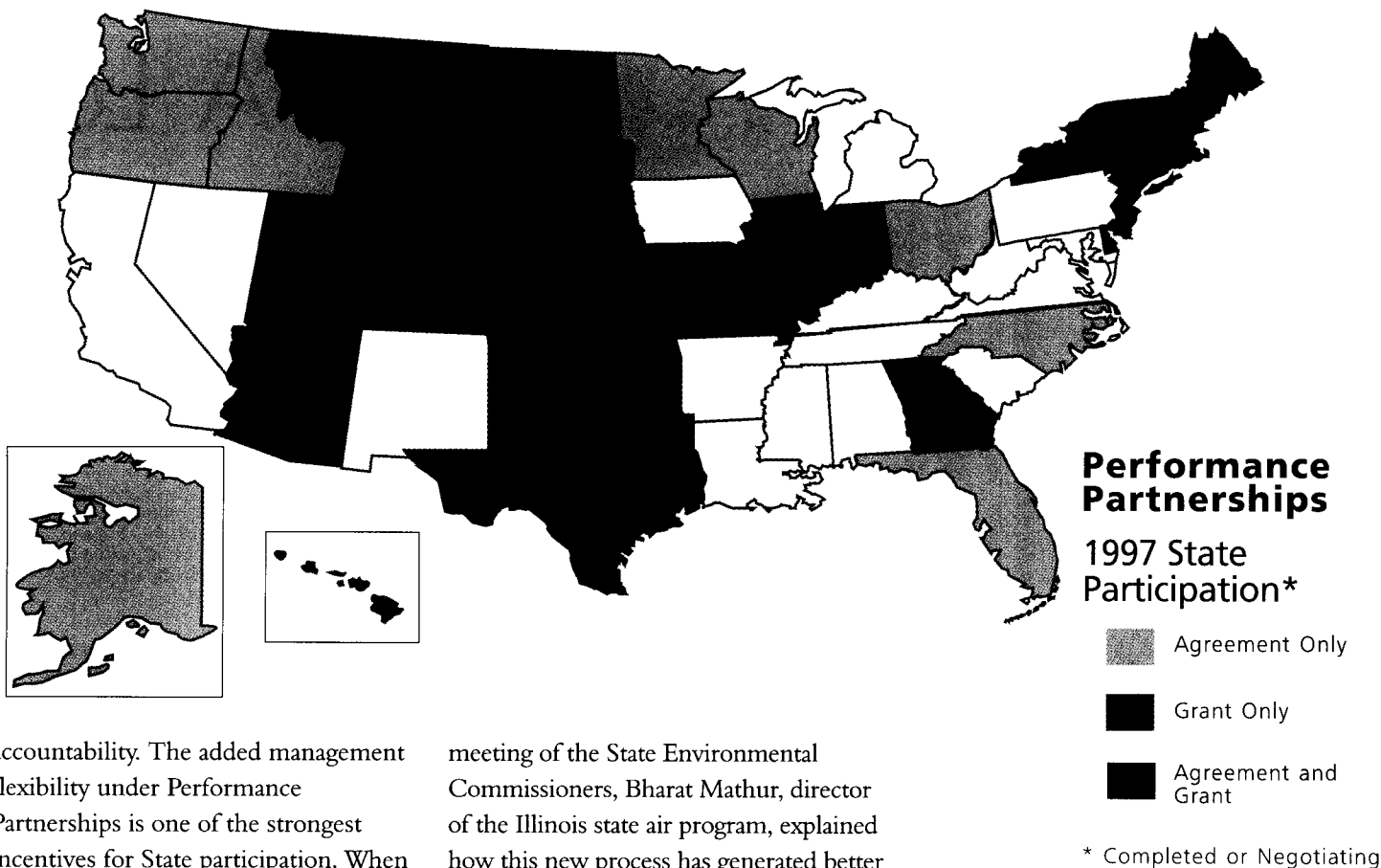
Most significantly, Performance Partnerships provide an enhanced focus on improving environmental conditions and reducing the amount of time spent on administrative and managerial activities. Greater management flexibility is another significant benefit for the States. Under Performance Partnership Grants, States can target and leverage their resources for greater gains than could normally be achieved.

With regard to EPA's responsibilities, this new approach provides a clearer understanding of actual problems and conditions, and added assurance that States will focus on the issues most in need of attention. The public will gain similar assurance as they are given more opportunity to learn about conditions and trends and to participate in the decision-making process.

### What Are the Challenges Ahead?

The actual content of each Performance Partnership agreement will differ depending on the players, conditions, and issues involved. In nearly every case, certain challenges must be recognized and addressed. One of these challenges will be overcoming basic resistance to change in the States and EPA. It's far easier, and in the short term possibly even less expensive, for managers and staff to continue operating with the status quo. Creating more effective approaches for the future will require time, money, and, most importantly, a willingness to experiment and make necessary adjustments along the way.

Another challenge is how to best achieve a balance between flexibility and



accountability. The added management flexibility under Performance Partnerships is one of the strongest incentives for State participation. When used properly, it has the potential to significantly increase productivity. This flexibility cannot be provided, however, without first ensuring adequate safeguards to protect public health and our environment. Exactly what those safeguards should be will continue to be an issue for debate and negotiation.

Finally, it will be important to develop better ways for informing and involving the public. Protecting public health and the environment is a job beyond EPA and the States—it requires the active involvement of individuals and organizations throughout the country. To be most successful, Performance Partnerships have to fully reflect the concerns and interests of those they affect.

At this time, over two-thirds of the States are negotiating Performance Partnership agreements with EPA for FY 1997. This level of participation is largely due to the response from the six States that originally participated in 1996. In a

meeting of the State Environmental Commissioners, Bharat Mathur, director of the Illinois state air program, explained how this new process has generated better information than ever before on environmental trends in the State and how their environmental programs affect those trends. Jim Pauk, the Illinois water program director, described how the process has focused the dialogue between his staff

**“I see significant benefit from the thought process involved in developing these agreements . . . we are in a much better position to achieve our mission.”**

**Christophe Tulou**, ENVIRONMENTAL COMMISSIONER OF DELAWARE

and the EPA Regional Office on environmental results rather than on “bean counting” and bureaucracy. Other States have noted similar advantages. Christophe Tulou, the Environmental Commissioner of Delaware, stated, “I see significant benefit from the thought process involved in developing these agreements. We’ve taken a hard look at our programs and their effectiveness, and based on what we’ve learned, we’ve set clear goals and objectives and identified what needs to be done. As a result, we are in a much better position to achieve our mission.” He also noted how the final agreement has been useful as a communication device—in working with the public and explaining programs and priorities to the State legislature. These perspectives show that Performance Partnerships are helping to shape a fundamentally different relationship between EPA and the States, one that should help deliver stronger, more effective environmental and public health protection for the future.

# SPOT light A Look

## Cutting red tape



### Reduction in Paperwork Burden

Identify obsolete, duplicative, and unnecessary monitoring, record-keeping, and reporting requirements with a goal of eliminating total burden by 25 million hours

#### PROGRESS

- Completed line-by-line review of all rules
- Eliminated over 15 million hours of paperwork burden
- Identified and initiated action to eliminate an additional 8 million hours

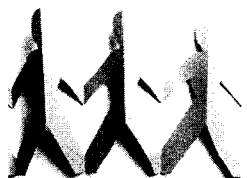
### One Stop Reporting

Streamline environmental reporting for regulated community, foster multi-media and geographic approaches, and improve real-time access to environmental data

#### PROGRESS

- Supported 5 States in integrating reporting systems to streamline regulatory processes
- Proposed information management policy and identified infrastructure needs to better integrate State-EPA data

## Partnerships



### Performance Partnerships

Increase effectiveness of State and Federal environmental programs through greater coordination and a stronger emphasis on environmental results

#### PROGRESS

- Developed and endorsed framework for cooperation with States
- Negotiating agreements and/or grants with over 30 States for 1997

### Center for Environmental Information and Statistics

Improve EPA information on multi-media environmental status and trends to provide a more integrated picture of conditions for decision-makers and the public

#### PROGRESS

- Developed options to guide pending decisions on Center's function, scale, and management

## Flexibility for results



### Project XL (eXcellence and Leadership)

Allow regulated entities to test alternative management strategies that increase performance beyond current regulatory requirements and save resources

#### PROGRESS

- Signed agreements with 2 companies
- Negotiating agreements with and evaluating proposals from numerous public and private sector entities

### Common Sense Initiative

Create an industry-by-industry, consensus-based approach to environmental protection that improves environmental performance and saves resources

#### PROGRESS

- Streamlining reporting and permitting
- Identifying alternative regulatory approaches
- Examining opportunities to improve small businesses' access to capital for pollution prevention and remediation activities

## Facilitating compliance



### Risk-Based Enforcement

Target enforcement and compliance efforts to activities that present most serious threat to human health and the environment

#### PROGRESS

- Issued new policies that reduce NPDES and RCRA inspections for facilities with strong compliance records
- Identified new methods to assess relative risk of specific facilities based on emissions

### Incentives for Auditing, Disclosure, and Correction

Promote compliance by providing incentives for systematic discovery of violations through environmental audits or management systems, and publicly disclosing and correcting violations

#### PROGRESS

- Developed and issued final policy
- Received self-disclosures from 83 companies and settled 19 cases, all of which eliminated or significantly reduced the penalty

In March 1995, as a result of the Clinton Administration's National Performance Review, EPA identified 25 high priority actions and other significant steps to reinvent our system of environmental protection. These actions were designed to fix problems with existing regulatory programs and to create innovative alternative strategies to current regulatory approaches. Collectively, they are often referred to as EPA's "reinvention initiative." The profiles below include many of those initial actions as well as other significant efforts that have evolved more recently. This list is not all inclusive and does not capture the full range of reinvention activities underway. Nevertheless, it does provide the reader with a more complete understanding of how programs are being reinvented and, more importantly, why these efforts are so important. The specific projects vary considerably, and they address different problems. But, in every case, the overarching goal is clear—to continuously improve environmental performance.

# at Major Reinvention Projects

## Consolidated Federal Air Rule

Consolidate all Federal air quality requirements specific to an industry into a single rule

### PROGRESS

- Established agreement with chemical industry and States to develop rule for synthetic organic chemical industry

## Reinvent Pesticide Registration Process

Simplify and expedite process of reviewing and approving pesticide products

### PROGRESS

- Issued final rule exempting 31 low-risk active pesticide ingredients and 160 inert ingredients from registration
- Established self-certification process for minor product changes
- Automated and standardized precautionary labelling

## Refocus Drinking Water Treatment Requirements on Highest Risks

Focus EPA drinking water resources on highest risks and increase flexibility for States and water suppliers

### PROGRESS

- Renegotiated court-ordered schedule for setting drinking water requirements to allow for more risk-based approach
- Help define significant reforms in Safe Drinking Water Act reauthorization
- Established "Partnership for Safe Drinking Water" to reduce risks of microbial contamination

## Refocus Hazardous Waste Regulation on High-Risk Wastes

Better target public and private sector resources toward higher risk problems related to hazardous wastes

### PROGRESS

- Proposed RCRA legislative reforms that led Congress to exempt certain low-risk wastes from land disposal requirements
- Issued final rule on universal waste to encourage recycling and reduce hazardous waste regulatory requirements associated with commonly used products
- Proposed rules for hazardous waste identification that would exempt many low-risk wastes from RCRA requirements

## Regulatory Negotiation and Consensus-Based Rulemaking

Improve quality and effectiveness of rulemaking and policy development efforts by early involvement of outside stakeholders

### PROGRESS

- Routinely assess regulatory negotiation opportunity prior to any new rulemaking
- Initiated and presently involved in negotiations or consensus-based activities to support new rules or policies in all media

## Electronic Public Access

Make EPA information widely available and easily accessible to all interested parties

### PROGRESS

- Developed capability to make environmental *Federal Register* notices available electronically within 1 day of publication
- Developed ENVIROFACTS to provide access to and easier integration of data from multiple environmental databases
- Re-designed EPA homepage to facilitate use by specific stakeholders
- Established on-line ordering capabilities for EPA publications

## Community-Based Environmental Protection

Help communities achieve sustainability through management approaches more tailored to local conditions.

### PROGRESS

- Increased internal and external understanding of how EPA authorities, programs, and resources can be applied at the community level to achieve stronger environmental results
- Identified and providing access to new tools that support local decision-making and action
- Providing technical and financial support to scores of communities nationwide

## Green Chemistry Challenge

Promote pollution prevention and industrial ecology

### PROGRESS

- Established annual award and grant program to recognize and support research, development, and implementation of innovative and environmentally beneficial technologies

## Open-Market Air Emissions Trading

Provide a more flexible approach for complying with ozone standards

### PROGRESS

- Drafted guidance; expect final document Spring 1997
- Supported trading demonstration project involving 37 facilities and over 40 trades in the northeast and mid-atlantic regions

## Effluent Trading in Watersheds

Implement on a national scale as a cost-effective approach for reducing water pollution

### PROGRESS

- Issued final policy
- Developed and released for public comment draft "how-to" framework document

## Brownfields

Empower States, communities, and other interested stakeholders to prevent, assess, safely clean up, and sustainably reuse Brownfields—abandoned, idled, or under-used industrial and commercial sites

### PROGRESS

- Provided technical and financial support to 76 communities
- Removed 27,000 sites from Superfund list

## Small Business Compliance Assistance Centers

Improve compliance by improving understanding of environmental regulatory requirements and increasing awareness of pollution prevention techniques and strategies

### PROGRESS

- Established centers for four sectors—printing, farming, auto service, and metal finishing
- Establishing two new centers for small chemical and printing wiring board manufacturers

## Environmental Leadership Program

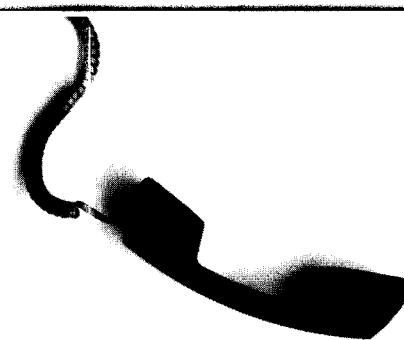
Recognize and provide benefits to facilities that take a systematic approach to achieving environmental regulatory compliance

### PROGRESS

- Developed pilot program and selected 12 participants from public and private sectors
- Evaluated pilot results in preparation for full-scale program
- Preparing to issue Federal Register notice announcing plans for full-scale implementation in 1997

Look for more information on these and other reinvention projects on EPA's website  
<http://www.epa.gov/reinvent>

# EPA Reinvention Ombudsmen Named



**R**ecognizing that EPA's reinvention efforts have been most successful when senior managers have been actively involved, Deputy Administrator Fred Hansen has asked Deputy Assistant Administrators and Deputy Regional Administrators to serve as Reinvention Ombudsmen for their programs or Regional offices,

respectively. The goal is to open lines of communication so that those on the outside as well as EPA's own staff have a point of contact for raising new reinvention opportunities or potential problems with existing efforts.

Specifically, the Reinvention Ombudsmen will be ensuring that:

1) significant legal and policy issues are brought to the appropriate management

level for timely resolution, 2) our stakeholders have easy access to information and issues being reviewed and an opportunity to provide meaningful input, and 3) people and organizations interested in pursuing reinvention efforts receive timely answers to their proposals, questions, and requests. If you have an issue that needs attention, contact the appropriate Ombudsman listed on the next page.



## Reducing Regulatory Burden

**O**ne of EPA's biggest reinvention opportunities is reducing record-keeping and reporting requirements for businesses and communities. Nearly all EPA regulatory programs require environmental monitoring and periodic reports in order to determine what pollution controls are necessary, whether compliance is being achieved, and any impacts of pollution and pollution controls on the environment. These requirements have evolved over many years as programs have been put into place. Not surprisingly, many of the requirements are obsolete, duplicative, or unnecessary.

EPA recognized and began to address this dilemma in 1995 when it undertook a comprehensive, line-by-line evaluation of all its regulatory requirements in response to a Presidential directive to all Federal agencies to eliminate regulatory burdens by 25 percent. At that time, EPA estimated the total environmental regula-

tory burden at 81 million hours a year. However, that estimate was increased to 100 million hours in 1996, partly because of new statutory requirements and partly because more complete information became available. For example, the burden for meeting land disposal requirements for hazardous wastes was increased by over 4 million hours to reflect a larger than originally estimated universe of affected generators.

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**So how much of the  
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So how much of the total burden has EPA eliminated? To date, over 15 million hours! The largest reduction—about 4.7 million hours—was made in discharge

(CONTINUED ON PAGE 8)



## EPA Regional Reinvention Ombudsmen

REGION	OMBUDSMAN	PHONE	FAX	E-MAIL	ADDRESS
				common suffix: @epamail.epa.gov	
Region 1	Senior Policy Advisor <b>Mindy Lubber</b>	617/565-3417	617/565-3415	lubber.mindy	JFK Federal Building Boston, MA 02203-0001
Region 2	Deputy Regional Administrator <b>William J. Muszynski</b>	212/637-5000	212/637-5024	muszynski.william	290 Broadway New York, NY 10007-1866
Region 3	Deputy Regional Administrator <b>Stanley Laskowski</b>	215/566-2900	215/566-5103	laskowski.stanley	841 Chestnut Building Philadelphia, PA 19107
Region 4	Deputy Regional Administrator <b>A. Stanley Meiburg</b>	404/562-8357	404/562-8174	meiburg.stan	100 Alabama Street, SW Atlanta, GA 30303
Region 5	Deputy Regional Administrator <b>David Ullrich</b>	312/886-3000	312/353-4135	ullrich.david	77 West Jackson Boulevard Chicago, IL 60604-3507
Region 6	Deputy Regional Administrator <b>Jerry Clifford</b>	214/665-2100	214/665-7113	clifford.jerry	Fountain Place, Suite 1200 1445 Ross Avenue Dallas, TX 75202-2733
Region 7	Deputy Regional Administrator <b>William W. Rice</b>	913/551-7006	913/551-7976	rice.william	726 Minnesota Avenue Kansas City, KS 66101
Region 8	Deputy Regional Administrator <b>Patricia Hull</b>	303/312-6308	303/312-6308	hull.pat	999 18th Street, Suite 500 Denver, CO 80202-2466
Region 9	Deputy Regional Administrator <b>John C. Wise</b>	415/744-1001	415/744-2499	wise.john	75 Hawthorne Street San Francisco, CA 94105
Region 10	Deputy Regional Administrator <b>Charles Findley</b>	206/553-5811	206/553-0149	findley.chuck	1200 Sixth Avenue Seattle, WA 98101

## EPA Headquarters Reinvention Ombudsmen

OFFICE	OMBUDSMAN	PHONE	FAX	E-MAIL	ADDRESS
				common suffix: @epamail.epa.gov	all HQ offices: 401 M Street, SW Washington, DC 20460
Air and Radiation	Deputy Assistant Administrator <b>Richard Wilson</b>	202/260-7400	202/260-5155	wilson.richard	mail code: 6101
General Counsel	Division Director <b>James Nelson</b>	202/260-5372	202/401-1065	nelson.james	mail code: 2310
Cross-Cutting Issues					
Policy, Planning, and Evaluation	Deputy Assistant Administrators <b>Robert Wolcott</b> <b>Lisa Lund (Project XL)</b>	202/260-5497 202/260-2997	202/260-2300 202/260-0275	wolcott.robert lund.lisa	mail code: 2111
Prevention, Pesticides, and Toxic Substances	Deputy Assistant Administrator <b>Susan Wayland</b>	202/260-2910	202/260-1847	wayland.susan	mail code: 7101
Solid Waste and Emergency Response	Deputy Assistant Administrator <b>James Mathews</b>	202/260-4610	202/260-3527	mathews.james	mail code: 5101
Water	Deputy Assistant Administrator <b>Dana D. Minerva</b>	202/260-5700	202/260-5711	minerva.dana	mail code: 4101
Enforcement and Compliance	Deputy Assistant Administrator <b>Sylvia Lowrance</b>	202/564-2450	202/501-3842	lowrance.sylvia	mail code: 2201A
Inspector General	Deputy Inspector General <b>Nikki L. Tinsley</b>	202/260-1112	202/260-0711	tinsley.nikki	mail code: 2410
International Activities	Deputy Assistant Administrator <b>Alan B. Sielen</b>	202/260-4870	202/260-9653	sielen.alan	mail code: 2610
Research and Development	Deputy Assistant Administrator <b>Henry Longest II</b>	202/260-7676	202/260-9761	longest.henry	mail code: 8101
Administration and Resources Management	Dir., Office of Policy & Resource Management <b>John Sandy</b>	202/260-4083	202/260-5419	sandy.john	mail code: 3102

# Reducing Regulatory Burden (CONTINUED FROM PAGE 6)

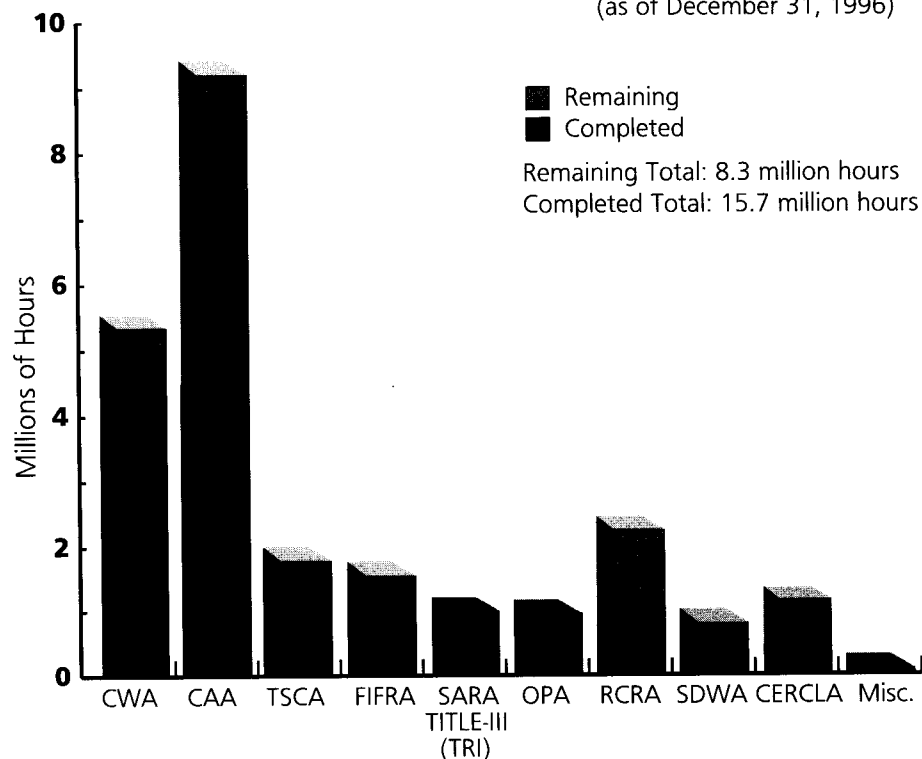
monitoring reporting (DMR) under the National Pollutant Discharge Elimination System (i.e., water quality permitting). Historically, the DMR monitoring and reporting requirements have been the Agency's largest regulatory burden. As a result of new policy, however, this burden has been cut by 26 percent. A 3 million hour reduction was achieved for Title V air quality permittees through a new policy that significantly reduces the amount of information collected and the number of facilities subject to permitting requirements. In addition, about 1 million hours were cut as a result of a new two-page certification form and similar improvements to the Toxic Release Inventory requirements. It is important to note that these burden reductions have been made without any compromise in environmental and public health protection. For example, the reductions in DMR monitoring and reporting are offered to facilities that have a good com-

pliance record and an ability to reduce pollutants beyond requirements in existing permits. Similar conditions are in effect to safeguard performance in other areas. At this time, an additional 8 million hours of burden have been identified and slated for reduction as staff continue working to meet the President's goal of a 25 percent across-the-board reduction in Federal requirements. That goal translates into a 25 million hour reduction for EPA, and we are over

halfway there.

It is important to note, however, that burden reduction is about more than just eliminating monitoring and reporting requirements. It also means finding ways to make the job easier by using more efficient reporting methods. EPA has projects underway to do just that. Look for articles on "One-Stop Reporting" and "Electronic Data Transfer Systems" in upcoming issues.

## Burden Reduction Hours by Statute\* (as of December 31, 1996)



### \*List of EPA Statutes

**CWA**= Clean Water Act; **CAA**= Clean Air Act; **TSCA**= Toxic Substances Control Act; **FIFRA**= Federal Insecticide, Fungicide and Rodenticide Act; **SARA**= Superfund; **OPA**= Oil Pollution Act; **RCRA**= Resource Conservation and Recovery Act; **SDWA**= Safe Drinking Water Act; **CERCLA**= Comprehensive Environmental Response, Compensation and Liability Act

## For More Information

Do you have questions about EPA's reinvention activities? Would you like extra copies of this report? If so, contact the Regulatory Reinvention Team at (202) 260-4261. Or look for more information on the Internet at <http://www.epa.gov/reinvent>. You'll find special reports, remarks from senior Administration and Agency officials, detailed fact-sheets, and much more.



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