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# Managing for Better Environmental Results

A Two-Year Anniversary Report on  
Reinventing Environmental Protection





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# Managing for Better Environmental Results

## Executive Summary

**T**wo years ago, in March 1995, President Clinton, Vice-President Gore, and EPA Administrator Carol Browner put forth an ambitious agenda to reinvent environmental protection as part of the larger goal of creating a federal government that works better and costs less. The agenda, which has evolved and broadened over time, cuts across all areas of EPA regulatory responsibility. It focuses on achieving a safer, cleaner environment for all Americans by correcting the everyday inefficiencies and obstacles that have limited the effectiveness of environmental programs, and by designing and testing fundamentally new approaches and systems equal to the environmental and public health challenges of today and the new century.

During the second year, EPA took steps to bolster reinvention, announcing a new Office of Reinvention, led by a new Associate Administrator, and establishing a network of senior Agency officials to serve as Reinvention Ombudsmen for their respective programs. These steps were taken while EPA continued pursuing important environmental and public health protection improvements in a number of areas. The following highlights describe some of the improvements made over the last year and offer a glimpse of what might be expected as a result of reinvention in the future.



### Promoting Innovation and Flexibility

To help companies and communities achieve better environmental results, EPA promoted use of innovative new environmental technologies and management approaches — and provided the flexibility needed to put newly developed tools to the test:

- Through Project XL, EPA worked with companies on developing alternative management strategies to improve environmental performance beyond what would be achieved under the traditional regulatory system. Agreements to begin testing new strategies were reached with three companies — Jack M. Berry Corporation, a citrus juice processor in Florida; Intel Corporation, and Weyerhaeuser Corporation — as negotiations proceeded with 20 more.
- Under the Common Sense Initiative, EPA worked with multiple environmental stakeholders to create new industry-by-industry approaches to environmental regulation to replace the traditional pollutant-by-pollutant approach of the past. Currently, over 40 projects are underway to test elements of industry-based environmental management approaches for six different sectors.
- EPA, in partnership with industry, trade groups, and other outside parties, established four new environmental technology verification programs to provide objective, reliable information on the cost and performance of new technologies. This information encourages rapid awareness and acceptance of new technologies and helps companies and communities make sound technology investment decisions.
- By the end of 1996, EPA completed actions to improve environmental quality and economic opportunity around brownfields — abandoned or underused industrial or commercial sites where real or perceived contamination discourages redevelopment. Over 29,000 sites were removed from the federal Superfund list; liability responsibilities were clarified for local governments, banks, and other interested parties; and over 70 communities received funding to invest in cleanup and redevelopment efforts.



## Increasing Community Participation and Partnerships

To achieve the widest possible participation in the job of protecting our environment, EPA focused on empowering and building stronger partnerships with state and local governments, tribes, community leaders, businesses, and private citizens:

- EPA redesigned its Internet site — which now receives over six million visits a month — to make it more useful for specific audiences, such as researchers and scientists, business and industry, and concerned citizens.
- Twenty-three states — nearly half — joined EPA in developing Performance Partnership agreements to provide a more effective, collaborative framework for managing state and federal environmental programs and resources.
- Over 500 companies signed up to participate in voluntary environmental improvement programs, bringing the total number of participants to over 7,000.
- EPA released for federal agency review national environmental goals for America. These goals, which include specific targets in areas such as safe drinking water and clean air, mark the first time such an effort has been undertaken.



## Improving Compliance

To help companies and communities prevent pollution and ensure compliance with environmental laws, EPA worked to make environmental regulatory information easier to understand and obtain:

- Compliance assistance centers were opened to provide small businesses in the printing, agriculture, automobile compliance, and metal finishing industries with comprehensive, easy-to-understand information on all aspects of environmental management. Based on the positive response, EPA began planning to open 4 more centers.
- EPA initiated the “Sector Facility Indexing Project,” which will allow interested parties to obtain and compare site-specific environmental performance data among facilities within a given industry.



## Cutting Red Tape and Paperwork

To ensure that people and organizations with environmental responsibilities are focused on problems as opposed to paperwork, EPA looked for ways to cut red tape associated with environmental regulations:

- EPA eliminated nearly six million hours of paperwork burden by cutting obsolete, duplicative, or unnecessary environmental requirements. To date, nearly 16 million hours of paperwork burden have been cut.
- Five states were awarded \$500,000 grants to support development of “one stop” reporting systems as part of a larger effort aimed at improving the use and efficiency of environmental data collected at the federal, state, and local levels.
- Electronic mail was offered as a quicker, easier method for interested parties to comment on EPA regulatory actions.
- Improvements to the pesticides registration process has allowed EPA to cut its review times for some steps by 50 percent or more.

# Introduction

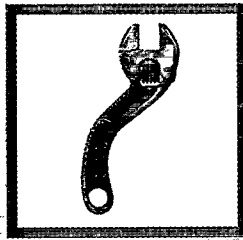
In March 1995, President Clinton, Vice President Gore, and EPA Administrator Carol Browner put forth an ambitious agenda to reinvent environmental protection as part of the larger goal of creating a federal government that works better and costs less. Exactly what does reinventing environmental protection mean? In the most narrow sense, it is addressing the everyday inefficiencies and limitations associated with environmental programs and regulations. In a broader sense, reinvention means managing for better environmental results. It includes designing and testing fundamentally new systems and approaches to address the environmental and public health challenges that still confront our nation.

As initially proposed 2 years ago, EPA's reinvention agenda focused on improvements at both levels. It included 25 high-priority projects, cutting across all areas of environmental regulatory responsibility, that were designed to promote innovation and flexibility, increase community participation and partnerships, improve compliance with environmental laws, and cut red tape and paperwork. In different ways and to varying degrees, these projects are laying the groundwork for a safer, cleaner future. For example, while EPA is providing industry with more opportunity for gaining operational flexibility, the offer is conditioned on achieving greater environmental protection than what would be achieved under current standards. Similarly, by encouraging innovation, EPA is helping companies and communities find better ways of addressing some of the complex and challenging environmental issues that may not be amenable to traditional regulatory approaches.

Not surprisingly, EPA's reinvention agenda has evolved over time, and now includes an even more diverse range of activity. The scope and magnitude of this activity suggests that a transformation is taking place. In addition to achieving new efficiencies and better results, reinvention is creating an altogether new mind-set among Agency managers and staff.

To nurture this transformation, EPA has taken steps to bolster reinvention internally. In February 1997, EPA announced a new Office of Reinvention, to be led by a new Associate Administrator. This new office will provide consistent focus on reinvention throughout the Agency, and help ensure steady progress in meeting EPA reinvention commitments. It will also assist regulated parties interested in pursuing innovative strategies for achieving better environmental results. In another move, EPA appointed senior Agency officials to serve as "Reinvention Ombudsmen" for their respective program areas, based on the recognition that reinvention is most successful when senior managers take an active role. The Ombudsmen are charged with ensuring significant legal and policy issues are brought to resolution; stakeholders have easy access to information and the opportunity to provide meaningful input; and people and organizations outside the Agency receive timely answers to their reinvention proposals, questions, and requests.

Together, these steps position the Agency to build on the reinvention progress of the past two years and pursue an even more aggressive agenda for the future.



A Safer, Cleaner Environment Through...

## Innovation and Flexibility

**R**einventing environmental protection is about more than just fine-tuning the current regulatory system. It also means looking to the future, and exploring and testing fundamentally different approaches that can help bring about better performance than what is being achieved today. To a large degree, these approaches will stem from technology advancements, from the need for operational flexibility, and from a desire by many regulated facilities to move "beyond compliance" and achieve truly superior environmental performance. During the past year, EPA focused on these opportunities and continued laying the groundwork for an improved system of environmental and public health protection for the future.

## Moving Beyond Compliance

To encourage interest in not just meeting but exceeding current environmental standards, EPA aggressively promoted Project XL. Launched by President Clinton in 1995, this national pilot demonstration program — which stands for eXcellence and Leadership — makes the following offer to companies, communities, and other regulated facilities with proven track records of environmental performance:

*If you have an idea that promises superior environmental protection to what would be achieved under the current regulatory system, and if you use a meaningful stakeholder involvement process, then EPA will work with the relevant state and local agencies to grant the flexibility needed to put those ideas to the test.*

In 1996, EPA worked to develop and implement alternative management approaches aimed at achieving better environmental results.

- To meet its ultimate target of fifty XL industry “experiments,” EPA worked with a number of companies to move from proposal to implementation stages. Final agreements were reached with 3 companies, and negotiations continue with 20 others.
- In addition to industries, EPA also worked to extend the XL opportunity to communities and federal facilities. Later this year, EPA expects these efforts to come to fruition at two sites in California; final project agreements are expected to be signed with the city of Anaheim and with Vandenberg Air Force Base in Santa Barbara County.

### Profile



- In July 1996, the **Jack M. Berry Corporation**, a citrus juice processor in Florida, consolidated 23 federal, state, and local environmental permits into one comprehensive operating permit for the facility. This approach, which is expected to save the company several million dollars on the testing and administrative costs typically incurred over the five-year life of a permit, will improve environmental performance in a number of areas. For example, the corporation's solid waste generation will drop by more than 25 percent.
- In November 1996, **Intel Corporation** agreed to an environmental management plan that includes a facilitywide cap on air emissions in place of individual limits for different emission sources at a new plant in Arizona. The agreement allows operational changes without EPA permit review — as long as certain permit limits are met. This feature gives Intel the advantage of being able to respond more rapidly to changing market needs. In exchange, this multi-billion dollar facility will reduce air emissions below minor source thresholds and will return nearly 100 percent of its process water in safe, clean condition to the community.
- In January 1997, **Weyerhaeuser Corporation** agreed to implement a minimum impact manufacturing proposal to reduce environmental impacts on the Flint River and its surrounding watershed in Georgia. Weyerhaeuser will be given greater flexibility in meeting EPA's proposed standards for hazardous air emissions and in expanding or modifying production processes. In exchange, the facility has committed to reduce discharge of bleach plant effluent by 50 percent, to cut overall water usage by about 1 million gallons a day, and to protect wildlife and reduce runoff on 300,000 acres of Georgia forests.

## Creating a "Fundamentally Different System..."

Launched by EPA Administrator Carol Browner in 1993 as a fundamentally different system of environmental protection, the Common Sense Initiative (CSI) provides a continuing forum for creating new industry-by-industry environmental management approaches to replace the pollutant-by-pollutant approaches of the past. This forum, which occurs in an open public setting, provides balanced representation among multiple stakeholders and consensual decision-making. It includes a variety of innovative projects aimed at pollution prevention; permitting and reporting streamlining; enhanced public participation in environmental management; use of innovative technologies; and setting industry environmental goals and indicators. Some of the innovative projects pursued in 1996 include:

- **Recycling, Reuse, and Recovery of Electronic Equipment:** To help the computers and electronics sector address the rapidly increasing accumulation of obsolete or unwanted electronic equipment, CSI co-sponsored the National Conference on Electronic Product Recovery and Recycling. The conference, which focused on the reuse, recovery, and recycling of electronic products, was the kick-off for establishing an independent roundtable to promote long-term management of obsolete computer equipment.
- **Setting National Performance Goals for Metal Finishers:** For the first time ever, multiple interest groups — industry, environmentalists, regulators — have reached an agreement on national performance goals for metal finishers in a variety of areas, including resource utilization, hazardous emission reduction, cost control, and compliance. These goals, which will serve as a vision for the whole industry, should help promote cleaner production at metal finishing facilities throughout the country.
- **Developing A Comprehensive Flexible Permitting System:** A comprehensive multimedia permitting system is being developed for the printing industry. Multi-media permits offer a single enforceable agreement covering all aspects of environmental performance and replace the need for separate permits for each environmental medium (e.g., air, water, land). A key component of the proposed permitting system is public participation.

## Advancing New Environmental Technologies

To encourage rapid awareness, acceptance, and implementation of improved environmental technologies, EPA's Environmental Technology Verification Program provides third-party evaluation of the cost and performance of new commercial technologies. By selecting and testing the most promising technologies available, EPA and its partner organizations are able to provide objective data and help companies and communities make sounder investment decisions.

- In October 1996, EPA established four new verification pilot projects — in addition to five projects established in 1995 — to test different partnership and process alternatives for verifying technologies in a number of areas.

If the projects are successful, EPA expects the results will help the Agency establish permanent verification capacity and develop a full-scale environmental technology verification program by the year 2000.

### Profile

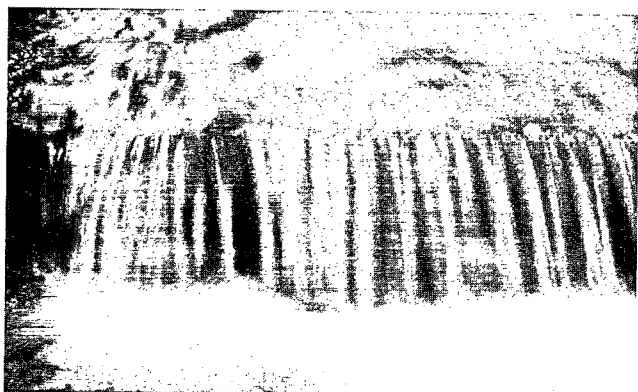
## Environmental Technologies Are Being Verified for...

- Drinking water treatment for small systems.
- Pollution prevention and waste treatment.
- Site characterization and monitoring for hazardous waste sites.
- Indoor air products.
- Less polluting coating techniques for the metals and plastics industries.
- Advanced monitoring systems.
- Air pollution control.
- Wet weather flow control technologies.

## Promoting Effluent Trading in Watersheds

To achieve further reductions of water pollution in rivers, lakes, and coastal areas, EPA is promoting effluent trading in watersheds. Trading creates an economic incentive for pollution sources, such as industries or wastewater treatment plants, to exceed requirements for water pollution reductions, by providing the opportunity to sell "surplus" reduction credits to other sources that find purchasing those credits a more cost-effective way to comply with clean water requirements. This arrangement can benefit facilities that go beyond compliance while helping other facilities achieve compliant status. More importantly, trading can help ensure that water quality goals in a watershed are met.

- In May 1996, EPA issued the *Draft Framework for Watershed-Based Trading*. This framework, which provides guidance on implementation under the national policy issued by EPA in January 1996, outlines five different types of trades and includes case studies illustrating how trades occur. Following the framework's release, EPA received comments from over 50 sources, and is now working to better define and address key issues of concern. In the coming year, EPA will be releasing periodic updates outlining these issues and possible options for resolution.



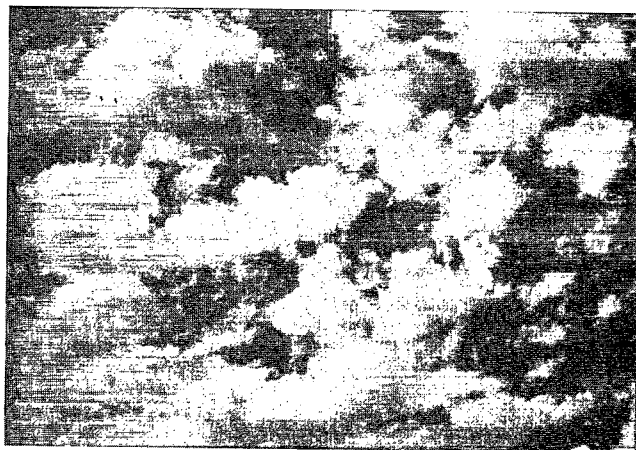
## Encouraging Open Market Air Emissions Trading

To encourage greater use of open market "emissions trading" for smog-creating pollutants, EPA continued developing a national policy to guide implementation. As initially proposed in August 1995, this guidance offers several features to help achieve safer, cleaner air quality. It encourages the use of technologies prior to required phase-in schedules, and provides incentives for reducing emissions to levels below current requirements. As an added environmental benefit, the guidance also requires that each trading transaction retire an emissions quantity equal to 10 percent of the total quantity being traded. In an effort to simplify participation, the guidance would allow companies to engage in trading without prior EPA approval, as long as reporting and public health standards are met.

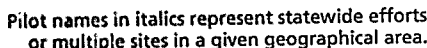
The principles of open market emissions trading are being applied in several states.

- For example, a northeastern and mid-Atlantic demonstration project — a collaborative effort between industry, environmentalists, and state and federal air quality regulators — achieved voluntary reductions of over 14,000 tons of nitrogen oxide (NO<sub>x</sub>) emissions and 350 tons of volatile organic chemical (VOCs) emissions during the summer "ozone season." The effort demonstrated that the cost of making reductions, at least in the northeast, can be as little as \$750 to \$1,000 a ton for NO<sub>x</sub>, and as little as \$2,000 a ton for VOCs.

EPA expects to issue final guidance on emissions trading later this year.



## Brownfields Pilot Projects



EPA also searched for ways to increase operational flexibility under Clean Air Act Title V permitting requirements. Currently, facilities obtain air quality permits for each individual emission unit (i.e., piece of equipment), and any change in operations can trigger a need for a permit modification or review. These actions can hamper a facility's ability to respond rapidly to changing market conditions. In its search for a better approach, EPA initiated a series of pilot projects — known as the “pollution prevention permitting project” — to creatively provide operational flexibility and promote pollution prevention. EPA is working with states and industry to develop innovative permits that include facility emissions “caps,” allow pre-approvals of certain emission control technologies, and increase pollution prevention opportunities.

To help restore environmental quality and economic opportunity, EPA continued to focus attention on

- Over 29,000 sites were removed from the federal Superfund list — either because they had been cleaned up or because they no longer required federal attention — thereby removing a stigma that has frequently deterred investment in cleanup and redevelopment activities.

- To help assess and leverage cleanup and redevelopment funds for contaminated areas, EPA provided up to \$200,000 in funding to more than 70 communities.

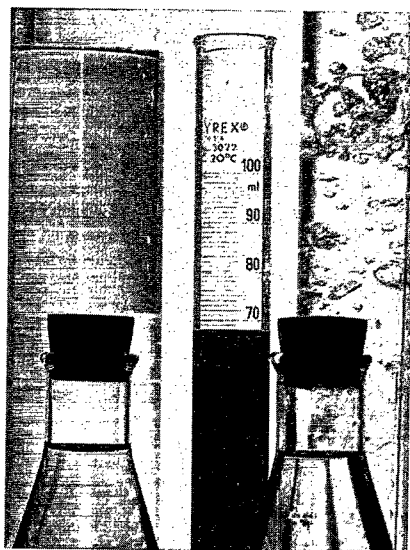
These projects are leveraging millions of dollars from other sources. For example, in Lawrence, Massachusetts, Brownfields funding has helped encourage \$167 million in additional investment and cleanup activity.

In 1996, President Clinton called for an additional \$200 million investment for EPA to support community brownfields efforts over the next four years.

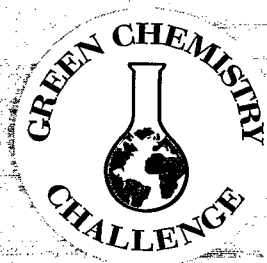
## Promoting Green Chemistry

In October 1995, EPA and the American Chemical Society issued a "Green Chemistry Challenge" grant and awards program for the chemical industry. These grants and awards are designed to encourage innovative pollution prevention — particularly through safer manufacturing processes — and development of safer chemicals. Now elevated to a Presidential award program, the Green Chemistry Challenge Award provides national recognition for technologies that incorporate environmentally-beneficial principles into chemical design, manufacture, and use.

- In July 1996, EPA named five award recipients from more than 70 nominations.
- In August 1996, EPA, in partnership with the National Science Foundation, provided grants to universities around the country to support green chemistry research.



## Profile



### 1996 Presidential Green Chemistry Challenge Award Winners

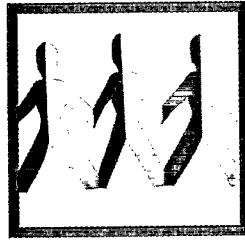
**The Monsanto Company**, for developing a new way to manufacture its herbicide, Round-Up®, that eliminates hazardous substances, such as formaldehyde and cyanide. (*Alternative Synthetic Pathways Award*)

**The Dow Chemical Company**, for developing a new way to manufacture foam products that eliminates greenhouse gas emissions and has the potential to eliminate the use of 3.5 million pounds of chlorofluorocarbons (CFCs) each year. (*Alternative Reaction Conditions Award*)

**Rohm and Haas Corporation**, for designing its Sea-Nine™ marine vessel antifoulant to be biodegradable and less toxic in the aquatic environment. (*Designing Safer Chemicals Award*)

**Donlar Corporation**, for developing safer and biodegradable polymers for a variety of applications, and for developing a manufacturing process that is essentially waste-free. (*Small Business Award*)

**Professor Mark T. Holtzapple, Texas A&M University**, for his research on recycling waste biomass for conversion into animal feed, industrial chemicals, and fuels, thereby reducing dependence on nonrenewable resources, such as petroleum. (*Academic Award*)



## A Safer, Cleaner Environment Through...

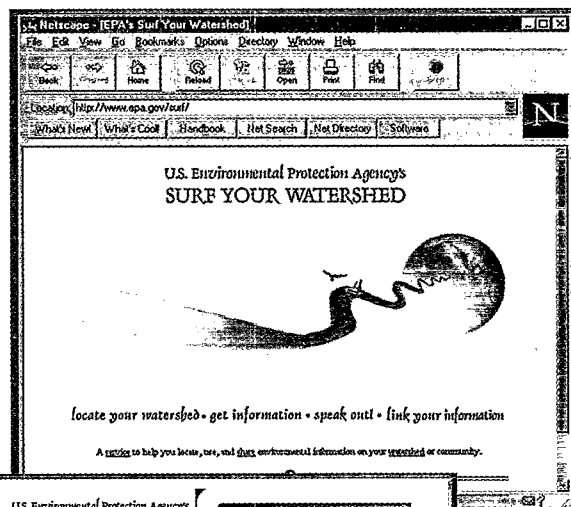
# Community Participation and Partnerships

**I**n an effort to achieve the widest possible participation in the job of protecting our environment, EPA is working to build stronger partnerships with state and local agencies, tribes, community leaders, businesses, and private citizens. These efforts are based on a strong commitment to involve those affected by — or responsible for — environmental regulation in finding the most effective, workable solutions possible. Last year, EPA demonstrated this commitment in a number of ways, including making more environmental information publicly available, building stronger working relationships with state and local governments, and encouraging voluntary initiatives for improving environmental performance beyond what is currently required.

## Increasing Public Access to Information

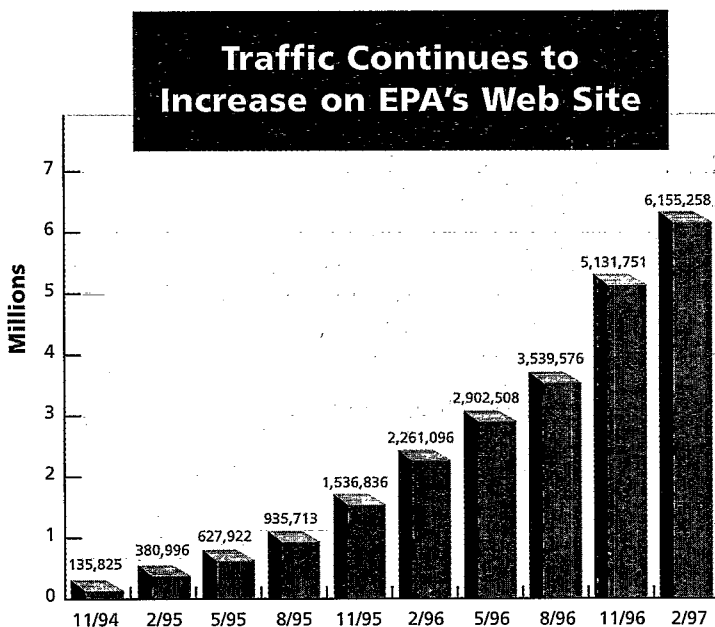
In order to meet its commitment to ensure that communities and individuals are kept well-informed about all environmental issues that could affect their health and well-being, EPA focused on improving public access to information. In particular, EPA is expanding and improving dissemination of information over the Internet. At present, over 6 million visits are recorded on EPA's Web site every month. During 1996, EPA worked to make its Web site even more valuable for a growing number of users.

- The Web site was redesigned to better meet the information needs of specific user groups: concerned citizens, business and industry, researchers and scientists, and state, local, and tribal governments. As one satisfied customer stated, "This EPA Web site is one beautiful Web page...well constructed, easy to download, and filled with helpful information. As I was asked to research regulatory info., I was thrilled to find how well this is done."
- A number of new Web pages were added to address issues of special interest. For example, EPA developed a new user-friendly application called "Surf Your Watershed" that allows people to locate, use, and share environmental information specific to their community or watershed. This site can be found at "<http://www.epa.gov/surf>."



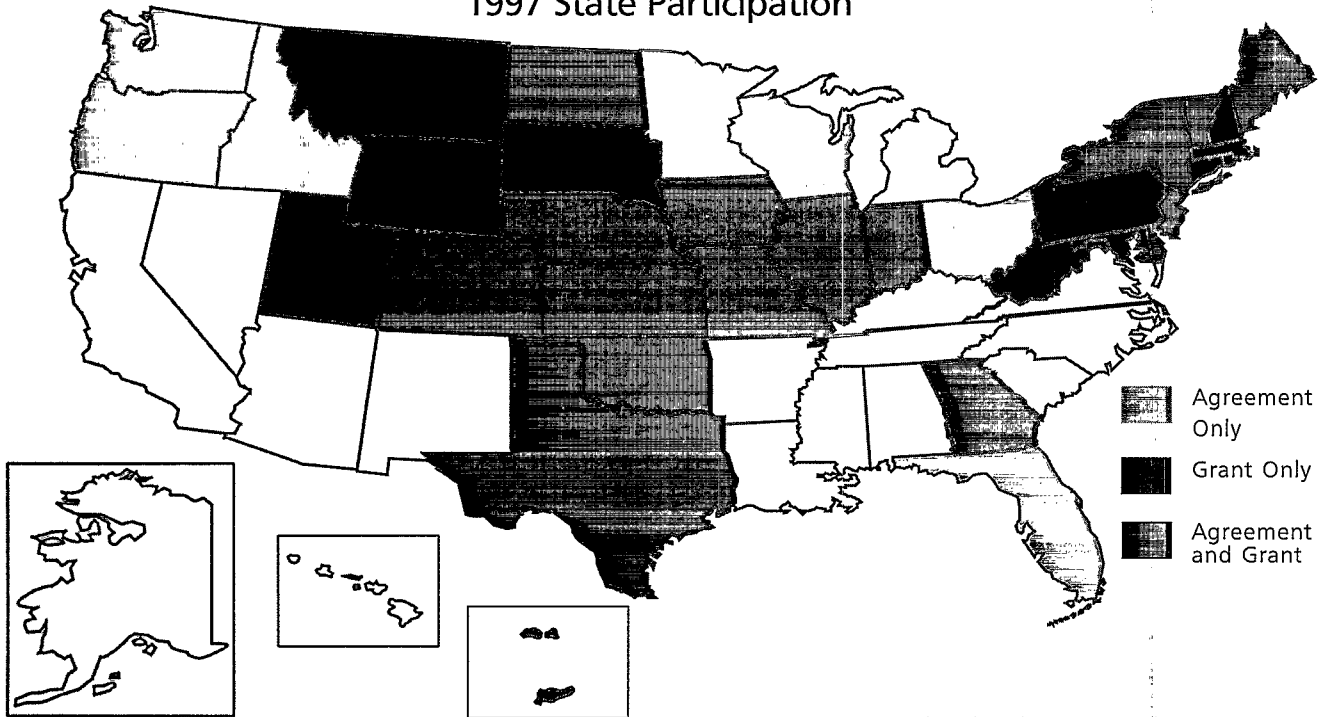
## Performance Partnerships with State Environmental Agencies

In an effort to build stronger working relationships with its most critical partners, EPA is pursuing the development of Performance Partnerships Agreements with state environmental agencies. Through these agreements, EPA and the states decide each year how environmental and public health protection will be accomplished. Fully developed agreements include a comprehensive assessment of a state's environmental problems, criteria for measuring environmental and program management results, explicit identification of management and implementation roles for the states and EPA, and areas where EPA oversight can be reduced based on a history of strong state performance. These agreements can be examined by the public via the Internet.



## Performance Partnerships

### 1997 State Participation



- As of February 1997, 23 states had signed Performance Partnership agreements for fiscal year 1997. This high level of participation and interest reflects the positive experience gained through six pilot agreements with six states in 1996.

An additional element of Performance Partnerships is grants flexibility. In contrast to the past, states are given the option of combining two or more single-media grants into one Performance Partnership Grant. This option can result in greater efficiency by reducing the administrative requirements associated with managing multiple funding sources. Furthermore, for states that have a sound environmental assessment and well-defined priorities, these grants can be used to reorient funding towards those problems posing the greatest risks.

- As of February 1997, 29 states—more than half—had committed to using this more flexible grants management approach during fiscal year 1997.

## Promoting Sustainable Development In Communities

Recognizing that sustainable environmental quality and economic prosperity are inextricably linked, in 1996, EPA established a new competitive grant program that challenges communities to invest in a sustainable future. These grants leverage private and public sector resources, and help build long-term partnerships for improving conditions at community or regional levels.

- During the first year pilot phase, EPA received more than 600 proposals requesting \$20 million in total funding — a response that suggests substantial interest in pursuing sustainable development at the local level.
- With \$500,000 in pilot funding available, EPA selected ten projects, featuring a variety of urban and rural sustainability approaches across the country. Later in the year, EPA began gearing up to expand the pilot program into a full-scale program capable of managing and allocating \$5 million annually for sustainable development activity.

## Profile

### Sustainable Development Challenge Grants Will:

- Help officials and residents in South Carolina's "low country" protect and capitalize on the area's greatest asset — world-class ecological conditions.
- Support development of a new ecological park featuring environmentally-friendly design principles, such as recycled construction materials and native plant landscaping techniques, in an inner-city neighborhood in Omaha, Nebraska.
- Enable Washington to create a statewide wood products certification program so that consumers can recognize and reward sustainable timber production in the marketplace.

### Community-Based Environmental Protection

To help communities become more active in managing local environmental problems, EPA's Community-Based Environmental Protection program encourages citizens to focus on their neighborhoods, cities, watersheds, or other geographic area, and to work together to set priorities and find innovative solutions. In 1996, EPA developed tools and offered assistance to support community-based action in a variety of ways:

- EPA regional offices targeted technical and financial assistance in over 100 communities to deal with such high priority issues as: protecting natural resources of national significance; addressing trans-boundary concerns; and reducing environmental risks that disproportionately affect minorities and/or economically disadvantaged people.
- As part of an overall effort aimed at improving the quality and ease of access to information via the Internet, EPA developed a special Web site focused on community-based action. This site, which currently registers over 20,000 visitors a month, provides access

to EPA community-based tools, information, and to many other relevant federal resources. It can be found at "<http://www.epa.gov/ecosystems/storefront>".

- To help reduce risks and improve local conditions, EPA provided grants, ranging from \$10,000 to more than \$300,000, to local governments, tribes, research and educational institutions, religious organizations, community groups, and other nonprofit entities.
- EPA continued to reorient national environmental programs to support community-based protection efforts. For example, to help local communities meet national air quality standards for ozone, EPA is working in partnership with local officials to develop flexible attainment agreements that allow a mix of mandatory and voluntary emission controls tailored to local conditions.
- In a joint effort with the Departments of Energy and Commerce, the National Association of Counties, and the U.S. Conference of Mayors, EPA supported development of a new Joint Center for Sustainable Communities. Opened in late 1996, the center provides technical expertise and other resources to local officials working towards sustainable futures.

### Better Protection for Drinking Water

EPA continued to promote the Partnership for Safe Water, a nonregulatory approach to reducing potential risk from *Cryptosporidium* and other microbial contaminants in community drinking water supplies. The Partnership for Safe Water is a joint effort between EPA, drinking water associations, and community drinking water suppliers. Participants conduct a self-assessment of operations to identify how and where contamination might occur. This step helps focus attention and necessary improvements on those areas with the greatest potential for impact. Afterwards, a third-party, independent team of experts conducts an evaluation to assure that all potential problem areas have been identified and corrected.

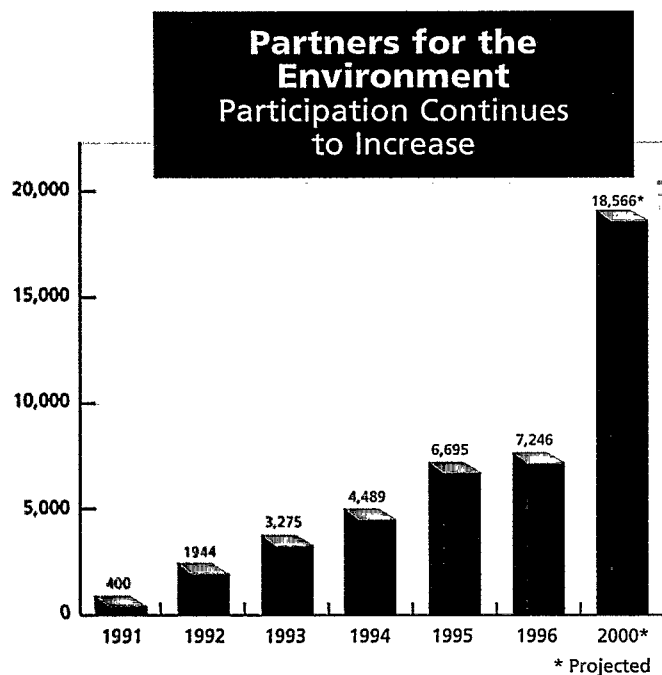


- While the partnership is still in its formative stage, 186 water systems with 245 treatment plants have signed up and more systems are continuing to join.
- In 1996, over 79 million people nationwide received their water from a participating supplier, nearly a threefold increase over the previous year.

## Voluntary Efforts to Improve Environmental Performance

EPA now offers a multitude of voluntary programs to help companies improve their environmental performance in a number of areas, such as energy efficiency, water use, pollution prevention, and recycling. Collectively known as EPA's Partners for the Environment, these programs are helping companies achieve environmental benefits. Based on the latest estimates, in one year voluntary efforts cut toxic pollution by 750 million pounds, eliminated nearly two million tons of solid waste, and reduced greenhouse gas emissions by preventing over 13 million metric tons of CO<sub>2</sub> emissions.

- In 1996, EPA signed up more than 500 new companies in voluntary programs.
- EPA also issued a new catalogue, called *Partnerships in Preventing Pollution*, to provide interested companies with more information on the full range of voluntary opportunities available.



## Setting National Environmental Goals

One way EPA is working to become a more effective partner in protecting public health and the environment is through more strategic use of its resources. As a result of the Government Performance and Results Act of 1993, EPA and all federal agencies are required to take a number of steps to ensure that federal tax dollars are being used as efficiently and effectively as possible. Specifically, GPRA requires federal agencies to set strategic goals, measure performance, and report on progress being made.

### Environmental Goals for America Will:

- Shift the public debate increasingly toward environmental results.
- Stimulate joint planning by the public and private sectors.
- Provide a basis for the nation to measure its environmental progress and gauge the effectiveness of its policies and programs.

To meet these requirements, EPA is working to integrate its planning and budgeting activities as never before. As a first step the Agency is developing a strategic plan that includes a full set of goals, objectives, and performance measures. These actions are expected to redefine the decision-making process so that environmental resources are better targeted towards the highest priority environmental and human health challenges.

To a significant degree, EPA's progress towards setting goals and implementing a more strategic management approach can be linked to an ambitious project undertaken earlier — the development of environmental goals for the nation. These national goals, which cover priorities such as clean air and safe drinking water, represent what could be accomplished by environmental protection efforts at all levels — public and private, regulatory and voluntary — by the year 2005. EPA took the lead in developing national goals, and in January 1997, released a draft set for review by state, tribal, and other federal government agencies. This unprecedented effort has given EPA a headstart on meeting GPRA requirements as many of the goals being considered for the Agency's own strategic plan evolved from the national goals project.

## Involving Stakeholders in Regulatory Developments

In an effort to provide meaningful stakeholder involvement in the regulatory process, EPA looked for opportunities to negotiate and consult with stakeholders in developing new rules and policies:

- Federal advisory committees were established to assist in developing regulations, guidance, and policies in a number of areas, including endocrine disruptors; micro-organisms, disinfectants, and disinfection by-products in drinking water; and industrial nonhazardous wastes.
- A federal advisory committee is also being considered for development of seven separate — but related — air quality standards for internal combustion sources.

In addition, EPA maintained an Agencywide contract to make consensus-based services and expertise available to staff working on various policy and regulatory actions. More than 145 individual projects, totaling over \$2 million in services, were supported.

## Improving Customer Service

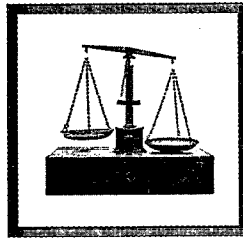
In March 1993, President Clinton issued Executive Order 12862 directing federal agencies to develop and implement customer service standards. In response, EPA developed and began to implement standards for its major areas of responsibility: environmental permits; pesticide registration; research grants; state, tribal and local environmental management grants; environmental regulations; environmental information; enforcement and compliance assistance; and voluntary partnerships. EPA developed "Six Golden Rules" as a goal for all aspects of customer service. In addition, EPA:

- Incorporated the "Six Golden Rules" into support contracts for hotlines and information centers to ensure consistently courteous and quick responses.
- Completed surveys to obtain customer feedback on the quality of services, and initiated follow-up actions based on customer responses.
- Worked continuously to make customer access to information and assistance easier to obtain.

## EPA's Six Golden Rules of Customer Service

In carrying out our mission to protect public health and the environment,

1. We will be courteous, professional, flexible, honest, and helpful in all dealings with our customers. We will actively listen so we can better understand what motivates our customers and how we can best provide the environmental products, services and information they value, and will be fully responsive to customer concerns and needs regarding our services.
2. We will answer all telephone calls promptly, and will respond to them by close of the next business day. If the person receiving the call cannot fully respond to the inquiry, the customer will be accurately referred to someone who can.
3. We will respond to all external correspondence within 10 working days of receipt. If we cannot provide a complete reply within 10 working days, we will contact the customer as soon as possible within the 10-day period to acknowledge and clarify their request, discuss what is required to provide a full response, and determine when they will receive a full response.
4. We will provide our customers with clear, easy to understand, timely, and accurate information about products, services, policies and procedures. We will ensure that customers have easy access to information, available through convenient channels, and in various formats.
5. Relationships with our co-implementors of environmental programs — state, tribal, and local governments, and other federal agencies — will be characterized by partnership, flexibility, and assistance.
6. We will seek customer input to inform our decisions on policies, programs, and rules.



A Safer, Cleaner Environment Through...

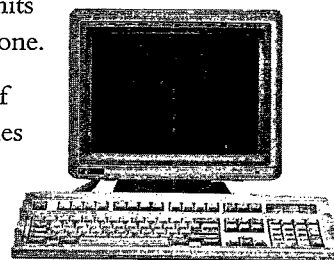
## Compliance Assistance

One of EPA's most important responsibilities is ensuring that companies and communities comply with national laws for protecting public health and the environment. However, an equally important responsibility is looking for ways to make compliance more achievable. During the past year, EPA focused on providing environmental information in simpler, easier-to-understand terms and making that information more accessible. It also worked to create incentives that reward compliance in the open market place. These efforts are helping to create a more productive, less litigious relationship between EPA and the regulated community. More importantly, they are helping to prevent pollution from ever occurring in the first place.

## Compliance Centers To Help Small Businesses

While EPA is committed to improving understanding of environmental regulations for all parties, it is especially committed to helping the nation's one million small businesses. Compared to larger institutions, many small businesses simply lack the resources or expertise to gain a full understanding of what environmental regulations actually require. To help them overcome this challenge and improve environmental performance, EPA is establishing compliance assistance centers for certain key sectors with large numbers of small businesses. Through partnerships with industry, academic institutions, environmental groups, and other federal and state agencies, these centers serve as a single source of comprehensive, easy to understand information on regulatory requirements, pollution prevention and technical assistance opportunities:

- By October 1996, four centers were officially open. They have responded to thousands of requests for information; the automotive assistance center has recorded nearly 100,000 hits to its Internet Web site alone.
- After only four months of operation, 1,600 companies signed up to use the metal finishers assistance center. This enormous popularity will enable the center to charge a modest fee and become self-sustaining in just 18 months.
- Based on the positive response from customers of existing centers, EPA began planning to establish four more centers in 1997. Centers will be opened for the printed wiring board, chemical manufacturing, and transportation industries, as well as local governments.



### Profile

### At Your Service...

- **The Printers' National Compliance Assistance Center** electronically links trade, governmental agencies, and universities to provide the most current and complete compliance assistance and pollution prevention information on the printing industry. The center sponsored a satellite video conference, "Green and Profitable Printing," in May 1996, with an estimated 1,800 participants at over 175 sites. (<http://www.hazard.vivc.edu/pneac/pneac.html>)

- **The National Agriculture Compliance Assistance Center** works with the U.S. Department of Agriculture and other federal and state agencies to provide information on various agriculture issues, including: pesticides, nonpoint source pollution, ground water, animal waste management, agricultural worker protection, and wetlands protection. (<http://es.inel.gov/oeca/ag/aghmpg.html>)

- **Greenlink™ — The Automotive Compliance Information Assistance Center** provides information designed for automotive shop owners and technicians on topics such as used oil management, flood drains, underground storage tanks, solvents, air conditioning repair, and pollution prevention alternatives. (<http://www.ccar-greenlink.org>)

- **The National Metal Finishing Resource Center** provides both electronically-linked information and an in-house staff to answer questions. The center offers regulatory information, interpretive guidance, performance and cost comparisons among technology options, pollution prevention case studies, and vendor information. (<http://www.nmfr.org>)



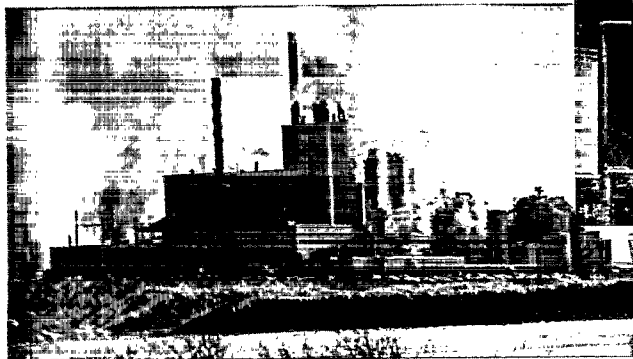
## Small Business Compliance Policy

In June 1996, EPA issued a final policy aimed at helping small businesses improve compliance. The policy encourages small businesses to participate in compliance assistance programs, to conduct environmental audits, and to promptly disclose and correct any violations. As an incentive to take these steps, the policy allows EPA to waive or reduce penalties for newly discovered, first-time violations as long as the violation does not involve criminal conduct or a significant threat to health, safety, or the environment.

## Encouraging Environmental Leadership

In an effort to help move industries towards better environmental performance, EPA piloted the Environmental Leadership Program in 1996. This program provided incentives, such as public recognition, streamlined administrative procedures, and a self-correction period — with reduced or eliminated penalties — for regulatory violations. In order to participate and take advantage of these benefits, facilities were expected to have a mature, comprehensive environmental management program in place and show a strong commitment to stakeholder and employee involvement. Also, participants were expected to mentor other facilities as a way of improving environmental performance within sectors.

- In 1996, EPA completed the pilot phase of the program, which involved ten companies and two federal facilities. Based on the results, EPA is now exploring development of a full-scale program for implementation.

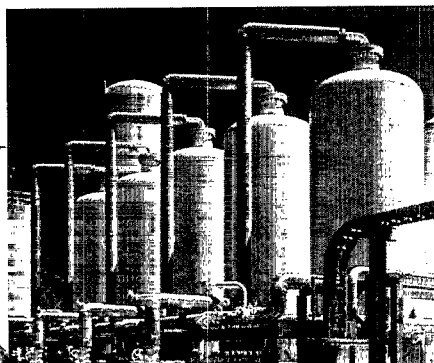


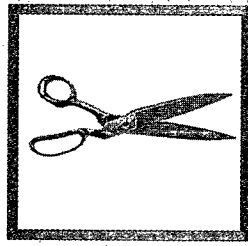
## Improving Performance Through Comparison

Recognizing that making environmental information publicly available can help raise performance levels, EPA initiated an important new compliance initiative known as the "Sector Facility Indexing Project." Essentially, this project will allow the public to more easily evaluate the environmental records of facilities and compare their environmental performance.

- In 1996, EPA identified data collected under the Clean Water Act, Clean Air Act, Resource Conservation and Recovery Act, and Toxic Release Inventory for five industry sectors: petroleum refining; iron and steel; pulp mills; primary nonferrous metals; and automobile assembly. Data related to past compliance history, facility size, pollutant releases and toxicity, and surrounding population has been aggregated, and is being prepared for public release later this year.

This initiative represents the first time that data across EPA programs has been compiled in one place in a manner that will allow examination of facility-level environmental records across multiple statutory programs. In the past, this information was made available through separate data systems with little or no opportunity for integration.





A Safer, Cleaner Environment Through...

## Cutting Red Tape and Paper Work

**E**PA understands that real gains in protecting public health and the environment come about through hands-on work at a very local level — in manufacturing facilities, around community recycling centers and water treatment plants, and across the rural countryside — not in a distant bureaucracy. As such, the Agency has focused intently on finding ways to cut the red tape and paperwork associated with environmental regulations, so that those with environmental responsibilities can focus on solving the problems at hand.

## Reducing Regulatory Burden

So how much of the paperwork burden required by environmental regulation has EPA eliminated? To date, nearly 16 million hours — up from 10 million hours just one year ago.

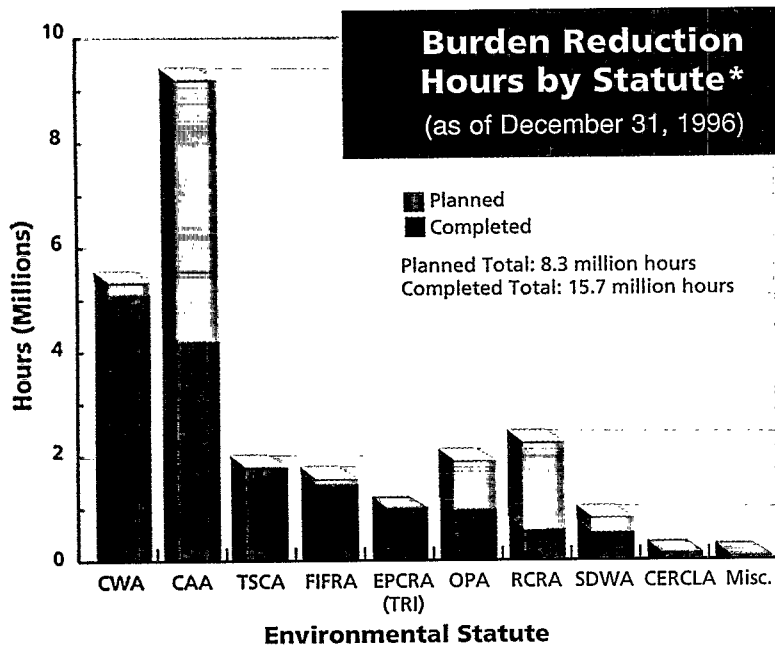
These reductions cut across all environmental areas, and included requirements that were duplicative, obsolete, or unnecessary. For example, about one million hours were cut as a result of a new two-page certification form and similar improvements to the Toxic Release inventory requirements. Currently, EPA is working to eliminate over 8 million more hours while it continues searching for other burden reduction opportunities. Following are some additional actions that EPA has taken this past year to help reduce regulatory burden and achieve higher levels of public health and environmental protection.

## "One-Stop" Environmental Reporting

To further reduce unnecessary burden and help improve the use of environmental data, EPA worked on developing a "one-stop" approach to environmental reporting. Under the current system, a single facility might report data to EPA, as well as state and local agencies under a variety of different authorities. These separate data collection systems are potentially duplicative

and burdensome, and make the use of data by government and the public difficult. One-stop reporting is being designed to address these inefficiencies, while also fostering multimedia and geographic environmental management approaches, and providing the public with access to meaningful, real-time data. Current efforts are focused on forming partnerships with selected states to demonstrate full-scale implementation of reporting and data management reforms, and assessing results in terms of lower industry and government costs and better public access.

- In 1996, \$500,000 demonstration grants were awarded to five states — Washington, Massachusetts, New Jersey, Missouri, and Utah — to test one-stop reporting systems. An additional five to ten grants will be awarded in 1997.
- EPA also worked to re-engineer its own internal data systems to achieve better integration with states, to enhance public access, and to promote electronic reporting of environmental monitoring and permitting data.



### \*Environmental Statutes

CWA= Clean Water Act; CAA= Clean Air Act; TSCA= Toxic Substances Control Act; FIFRA= Federal Insecticide, Fungicide, and Rodenticide Act; EPCRA= Emergency Planning and Community Right-to-Know Act; TRI= Toxics Release Inventory; OPA= Oil Pollution Act; RCRA= Resource Conservation and Recovery Act; SDWA= Safe Drinking Water Act; CERCLA= Comprehensive Environmental Response, Compensation, and Liability Act

## Commenting on Regulatory Actions

EPA tested new methods of public commenting on regulatory actions to make the process simpler and easier:

- In a follow-up to its commitment to make all *Federal Register* items available electronically, EPA conducted a pilot project to evaluate the feasibility and usefulness of electronic mail as a way for interested parties to comment on regulatory actions. The results showed that most groups who comment on Agency actions actually prefer the traditional approach whereby comments are submitted in writing. Nevertheless, recognizing that the demand for electronic transactions is likely to grow in the future, EPA is now making electronic commenting a standard option for obtaining public feedback on all regulatory actions.
- In another effort, EPA tested telephone communication. For the proposed ozone and particulate matter regulation, EPA set up 888 TELL EPA, a toll-free number through which comments could be sent verbally.



In this case, users preferred the telephone over electronic submissions; more than 14,000 comments were sent by telephone and more than 4,000 were sent by electronic mail. EPA also learned that this option might be especially helpful for individuals and small businesses.

## Permitting New Air Emissions

To help streamline air emissions permitting, EPA proposed changes to its new source review regulations that would help industries planning either to build new or to expand existing production capacity:

- As proposed in July 1996, the changes reduce time delays associated with permitting, expediting construction start-up; provide greater operational flexibility; and encourage the use of new innovative air emission control technologies. The proposal reduces the number of new or expanded sources subject to

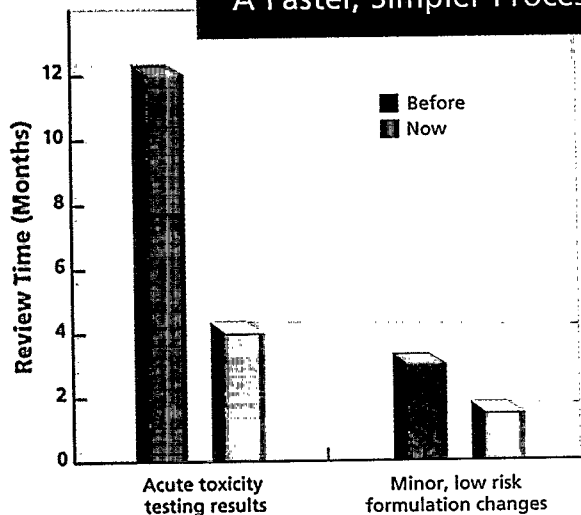
permitting by one-half — without compromising protection against harmful air pollutants.

## Streamlining Pesticide Registration

Every year, under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), EPA receives thousands of applications to register or modify pesticide products. These applications involve multiple steps designed to ensure that products in the commercial marketplace do not pose unreasonable risks to people or the environment. In 1996, EPA took a number of steps to make the process faster and simpler:

- EPA offered self-certification procedures that allow pesticide companies to proceed with certain actions as long as they first notify EPA. To ensure compliance, these procedures are backed up with penalties and an auditing system.
- In May, EPA proposed a rule that would allow self-certification of some acute toxicity testing results for pesticide products. Subsequently, EPA determined that a final rule would no longer be needed, because the desired result — faster, simpler reviews — was being achieved already as a result of improvements in EPA's own management process. Today, EPA's review time has been cut by two-thirds — from 12 to 4 months.
- In June, a final rule was issued that allows minor, low-risk product formulation changes, such as additions of previously approved dyes or perfumes, to be made without prior EPA approval. As a result, the amount of time involved in EPA reviews has been cut in half — from 90 to 45 days.
- EPA began performing an analysis to determine the reasons that certain registration applications are rejected by the Agency. The results are expected to reveal additional opportunities for improving the registration process in the future.
- EPA also helped develop computer software to standardize "precautionary" labeling. These labels, which are based on results from acute toxicity tests, are displayed on all commercial pesticide products to protect consumers from potential risk. The new automated

## Improving Pesticide Product Registration A Faster, Simpler Process



system, which is now being explored for widespread industry use, would decrease EPA review time and help companies avoid EPA rejections due to labeling errors.

## Cleaning Up Hazardous Waste Sites

EPA is working on ways to help companies and communities address challenges associated with managing their hazardous wastes under the Resource Conservation and Recovery Act (RCRA):

- In April 1996, EPA proposed its contaminated media rule to establish a new regulatory framework for managing "contaminated" remediation wastes generated during cleanup of hazardous waste sites. The proposal



provides options to exempt some remediation wastes from RCRA requirements, and allows treatment methods to be determined based on site-specific conditions. The final rule, projected for completion in 1998, will allow equally protective, but more cost-effective, treatment options for the large volumes of material now subject to RCRA requirements.

## Meeting Water Pollution Control Requirements

So that limited resources can be directed to better protection for rivers, lakes, and coastal areas, EPA worked to improve water quality permitting under the National Pollutant Discharge Elimination System (NPDES):

- In April 1996, EPA issued guidance allowing businesses and communities to significantly cut back on water quality monitoring and reporting requirements, as long as certain high levels of performance are met. If fully implemented, EPA estimates this incentives-based approach could reduce the total NPDES monitoring and reporting burden by 25 to 30 percent for most facilities. It could also help bring poorer performing facilities up to a higher standard, improving water quality.
- In December 1996, a second round of reforms was proposed that would streamline the permit appeals process, allow for more risk-based monitoring, and expand the use of general permits to cover some industries. Because they provide more generic requirements applicable to multiple facilities, general permits are simpler to develop and manage than individual or site-specific facility permits. Collectively, these reforms would reduce the NPDES regulations by 14 percent.
- In another action, EPA made it easier for large cities to meet their responsibilities for controlling one of their most challenging water quality problems: storm water runoff. The 1987 Clean Water Act requires a storm water permit for all cities with populations greater than 100,000. Recognizing that most of those permits were about to expire, EPA issued a policy in May 1996, to streamline the reapplication process.

## For more information...

...on EPA's reinvention efforts, contact the Reinvention Team at (202) 260-4261. Or look for information on the Internet at "<http://www.epa.gov/reinvent>." You'll find special reports, remarks from senior Administration officials, factsheets on specific reinvention projects, and much more.



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