

EPA InSight POLICY PAPER

This supplement to EPA InSight contains up-to-date policy information
from the Administrator to all EPA employees.

Innovation At EPA

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(Below is an address by Administrator Carol Browner to the newly-created Environmental Business Council on June 8, 1993:)

I would like to congratulate the Environmental Business Council for breathing life into an idea just when we most need it. More than ever, this country needs to forge partnerships between business and government, partnerships infused with a common belief in environmentally-sustainable economic development. More than ever, this country needs to compete successfully in a global marketplace. More than ever, this country needs a dynamic envirotech industry committed to innovation and poised to expand. The Environmental Business Council of the United States promises to do all this and more. It's an idea whose time has come, and I applaud all of you who have helped it spring to life.

...We in the Clinton administration support your objectives wholeheartedly. We believe in a government that supports American businesses and works to create American jobs. We have faith in the ability of American companies to compete successfully in the global marketplace, if the playing field is level. Most important, we believe that economic growth and environmental protection are not only compatible, they're mutually reinforcing. And the best proof would be a domestic, booming, job-creating, cost-cutting, world-leading envirotech industry.

This administration is not disinterested in who wins the international economic competition. We will not sit idly by as abstract economic forces choose who has a job and who doesn't. Make no mistake about it: when it comes to the sale of environmental technology in a highly competitive international market, we want you to win. And President Clinton will do everything he can to help you win.

Today I want to talk about what EPA is doing to help. And I want you to tell me, today and in the weeks ahead, what more EPA could do.

There is one key aspect of your industry that EPA is especially interested in promoting—and that's **innovation**. All of you would agree, I'm sure, that innovation will be one of the single most important factors affecting your future success—both as individual businesses and as a unified industry. In this sense, the envirotech industry is no different from any other. Whether you're selling computers, telecommunications equipment, mass transit systems, or environmental services and clean-up technologies,

you'd better have a leading-edge product, or you're likely to miss the sale.

At EPA, we support technological innovation for environmental problems that current technology simply isn't capable of solving, except at huge, and perhaps prohibitive, cost. The cleanup of hazardous waste sites is a good example. If you multiply the typical cost of past cleanups by the number of potential sites needing remediation, total costs soon run into what the late Senator Everett Dirksen used to call "real money:" as much as a trillion dollars or more, according to one study.

As world population and economic activity expand, innovative technologies will be absolutely essential. Without innovation, a doubling of the global population and quintupling of economic activity could sharply increase global pollutant loadings. Thus, the success of your industry—the widespread use of your products and services—is crucial to human and ecosystem health on a global scale. In short, your industry needs to spur innovation out of self interest—your self interest in making profits, gaining market share, and selling your products and services overseas.

But, innovation is also crucial because we simply won't be able to attain this nation's—or the world's—environmental goals without it. A strong, innovative envirotech industry is vital to our environmental future.

That's why I look forward to working with this association and its member companies, and that's why innovation is central to EPA's mission. We not only want to see innovations in existing pollution control and clean-up technologies, we look forward to innovations in system design, production processes, and management practices that minimize the need for control or cleanup. We expect innovations that improve energy efficiency, and innovations that reduce the pollution generated by agricultural practices and transportation systems. And we are personally committed to innovations in the way EPA does business, innovations that foster and support businesses like yours.

EPA's regulations have been widely, and justly, credited with driving the development and use of technologies that now are considered "state of the art" in this country and abroad. Some U.S. environmental laws, in fact, require EPA literally to define "state of the art" pollution control technologies. But, over the past two decades, we've learned that our regulations

sometimes can have an inadvertent, pernicious effect on technology development. By defining "state of the art," we can freeze innovation in its tracks. No one has an incentive to do more than the government requires. So, the Clinton administration is going to push at every turn for **regulatory innovation** that fosters **technological innovation**.

As we work on the reauthorization of Superfund, the Clean Water Act, and the Safe Drinking Water Act, we're going to follow the example of the Clean Air Act, especially the acid rain provisions that set environmental targets and then gave industry an incentive to find the cheapest ways to hit them. As we review our environmental rules and regulations, we're going to look for opportunities to encourage technological innovations that generate profits for you, strengthen the American economy, and protect the environment more efficiently.

We're also going to do a better job helping your industry bring fledgling innovations out of the research lab and into the real world of practical applications. As you know only too well, this step—from lab to field—can make or break a new idea. It can make or break the company that invests in it.

At EPA, we already have set up a number of programs to help shepherd technological innovations into the field: our SITE Program that evaluates the performance of Superfund remediation technologies under field conditions...our joint research and development agreements under the Federal Technology Transfer Act...our support for the National Environmental Technology Applications Center in Pittsburgh, which facilitates the commercialization of promising environmental technologies. All this is a good beginning, but we have to do more. We will do more.

I intend to expand EPA's collaborative efforts with other federal agencies to test innovative clean-up technologies at federal facilities. I intend to establish procedures that allow EPA labs to be used to test and evaluate innovative technologies developed outside EPA. I intend to expand the Agency's cooperative programs for developing, testing, and evaluating specific categories of innovative technologies.

EPA is also a part of several multi-agency initiatives that have been established by the Clinton administration. These initiatives, in one way or another, are all meant to support a dynamic, domestic envirotech industry. On Earth Day, for example, the President asked the Department of Commerce to lead a multi-agency effort to increase exports of U.S. environmental technologies. EPA and the Department of Energy also will be involved....

...[As for NAFTA], based on the discussions thus far, there is a clear agreement on the merit

of creating North American Commissions on the Environment and Labor, whose principal functions would be to strengthen cooperation on labor and environmental protection, and to improve enforcement of and compliance with our respective laws and regulations. I believe that giving the Environmental Commission a strong investigative function will inspire public confidence that the NAFTA parties will strive for high levels of environmental compliance and enforcement. Our challenge is to create commissions that respect national sovereignty and that can pursue goals that none of the nations of North America can do alone. We understand, however, that many in the environmental community believe that our proposed side agreement does not go far enough. I am confident that we will successfully resolve their concerns.

The President has proposed a new, EPA-led environmental technology initiative in his FY 1994 budget. This initiative would be funded at \$36 million in FY 1994, with an expected \$1.8 billion to be spent on the program over the next nine years. Under this initiative, EPA—working with several other federal agencies—would help private businesses overcome impediments to the use of innovative technologies both here and abroad—impediments such as insufficient capital, uncertain performance capability, poor information flow from technology developers to technology users, the lack of facilities to test new technologies, and regulatory barriers. This is a tall order, but we're committed to it, we've already started it, and we look forward to your participation.

There's a lot more I could mention—the expansion of EPA's pollution prevention programs, the President's executive orders requiring the purchase of energy-efficient products, and the formation of the Clean Car Consortium with the Big Three U.S. auto companies. But, the message is unmistakable. This administration is intent on fostering innovation in our national efforts to protect the environment...**regulatory innovation...design and process innovation...technological innovation**. We are intent on helping your industry gain market share abroad and create new jobs at home. We are intent on building a strong economy that grows in harmony with a healthy environment.

So, at EPA, we welcome the birth of the Environmental Business Council of the United States. I look forward to hearing your ideas on how we can better link the health of your industry with environmental health. We've got a big job to do. Let's get on with it. Thank you.

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