



**National Advisory Council for
Environmental Policy and Technology**

June 24, 2010

The Honorable Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Administrator Jackson:

The National Advisory Council for Environmental Policy and Technology (NACEPT) is pleased to transmit the enclosed Advice Letter on *Promoting Environmental Stewardship*. The letter was developed by the NACEPT Subcommittee on Promoting Environmental Stewardship, which was co-chaired by Lee Paddock, the Associate Dean of Environmental Studies at George Washington Law School, and David Paylor, the Director of the Virginia Department of Environmental Quality, and included 19 other members.

The advice letter defines environmental stewardship as “individuals and institutions taking responsibility to protect and enhance the environment and human health” and noted that “as both an ethic and a practice [stewardship] requires the fair treatment of all communities.”

The advice letter recommends four areas where the Environmental Protection Agency (EPA) can strategically incorporate stewardship into its programs, namely:

1. Build stewardship capacity (knowledge and management)
2. Increase the effectiveness and reach of existing and future partnership activities
3. Use stewardship approaches to improve EPA regulatory tools
4. Measure progress and define success

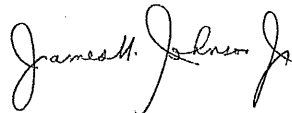
Specific actions for each recommendation are also provided in the advice letter.

The NACEPT Council approved the advice letter at its May 26, 2010 meeting and recommended advising EPA of the following additional points:

- Environmental stewardship is a means of achieving the tenets of sustainability. These tenets include: (1) avoiding waste and reducing overall material and energy use; (2) protecting the public and natural environment from harm when an action, policy or scientific uncertainty may lead to irreversible damage; and (3) acknowledging that ecological sustainability cannot be achieved if the problem of poverty is not successfully addressed.
- NACEPT's March 2008 report entitled "*Everyone's Business: Working Toward Sustainability Through Environmental Stewardship and Collaboration*" defines stewardship as a systemic approach to addressing the challenge of sustainability – economic, environmental and social, which is consistent with the Subcommittee's advice letter.
- The advice letter provides recommendations for specific actions—the Council would like the EPA to take the next step. The EPA should examine and develop a set of metrics that incorporate at least some of the dimensions of sustainability into the communication, evaluation and external partnership activities of the agency. While it is clear that any set of metrics – even an evolving and organic one – cannot reflect every technical, environmental, social and community aspect of stewardship, it is important to develop, define and clearly utilize a set of metrics to assist the internal, external, and international activities of the EPA. The Council agreed that a useful analog was the sort of data that used to appear in reports by the Council on Environmental Quality. The data offered a clear, tangible year-to-year comparison of the nation's progress on a range of important environmental issues.

The Co-chairs of the Environmental Stewardship Subcommittee and I would be very happy to brief you in person on the advice letter and its recommendations. The Council would truly appreciate a response to this advice letter, and looks forward to providing timely and useful advice to you and the Agency in the future.

Sincerely,



James H. Johnson, Jr.
Chair

Enclosure

cc: NACEPT Council Members



**National Advisory Council for
Environmental Policy and Technology**

June 7, 2010

The Honorable Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Re: NACEPT's Advice Letter to the Administrator on Promoting Environmental Stewardship

Dear Administrator Jackson:

The NACEPT Subcommittee on Promoting Environmental Stewardship deeply appreciates the opportunity to contribute to the Agency's efforts to enhance environmental protection by providing recommendations about how the Agency can integrate environmental stewardship into its mission. We take special notice of your remarks at the National Press Club on March 8, 2010, in which you pointed out the importance of environmental innovation and invention in achieving our national environmental goals. The Subcommittee believes that stewardship initiatives, whether integrated into the core regulatory and enforcement responsibilities of the Agency or promoted through partnership, education or other efforts, provide an innovative approach to solving environmental problems and can spur important new ways for the Agency to fulfill its purpose.

As you know, the concept of stewardship is increasingly embraced by a wide range of businesses and NGOs as part of their efforts to achieve more sustainable development. In some cases, businesses have surpassed government in their endeavors providing government with important opportunities to learn from these actions and apply them in a larger context. As EPA celebrates its 40th anniversary, it is clear that the environmental challenges before the Agency and the American people are at least as difficult, and in many ways, more difficult than those of the past 40 years. To meet these challenges, the Agency will need to encourage all individuals and institutions to take responsibility for their actions. The concept of stewardship described below can, we think, play an important role in achieving these challenges.

DEFINITION OF ENVIRONMENTAL STEWARDSHIP

Environmental stewardship is individuals and institutions taking responsibility to protect and enhance the environment and human health. As an ethic, environmental stewardship is rooted in both individual values and organizational cultures. As a practice, environmental stewardship embodies the understanding that compliance with environmental regulations is fundamental, that

voluntary efforts are important but not a replacement for compliance, and that individuals and organizations should systematically and continuously work to reduce or avoid the adverse environmental and health impacts of their activities. Stewardship as both an ethic and a practice requires the fair treatment of all communities.

The term “stewardship” is not synonymous with EPA’s “partnership” programs. Government partnership programs are just one means of implementing stewardship behavior, which can also be influenced by regulations, private sector initiatives, and other factors.

VISION

Our quality of life and continued well-being depends on a strong economy that rests upon a healthy ecosystem. We recognize that our individual and collective actions impact the ecosystem.

Understanding our regulatory and voluntary approaches and efficiently leveraging the resources of government, business, and communities is vitally important, so that we are aligned, motivated and compelled to invest in long-term strategies. These recommendations promote a wide range of environmental stewardship activities to ensure the continued well-being of families and communities, the resilience of the environment, and a sustainable economy.

THE NEED TO PROMOTE STEWARDSHIP

As our vision indicates, we believe that stewardship can make meaningful contributions to achieving significant environmental outcomes. EPA’s work is, of course, driven primarily by regulatory mandates from Congress and is limited by resources. Strong regulatory and enforcement programs play a significant role in motivating stewardship actions, as addressed below in our recommendations.¹ However, the complex environmental challenges the country and the world face often stretch beyond the borders of the law and frequently outstrip the resources available to the Agency. Addressing big environmental problems requires the Agency to leverage other resources (such as private sources of funding, citizen action, and corporate actions like supply chain requirements) and sources of knowledge and experience. We believe that stewardship activities can make important contributions to leveraging these external resources.

In addition to its regulatory mandates, Congress has given EPA non-regulatory tools to enable the Agency to protect public health and the environment. Congress has authorized EPA to make grants, sponsor environmental research, educate about the environment, promote partnerships, and publish information.² In providing these tools, Congress has thereby recognized that existing regulatory approaches alone are insufficient to achieve sustainable environmental and public health outcomes and that even new statutory authority to regulate may not address today’s environmental challenges fully.

¹ NACEPT pointed out in the *Everyone’s Business* report (March 2008), EPA’s ability to foster stewardship “comes primarily from the major environmental statutes and the system of environmental regulation, standards, and permits that it has promulgated to achieve the goals laid down in law.”

² U.S. EPA, “Our Mission and What We Do,” <http://www.epa.gov/epahome/whatwedo.htm>

Promoting stewardship actions can provide the Agency with the flexibility needed to achieve desired environmental outcomes. It can influence unregulated areas such as energy and water use, attract resources to emerging problems such as pharmaceutical pollution, and address problems related to rapidly developing industries such as nanotechnology.

Stewardship should also promote environmental justice. Specifically, it should address current and potential environmental justice concerns about human health and the environment through direct engagement of environmental justice communities to avoid disproportionate environmental burdens on particular areas or populations.

RECOMMENDATIONS

The Subcommittee recognizes that EPA has integrated stewardship concepts into several of its programs, but we believe there is a need to incorporate stewardship more strategically. There are untapped opportunities to achieve important environmental results through stewardship. Specifically, the Agency should:

1. Build stewardship capacity (knowledge and management).

A. EPA Administrator Jackson should issue a statement making clear that stewardship is fundamental to EPA's mission and reinforcing the importance of stewardship to accomplish the nation's environmental goals. To emphasize this focus, stewardship should be built into EPA's mission statement. To the extent appropriate under federal law and executive orders, the Administrator should also encourage other agencies to take stewardship actions.

B. Support and improve Agency capacity.

- i. **Utilize the newly established EPA Executive Management Council (EMC) to review the Agency's stewardship opportunities and make stewardship a priority of the Agency.** The council would identify key opportunities for stewardship and at least annually recommend initiatives to the Administrator. The EMC should use the implementation of Executive Order 13514 as an opportunity for the Agency to model stewardship practices, and build staff awareness and capacity. The Agency should consider adding stewardship to management processes such as the National Program Manager guidance, and in job descriptions and performance reviews.
- ii. **Identify and organize expert staff.** Identify staff members with expertise in stewardship approaches. A small cadre of EPA staff should serve as points-of-contact for those outside the Agency to share stewardship knowledge and experience. They should keep EPA managers informed about successful stewardship activities in other countries, states, and private firms, and identify opportunities for the Agency to support emerging stewardship initiatives. They should share best practices within the Agency and across federal agencies, and periodically make recommendations to EPA's Executive Management Council described above.

- C. Identify a mechanism to provide for ongoing input to the Agency on stewardship from external stakeholders (e.g. NACEPT).** It is important for EPA to tap into external sources of expertise from state agencies, private sector, and other institutions for advice on stewardship and to provide the support the Agency will need to incorporate stewardship more prominently into its mission.
- 2. Increase the effectiveness and reach of existing and future partnership activities.**
- A. Reevaluate and update Agency partnership programs.** EPA should create an overarching Agency policy and establish principles that connect current and future programs to the mission and coordinate them consistent with that mission. EPA has a substantial track record in developing partnership programs that are targeted toward a specific sector or set of pollutants. There are over 40 partnership programs in different programs areas across EPA. As is currently being undertaken by the Office of Air and Radiation, offices should evaluate their partnership programs to determine whether some could benefit from consolidation or modification to solve key environmental problems. Some programs may have achieved their initial goals and require updating to remain effective.
- B. Facilitate engagement in and access to partnership activities.** Entities interested in participating in partnership programs and other stewardship activities at times experience difficulty identifying potential programs and understanding the partnership criteria and associated benefits. EPA should create a user-friendly webpage, including a forum for case studies, for entities seeking information related to stewardship programs. In addition, EPA should continue to support and participate in conferences, such as the Environmental Partnership Summit, to facilitate peer-to-peer exchanges and networks.
- C. Enhance and maintain technical assistance at Headquarters and Regions and support the stewardship efforts of others.** While EPA can be a powerful model of desirable stewardship action, it need not always lead or invest heavily in initiatives to catalyze stewardship. EPA can leverage resources by working with others in federal, state, and local governments, private sector firms, and organizations to build networks and facilitate and promote information gathering, exchange, and dissemination. States, local governments, business organizations, and NGOs have all developed innovative means of encouraging and supporting stewardship. EPA should support and learn from these initiatives.
- D. Advance stewardship through judicious use of the EPA name (“branding”).** Experience demonstrates that the use of the EPA name can play an important role in promoting stewardship, but it must be done cautiously. EPA should assess how to best employ its name in driving behavior that achieves important environmental results.
- 3. Use stewardship approaches to improve EPA regulatory tools.** Strategic application of stewardship ideas to the development and interpretation of rules can encourage individuals and organizations to go beyond the minimum requirements. EPA should create a process through which stewardship experts (recommendation 1Bii) are drawn into initial rule

development as well as a process by which stewardship expertise is applied to rule analysis in the final stages.

- A. Encourage innovation for better performance.** EPA regulations must be written to comply with legal requirements and respect court-ordered deadlines. Within these constraints, the Agency can seek opportunities to inspire the regulated community to invest in sustainable practices that go beyond the minimum requirements of the law. For example, rules could be written encouraging companies to invest in pollution prevention and discouraging the transfer of pollutants from one medium to another. The rules could encourage companies to reduce to safe levels or eliminate impacts on low-income, minority, or tribal communities that may be disproportionately affected by pollution. Regulations should encourage information disclosure and recognize early compliance.

EPA should make use of market incentives where allowed by law and where they encourage stewardship initiatives that would achieve results at least comparable to traditional regulation without unfairly shifting pollution burdens. For some sectors, plant-wide emission limits could encourage companies to develop more holistic, long-term strategies to reduce emissions across a wide range of processes. Such approaches must be based on accurate monitoring and should not be used to relax standards. Regulations can also be designed to encourage improvements in environmental accounting and internal management controls that companies may use to identify and invest in stewardship opportunities.

- 4. Measure progress and define success.** Measurement is critical to determining whether environmental goals are achieved.
- A. Publish a “state of the environment report.”** Stewardship programs will benefit from a broad set of benchmarks that can be used to evaluate our progress in meeting key environmental priorities. EPA’s national environmental report provides a useful starting point, but other federal and state agencies have an important role to play in addressing problems that are beyond EPA’s jurisdiction. The Subcommittee recommends that EPA work with other agencies to prepare a biennial “state of the environment” report, perhaps modeled on annual reports that used to be prepared by the Council on Environmental Quality. The report should provide the public with clear and understandable indicators of the health of our nation’s air, land and water, but should also reflect other values, e.g., by tracking the health of ecosystems, energy conservation, and the location of pollution hotspots. To the extent possible, the report should include measures of global environmental health. The document could be a critical resource not only for the public, but to help give public and private stewardship programs direction and focus.
- B. Develop new measures for environmental objectives not captured by existing programs.** Effective measurement requires making better use of EPA’s existing programs for monitoring environmental quality, quantifying emissions, and determining compliance. The Subcommittee recognizes that existing data is sometimes not enough. For this reason, new measures will need to be developed to address broad environmental objectives not captured by existing programs. The public will inevitably use available

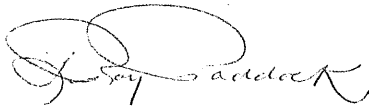
data from EPA and state agencies to evaluate the effectiveness of regulatory programs, voluntary initiatives, and stewardship programs. This data must be accurate, readily accessible, relevant, and timely as addressed below.

- i. **Improve existing monitoring programs.** EPA should enhance its monitoring capacity to enable regulatory innovation (such as the continuous emissions monitoring that underpins the Clean Air Act's acid rain cap and trade program) and stimulate organizations to find new approaches to reduce emissions. EPA and state agencies collect and manage much of the data that could be used to gauge the effectiveness of stewardship programs, including ambient measures of air or water quality, emission or discharge levels at specific facilities or in specific localities, and compliance records. EPA can play a critical role by helping to make those measures as accurate, transparent, and publicly accessible as possible (e.g. Toxics Release Inventory, EPA's ECHO database, etc.).
 - ii. **Identify data gaps.** The Subcommittee has recommended using stewardship concepts to drive more integrated strategies to environmental challenges. Existing data systems will often not be adequate to fully measure progress in meeting these challenges. For example, ecosystem management will require a mix of regulatory and voluntary approaches and new and more holistic measures of environmental health. Also, to increase effective protection of at-risk communities, EPA should issue a community impact assessment (criteria/tools) that systematically evaluates potential, cumulative, and disproportional impacts.
- C. **Monitor greenhouse gas emissions.** The greenhouse gas inventory now under development will be critical to benchmark progress in determining the effectiveness of stewardship programs in reducing global warming. EPA will also need to find ways to assess the impact of mitigation measures, e.g., creating carbon sinks through reforestation.
- D. **Define clear measures of progress and success for partnership programs.** As recognized elsewhere, EPA and states have a significant number of partnership programs. These programs will benefit from having clear measures of success defined at the outset and, where possible, independent evaluation of data.
- E. **Encourage the development of common measures for stewardship and for reporting on results.** By encouraging the development of common measures, establishing guidelines, including methods for assessing performance of stewardship initiatives, EPA can promote best practices. Standardized assessment tools within specific business sectors and political jurisdictions will increase transparency and allow EPA and others to identify exemplary performance. EPA could also work with organizations that have already developed environmental assessment criteria to encourage sharing of data. Markets can then reward and rebuke actors based on their adherence to these improved guidelines and their transparency in performance reporting.

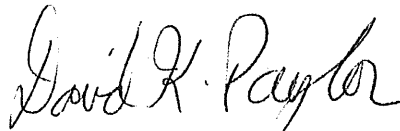
- i. **Develop new tools to understand and communicate risk.** EPA needs to make stewardship concepts accessible and understandable to all communities. EPA should explore new ways to measure and explain risk to non-technical stakeholders. Currently, risk assessments are based on probability derived from analysis of aggregate numbers. Explaining that a person has a "one-in-a-million" chance of becoming ill as a result of exposure and deeming that risk to be "insignificant" may do little to inform people living near sources of risk. It is important for EPA to collaborate with other groups to maximize collective resources. EPA should leverage efforts of groups already working to communicate risk.

We believe these recommendations provide a practical approach for the Agency to integrate stewardship and leverage external resources in pursuit of national environmental objectives. Thank you for the opportunity to contribute our ideas.

Sincerely,



Lee Paddock, Co-chair



David Paylor, Co-chair

CC: Lisa Heinzerling – Associate Administrator, Office of Policy, Economics, and Innovation
Regina Langton – Designated Federal Officer for the NACEPT Subcommittee on Promoting Environmental Stewardship
Rafael DeLeon – Director, EPA’s Office of Cooperative Environmental Management
Sonia Altieri – Designated Federal Officer for NACEPT

Attachment A: List of Subcommittee Members

Ian Bingham, Arizona Environmental Performance Track Program
Suzanne Burnes, Georgia Department of Natural Resources
Patricia Calkins, Xerox
Myra Carpenter, Michelin
Laura Fiffick, Gresham, Smith and Partners
Nancy Girard, Multi-State Working Group on Environmental Performance
Gary Hunt, North Carolina Department of Environment and Natural Resources
Isabel M. Long, Sierra Club Environmental Justice and Community Partnerships Program
Mark McDermid, Wisconsin Department of Natural Resources
Erik Meyers, The Conservation Fund
David Monsma, The Aspen Institute
Jeff Muffat, Environmental and Regulatory Affairs, 3M
Jennifer Nash, Product Stewardship Institute, Inc.
Aseem Prakash, University of Washington
John Rosenthal, National Small Town Alliance
Deidre Sanders, Pacific Gas & Electric
Eric Schaeffer, Environmental Integrity Project
David Vidal, The Conference Board
John Walke, Natural Resources Defense Council