

March 1, 1995

Reports on Reinventing Regulation

I. Introduction

On January 26, 1995, the Vice President asked Keith Laughlin and Bob Knisely to lead a team effort to write a report of about 30 pages on Reinventing Environmental Regulation, as a product of his Regulatory Policy Review. This paper describes the purpose, process, and products of that effort.

II. Purpose

The report, Reinventing Environmental Regulation, was designed to bring together an overview (including this Administration's progress to date), a set of principles, a list of priority actions, and a list of additional initiatives into one unified document, for review as the Administration's position on reinventing environmental policy and regulation. Additional goals were to bring forth from the career staff at EPA their ideas for reinventing regulation, and to provide a forum for discussion of the options presented by staff of the policy advisors to the President. We also met the goal of having a concrete, written product in a very short time, ready for Administration review, and ready for detailed implementation planning by EPA.

Another purpose of the report process was to expand the list of initiatives available to the Vice President beyond the number that can easily be presented in a meeting -- perhaps five or ten. The EPA process produced 118 initiatives from EPA. The EPA leadership identified their recommended 37 initiatives. Keith and Bob identified 51 as worth more detailed discussion. The report contained 37 initiatives, including several that had not been proposed initially by EPA.

III. Process

A. Timeline

The Report's timeline was extremely short. The assignment was given on January 26th, and the final products (the report and accompanying materials) were delivered to the Vice President on February 9th. During this time, EPA's subgroup chairs met with Keith and Bob daily, and a larger group of EPA staff met with them several additional times. Draft subgroup reports were delivered on Day 7, our comments went back to EPA on Day 8, revised reports were due Day 9, an integrated paper was returned to EPA on Day 12, EPA's comments were considered on Day 13, and on Day 15 the revised report and accompanying materials went to the Vice President.

March 1, 1995

B. Team

The EPA team consisted of about a dozen senior career staff from all parts of the agency. They in turn tasked members of their staffs for interim products. Representatives of the Council of Economic Advisors, OIRA, and OMB were present at many meetings.

C. Interim products

The "raw materials" for the report consisted of 118 initiatives, each on one sheet of paper, following a format of (a) brief description of action, (b) half page context statement, and (c) pros and cons.

Other interim products included brief papers on such topics as: Goals of a Reinvented Permit Program, The Promise of Sector and Place-Based Approaches, and Redefining Federal, State, and Local Roles.

Themes for generating and aggregating initiatives included: (a) Standard Setting, Market-Based Initiatives, Permitting; (b) Place-Based Initiatives; (c) Accountability, Enforcement, Monitoring, Record keeping, Reporting, Auditing; (d) Good Actors; (e) Over-arching issues; (f) Science and Technology; (g) Stakeholder Involvement; (h) Non-Regulatory Tools; (i) Corporate Practice/Stewardship.

Although the report was written as a comprehensive, cohesive whole, the process can accommodate inserts with additional views.

IV. Final Products

A. The Proposed Report

The report, which contains a number of relevant quotes from President Clinton, begins with an overview statement that discusses the Administration's accomplishments in environmental protection and reinvention of environmental protection, emphasizes the Administration's commitment to the goals of environmental protection, and highlights some of the initiatives discussed in the body of the report.

The next section lists ten Principles for Reinventing Environmental Protection.

The last section lists Priority Actions, grouping them under the following headings: I. Performance and Incentive-Based Regulation, II. Setting Priorities Based on a Scientific Analysis of Risk, III. Sharing Decision-Making, IV. Cutting Red Tape, V. Accountability/ Compliance/ Enforcement, VI. The Power of Information, and VII. Bold Experimentation. A list of additional, uncataloged initiatives is also included.

Each of the initiatives grouped under the above headings is described in about four to six lines of text.

March 1, 1995

B. Binder Contents

The report was presented to the Vice President in a binder that contained additional materials. These included:

- (a) a cover memo
- (b) [the report itself],
- (c) more detailed information about the initiatives included in the report
 - using these section headings: title, summary of proposal, context, proposal, pros/cons, boldness/constituent reaction, statutory constraints and resource requirements, and timetable
 - grouped as follows: Enforcement and Accountability, Permitting Initiatives, Office of Water Reinvention Proposals, Air Office Initiatives, Reinventing RCRA, Office of Prevention, Pesticides, and Toxic Substances Proposals, Good Science and Technology Innovation Summary, and Regulatory Reinvention -- Place-Based Proposals Summary
- (d) a paper describing EPA's compliance with EO 12866 and related materials
- (e) a summary of EPA's actions with regard to its REGO-I recommendations
- (f) EO 12898
- (g) a memorandum from Sally Katzen on Principles for Risk Analysis, dtd January 12, 1995
- (h) a listing of EPA reinvention examples
- (i) a short paper on redefining federal, state, and local roles in environmental protection

A spreadsheet summary of all 118 EPA-proposed initiatives was also prepared, to facilitate review and comparison of the more limited set chosen for the report with the entire list.

V. Next Steps

Producing additional products for the Vice President's Regulatory Policy Review will require setting a timeline, identifying a team and its working procedures, working up the appropriate themes and categories, and then seeking the help of agency staff in writing up initiatives for consideration.

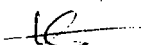
MEMORANDUM FOR REGULATORY POLICY REVIEW TEAM LEADERS

Subj: Written Reports from the Regulatory Policy Reviews

To: Jennifer Klein

From: Robert A. Knisely
National Policy Review
Office of the Vice President



See you on the
3rd!


Date: March 22, 1995

As you recall, in January the Vice President asked Keith Laughlin of OEP and me to work with EPA staff to draft a written report detailing EPA's regulatory reform activities. This process, described in Attachment 1, was quite successful. Last week the President released EPA's written report (two copies enclosed) and quoted from FDA's draft written report. We have also initiated this process with Labor and OSHA. The next step is to begin this process with the other agencies in the Regulatory Policy Review.

Please review the EPA report and Attachment 1, and discuss with HCFA and HHS staff how you would like to proceed to draft your report. I believe that the EPA format, which includes a summary of initiatives, a statement of policy, a list of initiatives in more detail, and the agency's regulatory reform efforts during this Administration, tells the story. While this is not a mandatory format, it is a very good place to begin.

We must begin now. The President will be having at least one regulatory reform event each month for the next several months, and the choice of agency and topics will be drawn in part from the written reports. An agency that becomes the subject of a Presidential event will be expected to have its written report through both policy review and printing (at agency expense) prior to the event.

Although not apparent from the EPA report as published, EPA has done extensive planning for the implementation of the initiatives listed. We expect to review similar planning efforts by all agencies.

Keith Laughlin, Chris Jennings, and Mike Schmidt are veterans of various stages of the report generation process. Please call them for assistance. Rob Brenner, who led the EPA effort for Carol Browner, is also available to discuss their effort, both with you and with agency officials. Rob, who must be given credit for much of the success of the EPA report (and is delightful to work with), can be reached on (202) 260-5580.

Although I will be out from COB Thursday, 23Mar95, until Monday, 03Apr95, please feel free to call me prior to COB Thursday. When I return, I expect to devote too much of April to the reports.