

E-Enterprise for the Environment Business Strategy
Office of Chief Financial Officer
U.S. Environmental Protection Agency
Modernizing the Business of Environmental Regulation and Protection
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Introduction

E-Enterprise is a common-sense 21st Century business strategy governed jointly by the States and EPA (and soon Tribes) to improve the performance of our shared environmental enterprise. We closely coordinate the identification of opportunities for program modernization and then coordinate our implementation. The changes improve environmental protection for the American public while reducing cost and the impact of environmental regulations on regulated entities and co-regulators (States, Tribes, and Territories).

A cornerstone of the E-Enterprise business strategy is the joint governance body established between EPA and its co-regulators, the E-Enterprise Leadership Council (EELC). The EELC leads and oversees E-Enterprise implementation and directly addresses inefficiencies. The implementation of environmental programs have been based on 1970s techniques of reporting and record-keeping, with processes and data systems that are now outdated and, in many cases, a challenge for regulated communities. These processes need to be modernized. With joint governance, we avoid the inefficiencies of separately implemented work by States and EPA to improve these programs. Together, there is opportunity for significant burden reduction and cost savings thereby increasing the overall cost-effectiveness of environmental protection.

Through the EELC, the E-Enterprise business strategy applies LEAN management principles to programs, improving business processes and modernizing data flows. Regulations are streamlined, the States and EPA share information reporting approaches, and all move from paper-based to electronic reporting. Program modernization opportunities also include the use of technology advances in pollution monitoring and information systems. These efficiencies can be measured in saved time and resources both for the regulators and for the regulated community.

Burden Reduction

The agency has made a commitment to one million hours of burden reduction as one of its FY 2015 Agency Priority Goals. Examples of burden reduction and cost savings estimated for key projects already underway under the E-Enterprise strategy include the following:

- Safe Drinking Water Information System (SDWIS Prime Component: Drinking Water Compliance Monitoring Data Portal for labs and water systems to report data directly to states) - 900,000 hours of burden reduction for States, annually, 80,000 hours for Public Water Systems and Labs, annually.
- National Pollutant Discharge Elimination System (NPDES) e-reporting Rule - annual net savings of \$28.7 million for states and \$1.2 million for regulated entities.

The Hazardous Waste e-Manifest is another example of modernizing reporting that will result in reduced burden. EPA estimates that the fully operational system will yield a burden hour reduction of 370,000 to 700,000 hours for regulated entities, which, after the initial investment (to be recovered by user fees), could deliver more than \$75 million of savings annually in reporting costs to industry.

Each project is designed as a stand-alone effort that provides a positive return on investment in the form of burden reduction, avoided or reduced costs, increased transparency, and other benefits. As a result, EPA and the States can invest in one or more E-Enterprise projects with each completed project delivering value for the regulated community, the taxpayer, and the public. EPA and the States will manage these projects in an integrated manner to maximize development efficiencies and return on investment. Technological developments over the last few decades have provided the opportunity to substantially improve the efficiency and effectiveness of environmental protection. While E-Enterprise leverages select information technologies, E-Enterprise is a broader model for conducting the businesses of environmental protection. The EELC expects improved environmental performance and better decision making will be possible as a result of greater access to more accurate and integrated data.

EELC-Selected Proposals for Streamlining and Modernization

In addition to burden reduction that will be realized from the existing projects cited above, in the spring of 2014, the EELC sent out a request for proposals for streamlining and modernizing programs from states and EPA programs and received 84 proposals. The large number of ideas that were submitted illustrate the

need for and potential of the E-Enterprise business strategy. The EELC chose five projects to scope and conduct a return on investment analysis for potential development beginning in FY2015:

- *Integrate and streamline air emissions reporting:* Emissions inventory reports are now submitted to EPA and the States by the regulated entities through four programs. There are also some State programs which require similar information on different schedules. This project will result in a single regulated entity submission which would meet the needs of all programs concurrently.
- *Promote availability and use of water data for water resource protection:* Water data from citizens groups, academia, industry and others are currently scattered on various federal, state and private databases or spreadsheets. This project would consolidate these data and begin to incorporate remote autonomous monitoring, which will increase the efficiency and the transparency of water quality protection.
- *Investigate business process improvements and smart mobile technology tools to support state and EPA inspectors:* This project would consolidate efforts completed or underway at the state and federal level to develop tools and systems that streamline and modernize the inspection process. This could allow for real-time consultation with facility owners and regulators.
- *Develop a “smart pesticide label” to improve the accuracy and effectiveness of the label in promoting safe pesticide use:* This project would develop a “smart label” for pesticide products that can be used by regulated entities, the states, and EPA. Changing from a paper based system to an electronic system will result in a savings for regulators and more accurate information to ensure safe use by the public.
- *Pilot a community service tool for local governments.* This project would develop a pilot Community Service Portal to facilitate the access of tools by local governments and will help them maintain public services, such as clean drinking water. It will also provide insight and understanding of system performance for small community governments and provide a consistent means for communication between regulators, system operators, and community leaders.

State Support

Some states are already engaging in E-Enterprise efforts. For example, Ohio EPA launched its electronic Discharge Monitoring Report Submission (eDMR) system, which uses electronic reporting to allow permittees to report their discharge measurements quickly and easily online. This method of reporting has increased data quality (errors have dropped from 50,000 per month to 5,000), while also saving significant time and resources. A positive ROI was achieved within two years. Massachusetts has also conducted an ROI analysis of similar investments, showing positive returns beginning in year five of its project (which includes six state governmental departments).

Because of these experiences and the potential that E-Enterprise offers, this strategy has full backing from the Environmental Council of States (ECOS). In fact, in September 2013, ECOS adopted by consensus a resolution in support of E-Enterprise.

Outreach to the Public and Regulated Community

The EELC has developed a communication plan and we continuously solicit feedback from industry, non-governmental organizations, academics and the public. The first example of this is the development of the E-Enterprise Public Portal, which will provide a customized interface for all seeking access to environmental data.

E-Enterprise does not change existing delegation and operating agreements. Any regulatory or policy changes resulting from E-Enterprise use existing mechanisms, such as full notice and comment procedures under the Administrative Procedures Act when regulatory changes are needed.

Conclusion

E-Enterprise will improve the coordination and integration of environmental protection activities that are shared among EPA, states, the regulated community and the public, by using a 21st century business strategy of streamlining and modernizing program implementation. The E-Enterprise business strategy will result in greater efficiencies and ultimately, in improved environmental outcomes for the country as a whole.