



# THE COMMITTEE ON ENERGY AND COMMERCE

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## MEMORANDUM

July 18, 2014

To: Members, Subcommittee on Environment and the Economy

From: Majority Committee Staff

Re: Hearing “Modernizing the Business of Environmental Regulation and Protection”

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On Wednesday, July, 23, 2014, at 10:00 a.m. in 2322 Rayburn House Office Building, the Subcommittee on Environment and the Economy will hold a hearing entitled “Modernizing the Business of Environmental Regulation and Protection.” The hearing will focus on ways States and the U.S. Environmental Protection Agency (EPA) are modernizing and streamlining environmental programs and regulations. The hearing also will include testimony about the impact of those changes on the regulated community. It is anticipated that EPA will provide written comments for the hearing record. Those comments will be made available to Committee members immediately upon receipt by the Committee.

### **I. WITNESSES**

- Henry Darwin, Director , Arizona Department of Environmental Quality
- David Cash, Commissioner, Massachusetts Department of Environmental Protection
- Teresa Marks, Director, Arkansas Department of Environmental Quality
- Bill Kovacs, Senior Vice President, Environment, Technology & Regulatory Affairs, United States Chamber of Commerce
- Scott Slesinger, Legislative Director, National Resources Defense Council
- Matt Wasson, Director of Programs, Appalachian Voices

### **II. BACKGROUND**

State environmental agencies and EPA are partners in the “business” of working toward cleaner air, water, and soil. Environmental agencies throughout the country are recovering from the economic recession and have been forced to reduce significantly their workforce and annual operating budgets and, consequently, have had to find ways to deliver the same value to the public and the regulated community with fewer resources.

A key example of the Federal effort to modernize and streamline the way an existing statute is carried out began with enactment of Public Law 112-195, the Hazardous Waste

Electronic Manifest Establishment Act. This bi-partisan legislation was reported by the Committee on Energy and Commerce on September 10, 2012, and passed the House the next day without amendment. The Senate took up the House-passed bill by unanimous consent on September 21, 2012, and passed it, without amendment. The President signed it into law on October 5, 2012. This Act authorizes EPA to employ a system that uses electronic manifests to track shipments of hazardous waste, under Resource Conservation and Recovery Act (RCRA) Subtitle C, from its generation to ultimate disposal. This will allow the current process, which requires paper forms, to be streamlined and greatly reduce the millions of paper manifests produced each year.

EPA has called the e-Manifest program “the vanguard of the agency-wide initiative to develop new tools to reduce the reporting burden on regulated entities, and provide the agency, states and the public with easier access to environmental data.”<sup>1</sup> EPA estimates the national e-Manifest system ultimately will reduce the burden associated with preparing shipping manifests by between 300,000 and 700,000 hours, and result in cost savings of more than \$75 million per year for States and industry.

The State officials testifying at the hearing will describe steps their respective States have taken to improve environmental protection and to improve service to the regulated community and the public by maximizing the use of technology, optimizing their operations, and increasing transparency. Besides cost-savings, the witnesses are expected to discuss other benefits of modernization, including more rapid restoration of compliance, which benefits both the environment and the regulated community.

**Arizona:** Over the past two years, Arizona Department of Environmental Quality (ADEQ) has transformed its operations by deploying the practices successfully used by some in private industry dealing with similar budgetary issues. These practices, known as Lean, reduce waste and inefficiency and improve work flow in organizational processes. Although not yet fully implemented, these Lean techniques already have achieved improvements at ADEQ. For example, Arizona has reduced the time to issue its longest lead-time permits by over 60 percent.

**Arkansas:** The Arkansas Department of Environmental Quality is taking steps to modernize its online permitting, licensing and, registration system, which will allow permit documents and other reports to be submitted electronically. Arkansas has also implemented the use of electronic tablets by its Regulated Storage Tanks (RST) Division inspectors to record inspection data while at a facility. The tablet allows the inspector to enter data into the inspection form, and when the inspection is completed, have the facility sign the form. Use of this technology has eliminated the need for scanning the document before it is published to the web for public use. Arkansas also is developing a “Complaint” mobile application that will allow the public to use a smartphone to submit a complaint. The smartphone will capture GPS coordinates and coordinate them into the message to State officials to pinpoint the location of the complaint.

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<sup>1</sup><http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/ac26524a3f956c6185257c6100717675!OpenDocument>

**Massachusetts:** The Massachusetts Department of Environmental Protection (DEP) is also in the process of advancing, aligning, expanding, and transforming the manner in which DEP executes timely, predictable, and cost-effective business functions. A specific example of Massachusetts' vision is to use GIS mapping software to map all Brownfields and link to supporting documents regarding the status of the cleanup in an effort to facilitate economic redevelopment.

### **III. ISSUES**

The following issues may be examined at the hearing:

- How can the EPA, the States, and the regulated community collaborate to improve environmental performance and make compliance and administrative systems more efficient? Are changes to Federal or State law needed in order to improve efficiency?
- What new environmental management approaches can be developed by employing advanced information gathering and monitoring technologies to manage and modernize environmental programs?
- What are State initiatives that streamline and improve existing processes, activities, and requirements?
- Have State statutes or regulations needed to be updated in order to modernize environmental programs?
- What are the benefits or disadvantages, if any, to the regulated community and the public of modernizing environmental management approaches?

### **IV. STAFF CONTACT**

If you have any questions regarding the hearing, please contact, Tina Richards, Jerry Couri, or David McCarthy of the Committee staff at (202) 225-2927.