

Joint EPA/State Agreement to Pursue Regulatory Innovation

"... We must encourage innovation by providing flexibility with an industry-by-industry, place-by-place approach to achieving standards,.... But we will require accountability that such standards by met. Rather than focusing on pollutant-by-pollutant approaches, attention must shift to integrated strategies for whole facilities, whole economic sectors, and whole communities."
(Excerpt from President Clinton's "Reinventing Environmental Regulation," March 16, 1995)

The U.S. Environmental Protection Agency and the states agree on the need to experiment with new approaches to improve our nation's environment. These new approaches can help us identify cleaner, cheaper, smarter ways to ensure that all Americans enjoy a clean environment and healthy ecosystems. Through this joint commitment, EPA and the states agree to encourage, evaluate, implement, and disseminate presumes that EPA and the states will find ways to help good ideas succeed, and that joint EPA and state efforts to promote and test new ideas will result in the maximum benefit to the American people and their environment.

Two years ago, EPA and the states entered into an historic agreement to establish the National Environmental Performance Partnership System (NEPPS). That agreement recognized that we have achieved significant progress since environmental protection programs were created more than 25 years ago. et to meet today's new challenges, we agreed the states and EPA must manage for environmental results, increase public involvement, and use environmental indicators to track our progress. We agreed that states and EPA must become true partners in implementing federal programs, and that different state programs need different levels of federal involvement.

This new partnership creates an environment in which state and local regulatory innovations can, and should, flourish. As the primary, front-line delivery agent for environmental programs, states are a natural laboratory for testing new ideas. State and local environmental professionals are closet to environmental problems and communities, and can often develop the most practical solutions. These professionals should be encouraged to seek innovative solutions that may not fit within the traditional approaches. We agree that our efforts to promote innovation must, in a more efficient or effective way.

EPA also seeks to promote regulatory innovations at all levels. This agreement complements, but does not supplant, other national or state efforts to develop regulatory innovations. Its purposes are to: improve environmental protection in the United States; to improve EPA/State environmental management practices; and to provide timely decision-making on good ideas.

EPA agrees to establish a process that ensures timely review and decision-making on state innovation proposals based on implementation of the above seven principles. The states agree to consult early with EPA, to develop proposals consistent with the above principles, and to involve stakeholders. EPA and the states agree on the need for a clearinghouse of regulatory innovations so that promising ideas can be shared across state lines and within EPA.

We agree that the principles and process described in this agreement should be open to continual improvement. As part of ongoing review and evaluation, EPA and the states agree to evaluate the need to further institutionalize the broad principles and process to help future innovations succeed.

Through this agreement, as detailed in Part 2, states and EPA are committed to work together and with all stakeholders to apply the lessons learned from successful innovations in creating the best possible system to achieve greater environmental protection at a reasonable cost. We agree to encourage innovation that will prepare us for meeting our environmental challenges well into the 21st century.

Signed by the following in April, 1998

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