

# Innovating

for Better Environmental Results:

Key Actions



A Strategy To Guide  
The Next Generation of Innovation at EPA



## KEY ACTIONS

### STRENGTHEN INNOVATION PARTNERSHIPS WITH STATES AND TRIBES

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States and Tribes can be key partners in developing and deploying innovative approaches to environmental protection, and EPA will work with them to set a future direction for innovation work. Concurrently, we will act on existing opportunities to support and facilitate State and Tribal innovation efforts. These include involving States and Tribes earlier in identifying priorities and ensuring the funding to address them, offering more flexibility in how grants are used, and supporting the diffusion of innovations among States.

### REDUCE GREENHOUSE GASES

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EPA will pursue key partnerships for reducing greenhouse gas emissions that contribute to global climate change. We have just launched a new *Climate Leaders* program to encourage companies to develop climate change strategies, and strategically pursue partnerships with sectors that are committed to reducing emissions, such as the ground freight transportation industry. We will expand *Energy Star* to include more consumer products, promote use of combined heat and power generation and other renewable energy sources, and encourage organizations to offer their employees' support for making environmentally-friendly commuting choices. These commitments are supported by a \$4.5 billion federal investment for global climate change-related activities in the President's FY 2003 budget.

### REDUCE SMOG

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Many areas of the country struggle to meet air quality standards, particularly those for ground-level ozone and particulate matter. In many cases, all conventional strategies have already been implemented and the need for innovative, cost-effective alternatives is great. To help States comply with the one-hour ozone standard, in particular, EPA will allow use of certain voluntary actions that reduce emissions from currently unregulated sources, provide a decision-making model for assessing different emission control strategies, and expand two voluntary programs that are designed to fight smog: *Ozone Flex* and *Cool Cities*.

### IMPROVE WATER QUALITY

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Sediments, nutrients, pathogens and toxic substances continue to threaten the quality of many of the nation's waters. The sources of these pollutants — polluted runoff, onsite septic systems, and air deposition — are often diffuse and hard to control, and they underscore the need for watershed approaches that take all the factors affecting water quality into account. To promote watershed management, EPA will provide national recognition, financial support and technical assistance to improve conditions in up to 20 priority watersheds. This initiative will be bolstered by \$21 million in the the FY 2003 budget that will support a variety of watershed restoration activities, from setting standards to monitoring to developing and applying pollution limits. EPA will also promote greater use of water quality trading, an under-utilized approach that can provide a lower cost alternative to achieving water quality goals.

### REDUCE COST OF WATER INFRASTRUCTURE

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Our nation's drinking water and wastewater treatment infrastructure is aging and deteriorating. Concerns are growing that current approaches and spending will not allow us to keep pace with future needs, threatening to reverse the gains in water quality made over the past three decades. To ensure that critical infrastructure needs are met, EPA will convene stakeholders to develop a comprehensive approach that addresses funding, advances in environmental technology, rate structures, water conservation, and innovative approaches for managing finances and physical infrastructure.

## KEY ACTIONS

### EXPAND BROWNFIELDS ECONOMIC REDEVELOPMENT

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Many contaminated sites across the country are in need of cleanup and economic redevelopment. To help reclaim these properties, EPA will expand its *Brownfield Economic Development Initiative* to provide more assistance to more communities and to help them address a wider variety of environmental issues at each one. This action will be bolstered by a \$200 million investment in brownfields in the FY 2003 budget, \$100 million more than provided in FY 2002. The additional funds will support environmental assessments at hazardous waste and petroleum contaminated properties and state voluntary cleanup programs.

### FORGE STRONGER PARTNERSHIPS WITH THE AGRICULTURE COMMUNITY

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Many EPA programs have responsibilities that relate to agriculture, and most focus on reducing environmental impacts from agricultural production. But agriculture also presents opportunities for improving environmental quality, such as carbon storage, cleaner water, and better habitat for fish and wildlife. EPA will develop a strategy to increase coordination and collaboration with agricultural interests, including the related public agencies and the agricultural producers.

### PROMOTE BETTER ENVIRONMENTAL INFORMATION

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High quality, easily accessible environmental information is critical for environmental managers in the public and private sectors, and a key tool for supporting public participation in environmental protection strategies. To improve understanding of environmental conditions, in November 2002, EPA will release its first *State of the Environment Report*. EPA will also launch the highly-anticipated *National Environmental Information Exchange Network* with States to allow quick, efficient electronic exchanges of environmental data between government agencies and the private sector. In addition, the FY 2003 budget includes \$25 million to help States with modernizing and integrating their data systems.

### PROMOTE INNOVATIVE TECHNOLOGY

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Many of today's environmental problems can be addressed most cost-effectively through the use of new, innovative technologies. The key is to identify those technologies that will provide better environmental results and to support their development and use. EPA will create a *National Environmental Technology Competition* to identify and encourage development and use of innovative technologies that produce more effective and lower cost solutions to environmental problems. The FY 2003 budget includes \$10 million to launch this competition. In addition, this year, EPA will provide \$5 million in grants to explore how nanotechnology can be used to enhance environmental protection efforts.

### USE INCENTIVES

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Economic, information, compliance assistance and other types of incentives can be used to motivate sound environmental performance and pollution prevention by individuals, communities, businesses and industry sectors. EPA will develop and test incentives, and look for opportunities to apply them when developing new regulations, permitting options, and voluntary programs. EPA will also evaluate how incentives, such as streamlined monitoring and reduced reporting, can be used to enhance existing environmental programs.

## KEY ACTIONS

### EXPAND USE OF ENVIRONMENTAL MANAGEMENT SYSTEMS

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Environmental Management Systems (EMS) can be a valuable tool for helping organizations integrate the full range of environmental responsibilities into their day-to-day operations. However, only a small fraction of organizations have adopted EMSs, especially in non-manufacturing sectors that tend to have unregulated environmental impacts. EPA will encourage wider adoption of EMSs, particularly among certain industry sectors and small and medium-sized businesses that have less developed environmental management programs. EPA will also set an example by implementing EMSs at all appropriate EPA facilities by December 2005.

### TEST, EVALUATE AND DEPLOY INNOVATIVE APPROACHES

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EPA has been developing and testing innovative approaches to environmental protection through several key mechanisms, including *Project XL*, the *Joint EPA-State Agreement to Pursue Regulatory Innovation*, the *National Environmental Performance Track*, the *Smart Growth Initiative* and EPA's small business programs. EPA will focus on moving innovations developed through these and other channels into wider use so that benefits are realized as quickly and broadly as possible. EPA will focus development efforts on innovations that support the strategic goals described in the Innovation Strategy; have strong replication potential; synthesize lessons from previous innovations; and produce measurable results.

### ENSURE SUPPORT FOR INNOVATION THROUGH PLANNING AND BUDGETING

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In recent years, EPA has taken important steps to link planning and budgeting and improve its performance measurement systems. These actions are part of a results-based management approach that targets resources to the highest priorities, offers flexibility, and encourages innovation. In order to become a more results-based organization, EPA will focus on developing better performance measures that provide information about environmental conditions, not just program activities. We will use this information to determine how well programs are working, and as a guide for making any necessary adjustments.

### FOSTER A MORE INNOVATION FRIENDLY CULTURE WITHIN EPA

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For this strategy to be effective, innovation must become an attitude, an outlook and an integral part of EPA's daily work, management systems and organizational culture. EPA will promote innovation internally by rewarding innovators, by publicizing results from innovation initiatives, and by rotating senior managers so they can share innovation experiences more broadly with other parts of the Agency. EPA will also look to the future to identify how emerging concepts, such as industrial ecology and lean manufacturing, can be harnessed to improve environmental results.