



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

MAY 7 2002

OFFICE OF THE  
ADMINISTRATOR

MEMORANDUM

SUBJECT: Implementing the Innovation Strategy

FROM: Linda J. Fisher  
Deputy Administrator

A handwritten signature in cursive script that reads "Linda J. Fisher".

TO: Assistant Administrators  
Regional Administrators

EPA's new innovation strategy, *Innovating for Better Environmental Results: A Strategy to Guide the Next Generation of Innovation at EPA*, was released on April 24. We must now shift our attention and energy to implementation.

An initial set of activities has been identified by each program office and the Office of Policy, Economics, and Innovation (OPEI) is redirecting its work to advance the goals of the strategy. The purpose of this memo is to ensure that each program and region is engaged and to clarify additional key steps we will use to ensure progress as the strategy is implemented.

**Background** -- The strategy, requested by Governor Whitman in April 2001, provides a framework for using innovation to move us toward a system of environmental protection in which we:

- focus on environmental performance and results;
- emphasize comprehensive environmental responsibility, not just pollution control;
- integrate environmental management across facilities, problems and media;
- use market-based incentives and the full range of available tools to achieve ambitious environmental goals; and
- foster partnerships with others who can contribute to environmental solutions.

The strategy presents four ways we plan to move toward results-based environmental protection through innovation: 1) strengthen our innovation partnerships with States and Tribes; 2) focus our innovation efforts on priority environmental problems -- reducing greenhouse gases and smog, improving water quality, and reducing the cost of water and wastewater

infrastructure; 3) make fuller use of a diverse range of tools such as information and environmental technology, market-based incentives, environmental management systems, and measurable performance goals; and 4) make EPA's culture and management systems more "innovation friendly."

**Key Implementation Steps** -- We must promote innovation in all parts of EPA. The implementation plan that accompanies the strategy represents an initial set of activities to be led for the most part by headquarters that will support our innovations work through both ongoing projects and some '03 budget initiatives. A synopsis of these activities, entitled "Key Actions," has been made available to the public. The strategy now needs to be translated into specific projects and activities on the ground, particularly between Regions and our State partners. Listed below are additional actions I am requesting you to undertake:

1. **Communicating the Innovation Message** -- Each AA and RA should plan outreach consistent with the strategy, both to EPA staff and to external groups. Copies of the strategy are available on OPEI's website, <http://www.epa.gov/opei>, and printed copies are available from Kimberly Green-Goldsborough in OPEI (202/260-4297). Tom Gibson plans to visit each regional office, and can assist in these efforts. I am requesting that the national programs follow the Administrator's example and include as a standing agenda item the exchange of current innovations experiences during each national program meeting (e.g., the media division director meetings).
2. **Understanding State Priorities** -- Representatives of each regional office should meet with the States within their Region to discuss innovation priorities and identify opportunities for collaboration. These discussions can be held with individual states or jointly with all states. State innovation priorities will affect multiple efforts: identification of regional innovation priorities (see #3 below); identification of activities that may warrant inclusion in future EPA-State agreements; possible '04 priorities that should be discussed at the May budget meeting; and identification of possible candidates and issues for funding under the modest State Innovation Fund Governor Whitman announced at the ECOS meeting on April 24.
3. **Regional Innovation Commitments** - Each Region should identify two or three significant targets of opportunity to advance the goals of the innovation strategy on which they will focus and provide leadership for the next several years. These should be concrete actions, projects, and initiatives that align with the four priority environmental problems, five tools or overall vision reflected in the strategy. Please submit a description of these activities to OPEI by June 1, 2002.
4. **OPEI Support** -- OPEI will reorient its innovation work to support the goals of the strategy. This includes: directing future testing of new ideas in areas consistent with the strategy's priority problems, tools, and vision; strengthening support for the evaluation of these tests and our existing programs; developing a process for "scaling up" successful experiments; and working

closely on an ongoing basis with other Agency offices and our State counterparts on innovation. It also means finding ways for the Performance Track and Smart Growth programs, as well as our activities with various business sectors, to promote progress in the areas targeted by the strategy. OPEI will also continue to function as a gateway for States, communities, businesses, and other federal agencies to approach EPA with their innovative ideas.

5. *Management and Tracking of Progress* – Although the Innovation Action Council (IAC) will oversee the implementation of the overall strategy as part of its quarterly meetings, I have asked OPEI to work with you to develop a quarterly report that will be submitted to me. The first of these reports will be due to OPEI at the end of the third quarter, June 30, 2002. OPEI will gather much of this information through a web-based system and will provide additional guidance. I also plan to participate in upcoming IAC meetings so that we can discuss together what we are learning from our implementation efforts. We will review overall progress more formally in **April, 2003**.

I want to thank the Deputy Assistant Administrators and Deputy Regional Administrators who serve on the IAC, as well as OPEI, for developing the new innovation strategy. It offers EPA a management framework that will assist us in making real progress toward achieving important environmental results.

cc: Innovation Action Council  
Innovation Action Council Staff