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EPA [Environmental Protection Agency] Bill - Question 3 - Commission on Environmental
Protection March 18, 1993

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QUESTION 3: COMMISSION ON ENVIRONMENTAL PROTECTION

THE BILL ALSO ESTABLISHES A COMMISSION TO STUDY AND MAKE RECOMMENDATIONS ON OUR ENVIRONMENTAL LAWS.

MY CONCERN RESULTS FROM A STUDY THAT WAS JOINTLY CONDUCTED BY THE EPA AND AMOCO ON THE POTENTIAL FOR POLLUTION PREVENTION AT A REFINERY. THE STUDY CONCLUDED THAT IF A FACILITIES WIDE POLLUTION PREVENTION APPROACH WERE ESTABLISHED, POLLUTION REDUCTIONS AS REQUIRED UNDER THE LAW COULD BE ACHIEVED AT 25 PERCENT OF THE COST OF EXISTING PROGRAMS. NONETHELESS, EPA CONCLUDED THAT SUCH AN APPROACH WAS INCONSISTENT WITH AGENCY POLICIES AND POSSIBLY INCONSISTENT WITH ITS STATUTORY AUTHORITY.

I WOULD LIKE TO RECEIVE FURTHER CLARIFICATION OF THIS CONCLUSION.

- 1) HOW COULD SUCH AN APPROACH BE INCONSISTENT WITH EPA POLICIES AND BE INCONSISTENT WITH CURRENT AUTHORITY? --**
- 2) PLEASE PROVIDE ME WITH SPECIFIC EXAMPLES AND RECOMMENDED CHANGES TO THE STATUTORY LANGUAGE**
- 3) IS THE CURRENTLY ONGOING INTERNAL MANAGEMENT REVIEW EVALUATING THE NEED TO ENHANCE AND STRENGTHEN THE MANAGEMENT AND COORDINATION OF ENVIRONMENTAL PROGRAMS?**

The joint EPA/Amoco project provided a good opportunity for the Agency to work cooperatively with industry to examine how regulatory requirements work together at a specific facility, in this case a refinery in Yorktown, Virginia.

Among the conclusions of the Yorktown study was that the facility could meet environmental quality targets more cost-effectively than currently is possible under existing statutes and regulations. While EPA and Amoco may have some disagreement on the extent of potential cost savings, clearly such savings would be possible if sources could approach pollution prevention and control from a facility-wide standpoint to a greater extent.

However, a facility-wide approach often is not possible. EPA has been charged by Congress with implementing statutes that, in many cases, are relatively prescriptive and which do not allow sources to trade-off compliance among statutory mandates, even if the result of such cross-media trade-offs might be equal (or even greater) pollution reduction at a lower cost. It is my understanding that Amoco itself has come to this conclusion after commissioning an independent legal analysis.

For refineries and other industries, coordinating the timing of compliance with different requirements is often the biggest problem. Often the timing of regulatory requirements from different EPA offices is driven by different deadlines in two or more statutes. This can prevent sources from developing one compliance strategy that optimizes all the requirements at the same time.

Clearly these are difficult and important issues to be sorted out. The Clinton Administration is committed to tackling these kinds of problems as we seek to harmonize environmental protection and economic growth, as well as make government more efficient and responsive. While the Agency is not conducting the ongoing internal management review that you reference, it is my view that statutory barriers of the sort you highlight must be addressed as we work with Congress in the upcoming round of statutory reauthorizations.

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503**

March 17, 1993

LEGISLATIVE REFERRAL MEMORANDUM

LRM #I-174

TO: Legislative Liaison Officer -

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FROM: RONALD K. PETERSON (for)
Assistant Director for Legislative Reference

**OMB CONTACT: Holly FITTER (395-3233)
Secretary's line (for simple responses): 395-6194
Richard MERTENS (395-6931)**

**SUBJECT: EPA QS and AS RE: S 171, Department of the
Environment Act of 1993**

DEADLINE: 11:00 AM March 18, 1993

**COMMENTS: Attached is QUESTION #3 that was missing from LRM I-70
because EPA had not completed its answer. If you do not
respond by the deadline, we will assume that your agency
has no comment.**

**OMB requests the views of your agency on the above subject before
advising on its relationship to the program of the President, in
accordance with OMB Circular A-19.**

**Please advise us if this item will affect direct spending or
receipts for purposes of the the "Pay-As-You-Go" provisions of
Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

CC:

**J. Payne
M. Weatherly
J. Mietus
K. McGinty
A. Fraas**

