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VCEMS is a Vanderbilt University initiative jointly led by the School of Engineering, the Law School, the Owen Graduate School of Management, and the Vanderbilt Institute for Public Policy Studies. Center activities are interdisciplinary and focus on environmental business, management, and technology.

The Center is funded by corporate sponsors and by outside research grants. These funds are used to support curriculum development, student scholarships, faculty research projects, marketing, executive seminars, leadership summits, and Center administration. Research grants for specific projects are sought from various sponsors including foundations, government agencies, and corporations.

VCEMS has defined the following core objectives:

- To develop and offer executive management courses focusing on critical and emerging topics in environmental management;
- To stimulate development of new methods and management practices to reduce environmental risk in a cost-effective manner;
- To organize and present national symposia on topics relating environmental policy to business management and operations;
- To coordinate and encourage course offerings which lead to both interdisciplinary environmental management concentrations and emphases for established disciplines; and,
- To publish information on timely environmental management issues and VCEMS activities in both print media and on the World Wide Web.

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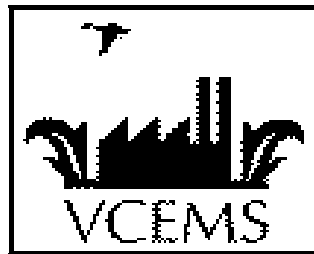
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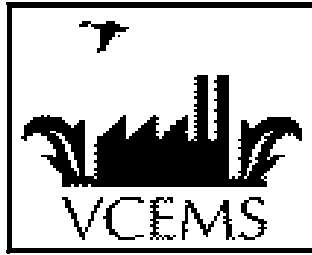
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Environmental Information Disclosure and Stakeholder Involvement: Searching for Common Ground



**National Summit Hosted by VCEMS
Vanderbilt Center for Environmental Management Studies
March 3, 1999
Nashville, Tennessee**



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INTRODUCTION AND EXECUTIVE SUMMARY

On March 3, 1999, the Vanderbilt Center for Environmental Management Studies (VCEMS) held a national summit titled “Environmental Information Disclosure and Stakeholder Involvement: Searching for Common Ground” at Vanderbilt University in Nashville, Tennessee. VCEMS specifically acknowledges Ashland, Inc., Bridgestone/Firestone, Inc. and Union-Carbide Corporation, whose generous support and sponsorship was instrumental to the summit’s success.

The purpose of this one-day summit was to bring together high level corporate, environmental, and government officials to discuss the growing trend towards information disclosure as an environmental policy tool. Both regulators and environmentalists showed interest in continuing to utilize, and in many cases expand, existing environmental information disclosure programs to further motivate voluntary action by firms to reduce releases to the environment. The increasing availability of environmental information, especially at the facility and company level, has permitted stakeholder involvement to take on new, expanded roles. Consumer, community and environmental groups are utilizing available information in ways which place significant pressure on firms to take action to reduce environmental releases. However, despite differing views, it was clear that summit attendees had a similar vision, namely improved environmental performance through “responsible public accountability”.

Although current disclosure programs have been credited with prompting firms to reduce emissions below levels otherwise required by traditional “command and control” regulations, significant concerns have been raised about these disclosure requirements. For example, information now disseminated can be distorted, inaccurate, untimely, as well as confusing. If disclosure programs mislead the general public, they could result in inappropriate policy decisions, requiring financial and human resources to be misdirected on emissions, which may pose low risks to the environment.



The summit was viewed as a catalyst in the ongoing national discussion of the efficacy of this evolving area of government policy. Invitees represented a balance across the key stakeholder sectors of government (federal and state), business and environmental organizations. Approximately 50 senior executives attended and participated in the day-long discussion and debate.¹ Holding this event at a neutral forum such as Vanderbilt University facilitated frank discussions, candid sharing of ideas and concerns, and consensus building among the varied interests.

Objectives of the summit included: 1) providing opportunities to network across group lines and begin development of cooperative relationships, 2) identifying opportunities for groups to work together that are mutually beneficial, and 3) developing a list of “action items” in response to critical issues identified in the consensus process. Based on feedback received from summit participants, it appears that these objectives were met.

The summit format began with an introductory plenary session where participants identified areas of both satisfaction and concern with the current state of the practice in environmental information disclosure (see Appendices A and B). This was followed by three keynote speakers representing business, government, and environmental organizations, who, by voicing their perspectives, set the stage for the remainder of the summit. The keynote speakers were Mr. Dennis Minano, Vice President for Public Policy and Chief Environmental Officer of General Motors Corporation, Ms. Carol M. Browner, Administrator of the U.S. Environmental Protection Agency, and Mr. Fred Krupp, Executive Director of the Environmental Defense Fund.²

The group divided into four facilitated working groups to address topics focused on current environmental information disclosure programs. A subsequent working group session

¹ The list of summit participants is attached as Appendix C to this paper.

² The keynote addresses are attached, collectively, as Appendix D to this paper.



addressed topics related to improving the future of environmental information disclosure. Each working group included a representative mix of stakeholder interests.

All participants then re-convened as a group for a final plenary session. Facilitators from each working group reported their respective findings, spurring discussion of those findings as well as potential initiatives that might result from the summit effort.

From these candidates, the following list of potential initiatives should be considered for implementation in the near future. VCEMS selected these initiatives based on our understanding of future needs. These initiatives do not necessarily represent the opinion of any summit participant.

- Prepare a concise, understandable science-based “facts and answers” document that is neutral and peer-reviewed for use by the public in conjunction with environmental information disclosure programs such as TRI, Scorecard, etc.
- Undertake research concerning whether voluntary disclosure of accurate “risk-relevant” environmental information exposes industry to increased legal liability.
- Develop a working group of EDF and other key stakeholders to expand Scorecard (and perhaps other environmental information disclosure vehicles) to incorporate other significant sources of pollution and to address concerns not reflected in information currently being disseminated to the public.
- Undertake a comprehensive market survey of the underlying need for current environmental information disclosure programs, including evaluating current and potential audiences, their respective disclosure needs and content of information disclosed.

VCEMS also identified the following critical and emerging issues for consideration as future summit topics:

- A national summit to begin a dialogue that will ultimately lead to the creation of a meaningful hazard and risk ranking reporting system.
- A national summit to address ways to reward “good actors” whose positive environmental performance goes beyond regulatory compliance and required environmental information disclosure.



More detailed information concerning each of these proposals is presented later in this document.

BENEFITS OF ENVIRONMENTAL INFORMATION DISCLOSURE

This section briefly summarizes the gains made in the area of environmental information disclosure. Since the introduction of the Toxic Release Inventory (TRI) in 1988, there has been a significant decrease in the total amount of TRI chemicals released in the United States. In addition to overall reduction in emissions, the public is enjoying greater access to environmental information. TRI and other environmental data are available online through the EPA, and through other sources such as EDF's Scorecard website. Increasingly, companies are independently releasing environmental information through their own corporate environmental reports and community outreach. Not only is this information being used to inform stakeholders, but it also forms the basis of industry benchmarking and helps maintain firm accountability. Disclosure of environmental information is intended to spur intelligent dialogue between stakeholders regarding choices made by individuals about their health, community and environment. As a result, many argue that we have entered another phase of environmental protection characterized by market-driven forces and public stakeholder involvement.

Indeed, some governmental entities have developed innovative programs based on voluntary firm participation, not command and control regulation. Examples of such programs include Greenlight, Energy Star, 33/50, StarTrak, and other state-administered pilot partnerships with private companies. Voluntary disclosure of environmental information forms the cornerstone of such programs, which have achieved early, yet limited success.

Despite these benefits, environmental information mechanisms were not formed as part of a well-designed system of integrated programs. Instead, they evolved in different ways through various stakeholder initiatives. Current efforts are underway by several organizations to



standardize corporate environmental reporting and to encourage the disclosure of information in a manner that is relevant to the financial community.³

In acknowledging those efforts, the summit can be viewed as complementary and broader in scope. Its mission was to determine what key stakeholders like and dislike about the current structure of information disclosure programs and to explore possibilities for improvement.

³ In particular, we note the Global Reporting Initiative with its goal of standardizing corporate environmental reports (see <http://www.ceres.org/reporting/globalreporting.html>), and several initiatives exploring the valuation of environmental performance (see, e.g., Aspen Institute's Valuing Environmental Performance program – <http://www.aspeninst.org/dir/polpro/eee/ny/eeenyrep.pdf>).



CURRENT NEEDS AND POTENTIAL INITIATIVES

Although summit attendees possessed differing views of issues, it was clear that all involved had a similar vision, namely improved environmental performance through “responsible public accountability”. To realize this vision, however, involves environmental information disclosure that: 1) improves human health and the environment by changing individual and corporate behavior, 2) increases confidence in the transparency of government and industry, 3) encourages value-added solutions for improved economic vitality, and 4) delivers results through combined regulatory/voluntary programs. It was on this basis that current needs and potential initiatives were discussed. This section summarizes current needs and potential initiatives identified by summit participants and further developed by VCEMS. These needs and corresponding initiatives are listed in Table 1.



TABLE 1- List of Initiatives Identified from VCEMS Summit
(Priority Items in Bold)

Initiative	Research Project	Working Group	Summit Topic
1. Prepare “User’s Guide” to environmental information	X		
2. Study of industry liability when providing risk relevant information	X		
3. Summit on hazardous ranking & reporting system			X
4. TRI Improvements		X	
5. Enhanced information disclosure mechanisms		X	
6. One-stop shopping for data		X	
7. Financial market need for environmental performance measures			X
8. Better environmental performance measures		X	
9. Marketing study of information disclosure needs	X		
10. Sector-specific environmental performance measures		X	
11. Standardized corporate environmental reports			X
12. Study on why firms voluntarily report	X		
13. Study of targeted enforcement	X		
14. Summit on ways to reward good environmental performance			X
15. Develop methods of protecting proprietary data while enhancing voluntary disclosure		X	
16. Study costs and benefits of disclosure programs	X		

Need:

Although new studies are underway on the risk associated with various chemicals, there are substantial gaps in available knowledge and much that is still unknown.



Even where information regarding risk is available, there is still much missing information regarding hazard. There is a strong need for accurate “risk-relevant” information (i.e., hazard and exposure information) and a need to normalize missing information by hazard and risk to promote public understanding.

Potential Initiatives:

- 1. Prepare a science-based facts and answers document which is neutral, basic and peer-reviewed for use by the public in conjunction with environmental information disclosure programs such as TRI, Scorecard, etc., to assist in providing context to data provided.**
- 2. Undertake research on whether providing “risk-relevant” information exposes industry to increased liability. If so, does the need for accurate risk based information outweigh the possibility of increased liability? Are there justifications for and mechanisms to limit or eliminate such liability in exchange for voluntary disclosure and/or development of such information?**
- 3. Organize a summit of industry, government, and non-government organizations to begin a dialogue that will ultimately lead to the creation of a meaningful hazard and risk ranking reporting system.**

Need:

There was general consensus that the existing TRI program can be improved. The concerns raised included timeliness of information, information accuracy, verification of data, the need to improve data quality control, etc.

Potential Initiative:

- 4. Develop a working group of key stakeholders to discuss potential TRI improvements through EPA rulemaking authority and/or by way of legislative initiatives.**

Need:

Environmental information disclosure programs such as TRI, EDF’s Scorecard, etc. need to incorporate other significant sources of pollution and find ways to address other perspectives and concerns not reflected by information currently being disseminated to the public.



Potential Initiative:

Develop a working group of EDF and other key stakeholders to undertake discussion and cooperative efforts to expand Scorecard (and perhaps other environmental information disclosure vehicles) to incorporate other significant sources of pollution (e.g., households, government facilities, non-point sources, etc.) and to address concerns not reflected in information currently being disseminated to the public (e.g., rewarding good corporate citizens).

Need:

Continued development of a joint Federal/State “one-stop” environmental reporting system is needed.

Potential Initiative:

5. Undertake research of current reporting requirements contained in various federal and state environmental statutes and regulations to determine whether changes can be proposed to provisions which may inhibit coordination and development of a “one-stop” reporting system. Following dissemination of the results of the study, convene an interagency-interstate task force to explore the potential for implementation of proposed changes.

Need:

Environmental information needs to be put into a format that financial markets can use to accurately and effectively evaluate the environmental performance of companies.

Potential Initiative:

6. Undertake research of what information financial markets need and how best to measure such information (i.e., what performance metrics should be utilized). This research might include a market survey to identify who the potential consumers of such information are and what information they need to best evaluate environmental performance. Following dissemination of study and findings, organize a summit of key stakeholders, including financial market leaders, to explore environmental information disclosure programs and ways in which such programs can format information that is useful to financial markets for evaluating the environmental performance of companies.



Need:

Consideration should be given to development of new or remodeling of existing environmental information disclosure programs that evaluate the “total environmental impact” of particular facilities, rather than simply measuring certain chemical outputs/uses of those facilities. This requires consideration/creation of new performance metrics aimed at “total environmental impact.”

Potential Initiative:

Develop working group of key stakeholders to define/outline performance metrics aimed at evaluation of “total environmental impact” of a particular facility and to evaluate incorporation of such metrics either into existing environmental information disclosure programs or creation of new program.

Need:

Before considering changes to or expansion of current environmental information disclosure programs, further study should be undertaken to 1) better understand the specific needs for such programs, 2) identify who the audiences for these programs are or should be, and 3) determine what specific information these audiences need and in what format.

Potential Initiative:

7. Undertake market research of the underlying needs for environmental information disclosure programs, including evaluating current and potential audiences, what they want to know and the content of information disclosed. This research might include surveys and focus groups of users and potential users of environmental information disclosure programs.

Need:

Development of sector-specific (i.e., industry, government, consumers, small business, etc.) identification of key life-cycle performance indicators and measures of progress to be applied to national, regional, and community levels. The work currently underway as part of CERES Global Reporting Initiative (GRI) may already include identification of such performance indicators as part of its standardized corporate sustainability reporting initiative.



Potential Initiative:

- 8. As a complementary project, develop a working group of key stakeholders to define sector-specific, life-cycle performance indicators and measures of progress for application to national, regional, and community levels.**

Need:

Encourage and support corporate environmental reporting as a supplement and/or alternative to current environmental information disclosure vehicles. The work currently underway as part of CERES Global Reporting Initiative (GRI) is an important step in that direction.

Potential Initiatives:

- 9. Convene a summit of key stakeholders (including industry, government, and environmental organizations) interested in corporate environmental reporting standards. The purpose of the summit would be to discuss existing proposals for uniform reporting standards and attempt to build a consensus on the format and performance measures that any such standards should take.**
- 10. Undertake research on why many companies have avoided corporate environmental reporting and whether reasons or factors identified would affect the likelihood of success of voluntary, uniform standard corporate environmental reporting initiatives.**

Need:

To address ways to target “bad actors” and polluters not currently taken into account by current environmental information disclosure programs (e.g., small businesses, non-point sources, households, etc.) as well as to address ways to reward “good actors” (i.e., through government initiated benefits or other preferred treatment) whose positive environmental performance goes beyond regulatory compliance and required environmental information disclosure.

Potential Initiatives:

- 11. Undertake research on the feasibility of identifying and targeting “bad actors” or other under-regulated contributors to pollution (for targeted monitoring, focused enforcement efforts, etc.) and “good actors” (for rewards or benefits), and establish a decision support framework for**



structuring formalized methods to appropriately deal with both classes of actors.

- 12. Organize a summit of key industry, government, and non-government organizations to address ways to reward (i.e., through government initiated benefits or other preferred treatment) “good actors” whose positive environmental performance goes beyond regulatory compliance and required environmental information disclosure.**

Need:

To address confidentiality/competitor access to information. Current requirements (including the permit writing process) involve reporting of facility-specific information that provides competitors access to information on production processes.

Potential Initiative:

- 13. Develop working group of key stakeholders for purpose of revising disclosure methodology or designing protective mechanisms for current environmental information disclosure programs or other vehicles (such as permitting processes) to address such concerns.**

Need:

Within the context of environmental information disclosure, the cost of requiring additional disclosure mechanisms beyond those that currently exist should be evaluated against the expected benefit of actual environmental improvement.

Potential Initiative:

- 14. Conduct a research study to perform an economic analysis of the benefits and costs of additional disclosure mechanisms.**

RECOMMENDED ACTIONS

Of the previously described initiatives, VCEMS recommends a select few that should be implemented in the near future. Although each initiative has merit, the list of priorities is based on a combination of our expertise, likelihood of success, and perceived importance. (See Table 2.) Each high priority project is briefly outlined below, including a description of the objective



and desired outcome, proposed work plan and schedule, and list of potentially involved stakeholders.

TABLE 2 - Action Agenda Matrix

<i>Self-Contained Research Projects</i>	<i>Ongoing Working Group Initiative</i>	<i>Summit Topics</i>
<i>Initiative 1</i> Science Based “User’s Guide” to Environmental Information	<i>Initiative 5</i> Enhanced Information Disclosure Mechanisms	<i>Initiative 3</i> Disclosure of Risk-Relevant Environmental Information
<i>Initiative 2</i> Risk Relevant Information and Firm Liability		<i>Initiative 14</i> Incentives to Firms for Overcompliance
<i>Initiative 9</i> Survey of Environmental Information Users		



Initiative 1 - Science-Based “User’s Guide” to Environmental Information

1. OBJECTIVE:

This project’s goal is to generate a basic and objective description of the scientific significance underlying TRI and other disclosed environmental information. Without a context, bare emissions figures can be uninformative and possibly misleading. Based on interdisciplinary research and interaction with public focus groups, the project team will create a “user’s guide” that explains the significance of disclosed pollution data. The purpose of the document will not be to provide definitive answers, but rather to frame the scientific debate so that interested parties can be educated about relevant scientific issues. The document also should list additional sources for further review.

2. TASKS:

- Identify and assemble an inter-disciplinary task force and set an agenda
- Meet with focus groups to ascertain areas of usefulness and topics for the document
- Draft a short document which explains the basic scientific context within which TRI and other disclosed data is provided, including a definition of risk, hazard, toxicity, and other basic issues
- Obtain response of focus groups to document
- Produce a peer-reviewed, final version describing the extent of known and unknown impacts on human health and the environment resulting from emissions
- Disseminate to EPA, state regulators, industry groups, environmental groups, etc.

3. DELIVERABLES:

- List of targeted audience which will benefit from use of final document (3 months from project initiation)
- Initial draft of 10-15 page document explaining the human health and environmental impacts resulting from pollutants (6-9 months after project initiation)
- List of related resources, including texts, articles, websites and other bibliographic materials for further reference, including the names of academic faculty, EPA staff, and others who have volunteered to act as resources or otherwise ensure that inquiries are routed appropriately (6-9 months after project initiation)
- Camera-ready final document (one year after project initiation)



Initiative 2 – Risk Relevant Information and Firm Liability

1. OBJECTIVE:

The goal of this initiative is to conduct research on whether providing “risk-relevant” information exposes industry to increased liability. Included in this research are balancing considerations of whether the need for accurate risk based information outweighs the possibility of increased firm liability. Further, this research should consider and analyze whether justifications exist for limiting or eliminating such liability in consideration for voluntary disclosure and/or development of such information, and whether formal mechanisms to limit or eliminate such liability can be developed and proposed.

2. TASKS:

- Assemble an expert panel to act as a focus group to identify relevant areas of consideration and analysis
- Perform research according to identified areas of focus
- Prepare draft article setting forth research results and proposed findings, conclusions and proposals
- Consult with focus group to review draft article and consider recommendations for revisions and/or supplementation of draft
- Finalize draft article for eventual publication

3. DELIVERABLES:

- List of expert panel members (at project initiation)
- Draft issues outline (1-2 months after project initiation)
- Final draft of article (6-9 months after project initiation)
- Camera-ready final document (10-12 months after project initiation)



Initiative 3 – Summit to Address Disclosure of Risk-Relevant Environmental Information

1. OBJECTIVE:

To organize summit of key stakeholders for purpose of addressing issues surrounding disclosure of risk-relevant environmental information. The summit will suggest ways to improve current TRI data that do not contain risk or hazard rating information.

2. TASKS:

- Contact key stakeholders to address improvement of TRI data and inclusion of risk-relevant information
- Identify important resources including National Research Council, National Academy of Sciences, and others
- Develop summit agenda, including proposals for development of a hazard ranking system, acceptable standards to be utilized, and specific implementation schemes
- Prepare and circulate draft summit materials
- Conduct summit, prepare written report of findings and make recommendations regarding solutions to the lack of risk-relevant information currently available in key databases

3. DELIVERABLES:

- List of summit participants and key stakeholders (at project initiation)
- Draft summit materials identifying need for risk-relevant information and current proposals for inclusion of such information in the public domain (3-5 months after project initiation)
- Final White Paper summarizing findings of participants and providing specific recommendations (9-12 months after project initiation)



Initiative 5 – Enhanced Information Disclosure Mechanisms

1. OBJECTIVE:

To develop mechanisms for disclosure of enhanced environmental information beyond pure emissions figures. The Emergency Planning and Community Right to Know Act of 1986 began a nationwide dialogue regarding environmental facts by requiring selected industries to disclose the amounts of hazardous chemicals emitted. While forced disclosure of quantities of the pollutants has raised public awareness of the presence of pollutants in specific neighborhoods, both the public and industry have ongoing and growing needs to put these raw emission figures into their proper context. For example, many significant sources of pollution are omitted from these databases (e.g., households, government facilities, non-point sources, etc.), and gross emission figures do not provide information about improvements over time or allow the user to compare firm level efficiencies. This project will investigate the types of additional information, set priorities regarding the need for enhanced information disclosure, and provide mechanisms for increased public discussion regarding the environment.

2. TASKS:

- Develop a working group to evaluate the growing need concerning enhanced information disclosure and set agenda
- Evaluate feasibility of various mechanisms for continued dialogue on environmental issues, including EPA, EDF or other websites. Criteria should include an opportunity to post industry specific context for the type of product and processes utilized at a local facility, efforts to reduce community hazards, reuse and recycling efforts, process benchmarks, etc.
- Establish and operate website or other central location for dissemination of enhanced environmental disclosure such that participating industries and other stakeholders link to it for further review and education
- Conduct review of information provided to ensure accuracy either through EPA regulators or third party certification

3. DELIVERABLES:

- List of topics suitable for enhanced dialogue regarding environmental information disclosure (2-3 months after project initiation)
- Format and guidelines for disclosure of additional information (6 months after project initiation)
- Paper summarizing strategy to ensure accuracy of information through legal regulation, third party certification, etc. (12 months after project initiation)
- Operating website (18 months after project initiation)



Initiative 9 – Survey of Environmental Information Users

1. OBJECTIVE:

To identify the nature of audiences that use (or might use) disclosed environmental information, and conduct research regarding the specific needs of such audiences.

2. TASKS:

- Identify initial list of key stakeholders who read, process, analyze, and seek environmental information
- Convene focus groups of users to provide input into issues to be addressed and potential survey questions
- Develop a written survey requesting specific responses regarding the type of information needed, information uses, the perceived benefits and deficiencies with currently available information, etc.
- Conduct survey, collect results, and meet with focus groups to assess the accuracy of the survey results
- Conduct further research/study in the event that the survey result reveal the need to interview other audiences

3. DELIVERABLES:

- List of key stakeholders most likely to use environmental information and convene focus groups (1-3 months after project initiation)
- Written survey (6 months after project initiation)
- Report summarizing survey findings (9 months after project initiation)
- Summary of findings after convening focus groups (14 months after project initiation)
- Report describing project results (18 months after project initiation)



Initiative 14 – Summit to Address Incentives for Firms Operating Beyond Legal Standards of Compliance

1. OBJECTIVE:

To develop a formal system of incentives to encourage and reward firms for elevating their environmental performance beyond compliance with laws and regulations. Several programs developed by the EPA have suggested that informal partnerships between industry and regulators can result in a mutually beneficial relationship for both regulators and the regulated. Such programs have involved voluntary disclosure of environmental performance information, self-imposed high compliance standards, ISO 14001 certification, and other industry participation. In exchange, there have been no clear or binding incentives offered by regulators for exemplary actions of individual firms. This initiative seeks to develop a binding, formal protocol between the regulators and those regulated stating the incentives provided to “good actors” for overcompliance.

2. TASKS:

- Contact key stakeholders, including those from industry, government, and environmental groups, to address ways to reward firms operating beyond environmental standards mandated by law
- Develop summit agenda of proposed topics, including possible incentive programs or elements of successful programs sponsored by the EPA, for roundtable discussion
- Prepare summit materials to include proposed paradigms such as: mitigated EPA regulatory penalties, reduced enforcement focus, tax incentives, government contracting preferences, and possibly other firm incentives, in the event of consistent compliance or over-compliance with standards/laws, ISO 14001 certification, voluntary disclosure of environmental performance information, and other indicators of good faith environmental stewardship
- Conduct summit, prepare written report of findings and make recommendations regarding implementation

3. DELIVERABLES:

- List of key stakeholders (at project initiation)
- Initial summit materials framing issues and outlining proposed incentive programs for consideration (3-5 months after project initiation)
- Final White Paper summarizing findings of participants and providing specific recommendations for firm incentive programs (9-12 months after project initiation)



CONCLUSION

This summit has produced important findings about information disclosure programs and has suggested a set of initiatives for stakeholders to implement for mutual benefit. The challenge now is to put this plan into action. Under the collective leadership and energy of key stakeholders, this vision can be realized. The net result should be of benefit to all concerned.



APPENDIX A – Achievements of Current Disclosure Programs

- Environmental information disclosure programs, such as the Toxic Release Inventory (TRI), are breeding synergy between government and industry, by promoting communication and cooperative efforts between these stakeholders to improve overall environmental performance of firms. Voluntary programs with EPA/industry partnership such as EPA Region I's Environmental Leadership Program (known as StarTrak) is but one example of this synergy.
- The large amounts of information disclosed and disseminated to the public through environmental information disclosure programs demonstrates that the United States arguably has the most open system of environmental regulation in the world.
- Publicizing information through environmental information disclosure programs has led to significant reductions in environmental releases without the need for new statutes or regulations.
- Current environmental information disclosure programs such as TRI, Scorecard, etc. have fostered a constructive, open dialogue between stakeholders on national, regional and local levels, of which the VCEMS summit is but one example. Stakeholders are engaging in important conversation about how to define meaningful information, and how it should be collected and disseminated to the public.
- Environmental information disclosure programs have led to increased accountability on the part of firms for their environmental performance and record as well as increased public confidence that steps are or can be taken to improve environmental performance and protect the environment.
- The focus by firms on reducing releases because of pressures resulting from the information disseminated by environmental information disclosure programs has led to significant cost savings through pollution prevention activities.
- The wide availability of environmental information due to current programs provides significant benchmarking opportunities as firms are able to identify industry leaders in environmental performance.
- Information provided through environmental information disclosure programs allows for more informed debate in the area of environmental justice.

APPENDIX B – Current Disclosure Program Concerns

- Numerous errors exist in the information disseminated by current environmental information disclosure programs. These errors can result from mistakes in filling out forms, transcription errors in inputting information into data bases, or incorrect interpretations of the information provided before its input into a data base.
- The current structure of environmental information disclosure programs constitutes a mass release of information without related hazard or risk content to place the information in a more meaningful context.
- Life cycle performance indicators and measures of progress are not considered in the current content of environmental information disclosure programs.
- Current data systems are not well integrated and there are often inconsistencies in reported information from one database to the next.
- The audiences and potential uses of the data provided by environmental information disclosure programs are not well defined. Nonetheless, it is being proposed that more information be collected without first asking why we are collecting information, for whom the information is being collected, and for what purposes and in what contexts it is necessary to collect the information.
- The number of facilities and other pollution sources covered by current environmental information disclosure programs is underinclusive (e.g., excluding non-point sources, households, small generators, etc.), resulting in only a partial snapshot of the true overall picture.
- There has been an insufficient investment in educating the public about the role and credibility of the information being collected and provided by current environmental information disclosure programs.
- Environmental reporting costs are too high.
- Current environmental information disclosure programs are designed to provide information to “other curators” (i.e., other environmentally knowledgeable people) rather than for the average citizen or even for children attempting to learn about the environment.
- Current environmental information disclosure programs do not provide information in a format that financial markets can use to accurately and effectively evaluate the environmental performance of firms.

- There are too many reporting systems which lead to inefficient duplication and overlap. Although this situation is leading to efforts to develop a “one-stop” reporting program, because various federal environmental statutes were built independently of each other, it will be difficult to build an effective “one-stop” reporting program under the current uncoordinated environmental regulatory system.
- Current environmental information disclosure programs do not make the critical distinction between amounts of emission; discharge or release reporting and reporting based upon “misuses” of substances.
- Current environmental information disclosure programs do not provide sufficient protection against disclosure of confidential or proprietary business information and thus potentially harms the competitiveness of firms.
- Information provided through current environmental information disclosure programs does not contain enough meaningful context to assist public understanding and foster dialogues between industry and local communities. Providing more information in the same manner will continue to add no value if that information is not put into a context that leads to improvements to the environment.
- Basic health and environmental screening data are not publicly available for most chemicals subject to environmental reporting requirements.
- Current environmental information disclosure programs are disseminating outdated information. It takes up to 18 months for EPA to release TRI data. To provide a meaningful, current context, data should be made available much sooner.

APPENDIX C – List of Summit Participants

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Vice Admiral James Card (Jim)
Vice Commandant
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Mr. Glenn W. Hammer
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Mr. David M. Jensen, Managing Attorney
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Mr. David A. Johnson
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Mr. Alan Jones
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Mr. Fred Krupp
Executive Director
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Ms. Angela Logomasini
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Mr. W. Kim Murphy
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Ms. Jean Nelson
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APPENDIX D – Keynote Addresses

Keynote Address by Carol M. Browner Administrator, Environmental Protection Agency

I'd like to thank Professor Cohen for that introduction.

I'd also like to thank Fred Krupp of the Environmental Defense Fund and Denny Minano of General Motors for agreeing to take part in today's forum. We've worked together on many issues and I'm glad to see you here today.

Our topic today is information and the part it plays in the regulatory process. I'd like to take just a minute to put the topic in context.

In 1450, Johannes Gutenberg invented the printing press and the Information Age was born. For the first time, information previously available to the privileged few was now available to all. The resulting explosion in literacy and knowledge changed the pace of both culture and politics. And the world was a different place.

Knowledge is power. People have the right to know about the world around them and how particular events or circumstances affect their lives. The principle of free-flowing information is so important that our Founding Fathers guaranteed it in the First Amendment.

At EPA we strongly believe in the people's right to know and under this administration we have expanded it considerable.

We believe putting information into the hands of the American people is one of the best ways to protect public health and the environment. Give people the facts, and they can make intelligent, informed decisions about how to protect themselves, their families, and their communities.

Our experience with the Toxic Release Inventory proves this philosophy. Ten years ago, this country began to require industrial facilities to report to their communities about the toxic chemicals they were releasing into the environment.

And that simple requirement has been an enormous benefit for the American people. For those facilities, toxic emissions have gone down by almost half without passing any new regulations.

There were those who feared these reporting requirements would hurt business and be a drag on the economy. But we see just the opposite is true. The business environment is booming right along side our natural environment.

Well, we all want more results like that. This Administration has doubled the number of chemicals that must be reported – and increase by 30% the number of facilities that have to report.

In April, the Vice President took another step to expand the public's right to know – a new voluntary initiative with the chemical industry to give the public health-based information on the 3,000 chemicals most used in this country. And I'd like to thank Fred Krup, who you will hear from later, for the leadership he provided on this issue.

The First Lady has announced an important right-to-know tool that will help families make daily decisions about how best to protect their children when smog levels are dangerously high and pose a threat to public health. Twenty-two states and the District of Columbia have joined EPA to give people current information about smog levels in their communities – a significant step to protect our children who suffer from asthma.

And thanks to the President and the Vice President, through the Safe Drinking Water Act we will provide citizens what we call Consumer Confidence Reports. Every year, in their bills, citizens will receive easy-to-understand updates on the quality of tap water in their communities. Some states are doing this already but we need to guarantee all our communities are getting this valuable information.

All our right-to-know initiatives are great news for the American people. But they also present EPA with a challenge: How best to manage the enormous amount of data that is gathered?

Gutenberg would, of course, be stunned if he saw the amount of information available to the public today. Consider this: A Gutenberg press could process only about 300 pages a day. Last month alone, EPA's webpage had 50 million hits and processed requests for 9.6 million pages of information.

At EPA we realized we needed to streamline the process of both how we gather information and how we get it out to the public. Working with the states, industries, and consumers, we are forming a new information office that should open for business this summer. Our goal is a one-stop data shop where information will be both easier to get for consumers and easier to provide for states and industry.

To get things started, last year EPA and the states launched a cooperative program called Reinventing Environmental Information, or REI. EPA generates only a small portion of the data it stores. The goal of REI was to improve the way both the federal and state governments manage information by developing shared standards for the collection and storage of computerized data.

With the REI program we also hope to be able to reduce the present reporting burden of our states and regulated industries. We will be looking to cut unnecessary or duplicative reporting

requirements and encourage electronic reporting to make the process quicker and more convenient.

For instance, one thing we're doing is creating a system of unique identities for each facility we regulate. With this advancement that is simple in concept – yet challenging technically – people will be able to access information from a variety of sources that is integrated, easy to understand and make it easier for them to make decisions affecting their communities.

We will also be encouraging regulated industries to “self audit” the information they report. Out audit policy slashes, and in some cases eliminates, penalties for those who voluntarily discover, promptly disclose, and quickly correct violations. We think this offers a powerful incentive for voluntary compliance.

Already EPA has waived or reduced penalties for 89 companies at 433 facilities under this program.

EPA's Small Business Policy offers similar relief to businesses that employ 100 or fewer people. Small businesses that participate in onsite compliance assistance programs or conduct environmental audits to discover, disclose, and correct violations, can also see their penalties waived or reduced.

We also need to assure businesses that we will protect the confidentiality of any proprietary information.

But gathering information is just one half of the job. We are also working to make it easy to find, easy to read, and easy to understand.

For the average citizen, and even the most experienced computer user, finding the information they need to protect their health and the environment in their communities can be a frustrating journey through the nation's data warehouses.

For information about drinking water safety, a citizen might have to go to their local public works department.

To find out if a local factory has a water or air permit, they might have to look to their state environmental agency.

For toxic waste cleanup information, they might call their regional EPA office.

All in all, a citizen might have to navigate a maze of up to 3 dozen databases to find all of the environmental and public health information that the government has about their communities.

One of the jobs of our new information office will be to keep improving our website. We want to make it as easy as possible for people to find the environmental information they need so they can make informed decisions about what is good for their communities.

Already the website has come a giant step forward in providing the American people with accurate, timely information about their neighborhoods and communities that is easy to find and easy to understand.

It is also a place where state and local officials, or business people, can get up to date reports on environmental issues or on EPA rules and regulations.

I told you earlier that last month EPA's webpage handled 9.6 million hits. But that number has grown every month since we launched the website in 1994.

We need to make sure that this information is presented in some type of context. Oftentimes, a set of data numbers just doesn't mean much to most people – X number of pounds of a certain toxic chemical in their air – Y number of pounds of a toxic chemical in the water. People need to know where the data came from, what its quality is and what conclusions they can draw from it.

We are structuring all our information activities – both computer-based and traditional – to provide citizens with a greater understanding of what all these complex data mean for their communities, for their health, for their families. We're doing this in partnership with our states and working closely with all of our stakeholders.

The information age that began with a 15th century German inventory enters the 21st century even stronger as we've gone from Gutenberg to gigabytes.

This Administration will never let up on its promise to ensure the public's right to know. This is information that should not be available to a privileged few. It must be available to all because knowledge is power. And people have the absolute right to know all they can about the environment that surrounds them.

Thank you.

Keynote Address by Fred Krupp
Executive Director, Environmental Defense Fund

Today, I'd like to talk about knowledge as a tool to help protect the environment. It's timely, of course, because today, information is the new currency. If you have it, you can make better decisions. Without it, you're flying blind.

Whether you're in government, business or the non-profit world, you spend a lot of time, money and manpower acquiring, managing and disseminating information. And as the upcoming demonstration shows, it's power is virtually limitless.

But I want to put it in context. Over the years, the environmental community has used many different tools to bring about change and reduce pollution. The nationwide ban on DDT started as a court case on Long Island. In fact, it was the Environmental Defense Fund's first great victory. Then there is legislation like the Clean Air Act and all the regulations that follow – which are cumbersome to produce and expensive and difficult to enforce – but are nevertheless essential. There are various forms of non-violent protest and civil disobedience – whether it's chaining oneself to a tree or driving your rubber dinghy in front of a whaling boat – and they too have their place. There are also incentive-based market solutions – such as our emissions-reduction trading program – which EDF developed during the Bush administration and which is cutting acid rain-causing emissions by 50%. It's also the basis for the Kyoto Agreement to reduce global warming.

All these methods are effective and important.

But, knowledge -- made accessible to regular people in a form they can understand and use – may ultimately have the greatest impact of all.

As Carol Browner has described, about ten years ago, the government began releasing an annual report called the Toxics Release Inventory, which now tracks industrial releases into our air and water of 654 specific chemicals and chemical classes. Since the TRI was published, chemical emissions have dropped by 50% nationwide –at least in part because they must be reported. Just a simple requirement that emissions be disclosed.

In California, the drop is closer to 75% for those chemicals covered by both TRI and Prop 65 - showing that two disclosure laws are better than one. That's progress – and because of the remarkable success of the disclosure law, EDF was inspired to localize this information by creating the chemical scorecard. Thanks to the internet, it's available in seconds to anyone in America who's on line – and on its first day of operation last year we got something like a million hits.

I thought it might be worthwhile to give you just a little taste of what's already up on the Internet, and what's already being taken for granted by hundreds of thousands of Internet users.

Here's how it works: As you might expect, the first thing that most people do when they first come to this home page on the EDF Scorecard is to type in their own zip code, right here. So, let's type in the zip code for where we are...

And what you see is some basic information. The first box is 'Who's Polluting Your Community,' so let's click on that...

And what we get is a list of the companies reporting the highest quantities of toxic chemicals in this county, in order. In terms of total pounds, you can see that DuPont dwarfs all the others, in this county. Or we can go back and take a look at "How Does Your Community Compare?"

And even though those numbers looked big, you can see that Davidson County is well below some others here in the state and it's only a tenth or so of the top county.

We could click on any of these counties and get a full report, but instead, I want to show you a different way of getting to the same kind of specific, local information on this Scorecard website. This is obviously a map of the U.S., with measles. Each red dot actually represents one of the 23,000 industrial facilities that are required to report their toxic chemical emissions under the Toxics Release Inventory. As you roll the cursor over the map, you can see that the box beneath the map tells you where you are.

For example, if we go down here, it tells you you're in Southeastern Texas, and then if we click Polluter Locator, you get a closer-in map showing that region, and we get closer, and again, and here we are at a recognizable local street map. This map gives you enough detail that anyone living here would recognize where they live. There's a map like this for nearly every neighborhood in the country. Again, the red squares are individual TRI sites; and now the rollover box shows you the name of each individual facility. And if we click on a company you get a full report on that individual company.

This is the table of contents. This same kind of information, in this same detail, is available not only for individual facilities but also for any of the 2,000 counties in the U.S., or any of 5,000 zip codes. And, of course, any of 23,000 individual facilities. There's too much here to show you in detail, and of course it's all linked to much more detail on each item shown in blue hypertext, but as we go down you can see things like the top-ranked cancer risk and the top-ranked noncancer risk (for the releases from just this facility). Or all the facility's chemical releases, sorted by Health Effect, or another feature we think is particularly important, which is: "What We Don't Know About Chemical Safety and Harm" (again, just for this specific facility) Here, for example, you can see that of the total air releases from this facility, 91,000 lbs. – or 68% -- do not have the scientific information available, anywhere in the public record, that would be necessary to calculate whether those chemical emissions are safe or not. (Even a committee of Nobel Prize winners, standing at the plant gate, wouldn't be able to tell you whether those emissions were safe or not.)

There's more that we can't cover, but I do want to show you one more feature that's attracted a certain amount of attention, which we call our "Take Action" features. There are several, but the one that's gotten the most attention is this first one.

7. Action Tools | Send a Fax

If you click on this "Send a Fax" feature the EDF Scorecard provides you with this kind of letter, which — as you can see — includes detailed information on the individual facility. The letter can't be sent anonymously — the Scorecard requires you to register with name, address, and email address before you can do this — but when you do, this letter goes "live." You don't have to use this language; you can edit it as much as you want. Once it's the way you want it, you just click on the "SEND" box, and off it goes, and it comes out as a hard-paper fax at the fax machine of the facility manager at that specific facility. You don't have to look up the name of that person, or the fax number of the facility; it's built into the system. Oh, and it's free.

So think about what happens with a tool like this in the hands of a few concerned American citizens. They start faxing their local plant manager, their Congressman or state legislator. They start asking all kinds of important questions like – just how bad is the air we're breathing? What about the water? What about our children? How about the schools? Are they safe? What is the factory where my husband or wife works doing to protect his safety? What is it doing to protect ours? What more can it do?

The scorecard is stimulating all kinds of local, community-based, grassroots action on chemical emissions – which is absolutely crucial to start a constructive dialogue with local plant managers. We can pass all the laws we want in Congress and hire an infinite number of federal, state and local environmental inspectors – but they'll never be as effective as a community standing up, speaking out and demanding change.

So the scorecard is of potentially limitless impact. But we do need to improve that information.

I told you that the TRI includes only 654 chemicals. But there are about 3,000 chemicals produced in volumes exceeding one million pounds each year -- and most aren't included on the TRI. We know next to nothing about their environmental release patterns.

For many of these high-volume chemicals, including most of the TRI chemicals, even the most basic health and environmental screening data aren't publicly available. Without this type of information, we can't begin to figure out if these chemicals are toxic, or how potent they are, or what they do to the environment. That's the bad news.

The good news is that the chemical industry, prompted by Vice President Gore, stood with Carol Browner and myself last fall and announced a massive six-year 1 billion dollar program to make sure this kind of information becomes publicly available for some 2,800 high-volume chemicals. That effort will yield a lot of new information that can eventually help fill gaps in information

now in the EDF scorecard – and by extension – become available to the public. This is a major advance and I thank Administrator Browner for her pivotal role in achieving it.

In fact, Carol Browner’s commitment to expanding the public’s Right-to-Know, which has encompassed a whole series of actions, has been leadership at its best.

The second problem we need to solve is the data now in Scorecard we used to create the scorecard is the last published TRI Report -- and it covers 1996 emissions. Industry doesn't have to file TRI reports until July of the following year, then it typically takes EPA another nine to twelve months to release the data – a total of some 18 months.

But this is the information age. 18 months ago is ancient history for the cyber-generation. The Securities and Exchange Commission makes filings public within hours. While EPA's task is more complex, since it has to compile the data rather than merely post it, the technology exists to make this information available in a matter of weeks and one of our goals is to work with the EPA to do that.

Now let me give you more bad news. We don’t do nearly enough monitoring of air quality. We only test for toxic chemicals in about 50 U.S. Cities – and half of them are in California, because of tighter state regulations.

We also tend to know a lot more about what is coming out of a smokestack, because we know what goes in it and it can be tested at a single source. But we really don’t know very much about the quality of the air going into our lungs – which includes auto exhaust, small business emissions, and countless minor sources of pollution that can have a cumulative effect on air quality.

The problem is -- it costs a lot of money to monitor air quality. It will take a major public-private commitment to fund a really comprehensive air-quality monitoring system. So we need to improve here as well.

We also need to obtain data on more stages of a chemical’s life. Monitoring the leaking pipe or the belching smokestack doesn’t tell us anything about the safety of the worker in the factory or the factory itself. It doesn’t tell us about upstream impacts from extraction, processing, transport, storage or handling of toxic materials

It doesn’t tell us anything about the toxicity of the product it produces – and the hazards of that product after it’s useful life when it’s sitting in a landfill or burning in an incinerator.

Two states -- New Jersey and Massachusetts -- already require so-called “materials accounting” and a federal proposal is under consideration.

One final point is that – EPA is revising the rules to lower the reporting thresholds for many of the most long lasting and harmful chemicals because these are typically missed by the standard thresholds. We don’t currently get sufficient information about these bad actor chemicals and it is

important that EPA complete a rule this year which effectively captures them in the TRI reporting system.

The big advantage of the scorecard – from industry’s standpoint – is that good deeds will be rewarded, and bad ones will be punished, by being highlighted on Scorecard's discussion forum and showing up high on rankings of TRI facilities.

The system will favor those companies that are sensitive and responsive to the concerns of their communities. And those that aren’t can face the wrath of their neighbors – as well as the press and the government regulators who are sure to follow in their paths.

But while we know that command and control methods of the past can't solve all environmental problems, we know that laissez-faire capitalism won’t do the trick either.

But a well-informed public and a responsible corporate community -- working in partnership -- can go further faster in restoring and protecting our natural heritage.

Thank you.

Keynote Address by Dennis R. Minano
Vice President, Public Policy and Chief Environmental Officer
General Motors Corporation

A New Environmental Information Framework

Thank you Mark, and good morning.

First of all, I want to thank everyone involved in the planning of this national summit. In particular, I would like to acknowledge Dr. Mark Cohen, director of the Vanderbilt Center for Environmental Management Studies, and Patricia Drake, the program director. They and their team have done an exceptional job of bringing together an outstanding group of government, environmental, and corporate leaders to discuss an important and timely topic. I would also like to recognize my fellow keynote speakers – Carol Browner and Fred Krupp. Our professional relationship goes back a long way, and I welcome the opportunity to participate with them in this summit.

I was asked by Mark to provide an industry view on the issue of environmental information disclosure. I accepted readily, because this is an issue the GM environmental team and I are working to address, and we are seeking to understand its short- and long-term implications. First, we should acknowledge there are differing views on information disclosure, whether proposed by government, or urged by industry or non-governmental organizations. I suggest that this discussion today should not lead to a choosing of sides. It's not about which approach is right or wrong. It's about the shared responsibility of providing relevant and understandable information to the public at large—specifically, to the communities where we conduct operations. And while our methodologies may differ, we should all be striving for the same objective – improving environmental performance in the most effective, efficient and fair manner possible.

And I'm extremely encouraged when I look out at this audience. By the policies many of you have developed and the practices you are implementing, you represent the leadership in environmental thought and practice. So perhaps today we can seize the opportunity to harness your experience and expertise and move these efforts forward.

Information Disclosure vs. Public Accountability

Information disclosure is playing an ever-increasing role in protecting the environment. But I believe that the term “information disclosure” is actually off the mark, and perhaps may be a misleading term. Information for information's sake has little value. To effect change and add value, data must have context. What is the value of providing more and more information to people if that information is not put into context, and does not lead to improving the environment?

As John Naisbitt said in his book *Megatrends* back in 1984, “We are drowning in information and starved for knowledge.” And that was *before* use of the internet became widespread. We must ask ourselves today if providing information in raw form was not done before the onset of the

internet, why is it being done now? Is it because there is suddenly a new-found value in this date, or is it because it's easy?

My point is this – merely providing massive amounts of raw data – electronic or otherwise, no matter how graphically depicted. – does not help public understanding. Nor does it foster the type of active cooperation we seek – a dialogue between the local community and our facilities. I suggest, the purpose of providing information is to create an informed citizenry, to prompt action where action is needed, and to be a factor in creating environmental progress.

So what am I saying here? Am I saying that there's no role for government or non-governmental organizations in terms of public understanding? No. But I am saying that the manner in which the information is presented should answer questions, respond to concerns, lead to understanding, and drive progress.

So what am I saying here? Am I saying that there's no role for government or non-governmental organizations in terms of public understanding? No. But I am saying that the manner in which the information is presented should answer questions, respond to concerns, lead to understanding, and drive progress. And it can do all those things if it is relevant and put in the environmental framework that allows an individual to understand how the information relates to plant operations, to the government agencies that regulate the plants, and to their communities.

Perhaps instead of talking about information disclosure, we should be talking about being held publicly accountable for our operations. By that, I mean interacting directly with our employees, our local communities, our governments, and our customers. It means communicating to them – verbally and in writing – about the emissions technologies we deploy and the systems in place to control emissions, avoid waste and prevent pollution. It means explaining that our plants are operating within governmentally established federal and state limits, and that those limits are designed to protect public health. It also means explaining to them when those plants exceed legal limits, why they did, and what we did to correct the situation.

In the days before the Internet, it was said, “information is power,” because information was limited to a few. Today, information can cause confusion if it is not presented in context or in a form that is easily understood. But, properly used, the information revolution can enable forms of flexible, efficient environmental protection that were not dreamed of several decades ago. This is already being accomplished through some of the alternative regulatory projects that are being pursued.

Let me offer a few thoughts on how we can achieve this goal of a new environmental information framework – one driven by information, provided in context, to individuals, organizations and government regulators.

While direct government regulation was once the only policy tool for environmental protection in which the public felt confident, the information revolution opens up a whole range of options – from traditional regulation to information to consumers and financial markets.

So, how do we go about getting the information out to the public or to the groups I have identified? One of the most valuable ways to provide public accountability is the corporate environmental report. These reports are valuable business management tools for precisely the reason I just mentioned – they provide important environmental data and they put the information in context.

Corporate Environmental Reports

At GM we use our annual Environmental, Health and Safety Report as a business management tool, while meeting our commitment to public accountability. We have issued this report for five years. In it, we highlight our progress; we state our objectives; and we acknowledge our weaknesses. We are very proud of the fact that GM and CERES --the Coalition for Environmentally Responsible Economies – have endorsed each other’s environmental principles and that our report meets the CERES reporting requirements.

Also, the GM Environmental, Health and Safety Report serves as a key vehicle with which to communicate to our employees – a critical audience in terms of our environmental performance and expectations.

We believe that increasing our employees’ awareness and understanding will strengthen their commitment. They will be motivated to develop better and more efficient processes that further reduce the environmental impact of our operations.

These reports, which many of the companies represented here today also use, provide something else that a single list cannot – a framework for the company that aids understanding. By explaining our environmental philosophies and our environmental principles, the community can see the big picture. They can see what our intentions are, what we strive for, and where our challenges are. It helps establish our credibility, and it helps establish trust.

But as we all know, the mere issuance of an environmental report does not suffice on its own. There needs to be a second element, public or community outreach.

We have a good example of successful community outreach right here in Tennessee at our Saturn plant. In addition to taking care to preserve the beauty and wildlife of the land itself, the Saturn team communicated with the public about all of our plans from Day One. We met with them. We listened to them. We addressed their concerns.

Three years before the first Saturn rolled off the assembly line, a Citizen’s Environmental Council was established. Its purpose was to focus on the concerns of the plant’s neighbors – and in doing so, Saturn often went beyond compliance with state, federal and local regulations. A chance to put a large scale operation in context.

Eventually, some five years after its inception, the Saturn Citizen's Environmental Council disbanded – but only because all of the community's concerns had been addressed and no new issues were arising. Now that is effective information disclosure AND effective environmental management.

We think that by sharing relevant and meaningful information with our employees and the public, and by working directly with the people who are, or would be, impacted by our company's presence in the local community, we will address community concerns. This kind of local action, driven by information in context, also allows us to act responsibly and effectively without the need for additional regulation, and to share relevant, accurate and meaningful information with our neighbors. And THIS is what public accountability, at its best, can accomplish.

The Challenges of On-line Databases

Up to this point, I have spoken about a different approach toward the subject of information disclosure and public accountability, and about the value of context in communicating information. I have also given you examples of what GM is doing. Now, let me contrast those ideas with the type of the information that is currently found on the Internet.

We are all familiar with databases such as those compiled by the EPA and EDF[<] so I don't want to spend a lot of time talking specifically about those. But, I do think it's important to point out what we see as some of the challenges inherent in such on-line information programs.

For example, we believe the EPA's Sector Facility Indexing Project presents far too many data for anyone to fully grasp – data, which have been gathered by different sources, for different reasons, in different time periods, and consolidated into one database. We think SFIP clearly needs context.

Further, there is no distinction between actual and administrative violations. Are the needs of the public well served when it is given information that does not distinguish an alleged recordkeeping violation from an alleged emission exceedence? And lastly, - companies that voluntarily audit, self report and then take action on their problems are shown to have more violations than others who do not self report. We think it is important that those voluntary steps be distinguished.

These databases seem to have been constructed as a form of regulatory communications. Their audience seems to be a narrow one and not the public at large.

Other Initiatives

So, how do we go forward? What are some of the other mechanisms through which we can be publicly accountable and achieve the information disclosure that government and non-governmental organizations support? There are various alternative approaches being developed.

At GM, we are currently involved in a number of different initiatives, most still in the pilot phase, that are looking at innovative ways to help industry meet information disclosure responsibilities.

One of these projects is the Community Environmental Awareness Project, or CEAP. CEAP is an initiative undertaken by the States of Michigan, Illinois and Wisconsin to improve the way environmental information about automotive operations is presented and made available to the public.

The power of CEAP, which is a pilot project, is that it can provide – in one place – the information we believe citizens need to understand the environmental performance of a facility. The type of information included in the database was identified through surveys of focus groups. The people told us what they wanted and needed to know about automotive operations in their states. CEAP summarizes the significant laws, regulations and permits that apply to the facility, and whether the facility is meeting the requirements. It includes alleged violations, the context of the alleged violations, the state's response, and the end result. It also presents information about the operations in the facility – like what is made there, what products are used, the employee population, and what environmental practices are in place. CEAP seems to be truly responsive to the public's desire for information.

Another is a project we've completed in Ohio with a number of partners, including the EPA and the EDF. In this project, called the Partnership for Regulatory Innovation and Sustainable Manufacturing, or PRISM, the aim was to develop a model for an alternative regulatory system for eligible companies parallel to the existing national environmental protection system. The concept allows the focus of advanced industrial companies to switch from the dated end-of-pipe approach to a pollution prevention, design-for-the-environment and product stewardship focus. The model requires public involvement, establishing environmental performance obligations, making environmental management system commitments and creating accountability mechanisms.

GM feels that PRISM successfully developed an alternative model, but we are not convinced that the model, as such, is ready for real-world implementation. We feel that a stronger foundation of support needs to be built-up in regulatory community groups before actually establishing a pilot project.

On a global basis, one of the most exciting projects we're currently involved in is the Global Reporting Initiative – a CERES project. As most of you know, CERES is a non-profit coalition of institutional investors, environmental and religious groups representing 10 million people and \$150 billion in invested assets.

The goal of the Global Reporting Initiative is to establish a global corporate sustainability reporting protocol. By using a set of core metrics applicable to all business enterprises, sets of sector-specific metrics, and a uniform format for reporting, the initiative aims to foster corporate environmental, economic and social accountability. We believe the GRI is laying a strong foundation for uniform corporate sustainability reporting worldwide.

Conclusion

What I've tried to do today is raise the awareness of the many different ways we can all meet our responsibility to share environmental information with the public – and to show that uploading massive amounts of raw data on the Internet is not an effective way to create public accountability, and it is not an effective way to bring about environmental progress.

GM, like everyone else in this room, believes that business must be among those who take the lead, because business has the global reach, the innovative capability, the capital and the market motivation to develop the technologies that will allow the world to achieve sustainable development.

But in order for us to take the lead, there must be a willingness to look at this issue in a new way; a way that comprehends cooperation and flexibility and leads to further progress in our efforts to preserve the natural resources we depend on.

I think your discussions today will put us on that path.

Thank you. I'd be glad to entertain any questions.