



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

MAR 17, 2000

THE ADMINISTRATOR

COPY

MEMORANDUM

SUBJECT: EPA's Commitment to the
National Environmental Performance Partnership System (NEPPS)

TO: Assistant Administrators
General Counsel
Acting Chief Financial Officer
Associate Administrators
Regional Administrators

One of the most important challenges that EPA faces is strengthening and improving our relationship with our environmental protection partners, the States. Each of us alone cannot solve the environmental problems that cross statutory, media, state and international boundaries. As I assume the role of Deputy Administrator, it is a good time to state my commitment, and that of the Administrator, to continue to build strong federal/state partnerships to protect public health and the environment. I am asking each of you to work within your organizations and with our state partners to make our National Environmental Performance Partnership System (NEPPS) reflect the strategic and dynamic nature of our common commitment to safeguard public health and the environment.

In May of 1995, EPA signed an agreement with State Environmental Officials that reflected a joint effort to create a different, flexible and more strategic way of ensuring the American public clean air to breathe, clean water to drink, safe food to eat and safe places to live, work and play. The Agreement outlined several critical components of NEPPS that are still valid to our re-commitment today. These principal components include:

Increased Use of Environmental Goals and Indicators

Program Self-assessments by States

Environmental Performance Agreements

Differential Oversight

Public Outreach

Joint System Evaluation

We have made much progress over the past five years. We have worked closely with our State partners to develop core performance measures that are closely linked to EPA's GPRA goals and measures. Many States have embarked on a process of assessment of environmental conditions, and have used this information to develop environmental priorities. These assessments have been valuable in carrying out strategic discussions with EPA and in informing the public on the state of the environment and successes aimed at achieving environmental goals.

In 33 States, these negotiations have led to Performance Partnership Agreements that have established environmental priorities for the year, clarified roles and responsibilities between federal and state partners, utilized core measures for performance and helped to provide flexibility in administration and resource utilization. This individualized process helps EPA to spend its resources wisely, with focus on the biggest environmental challenges for each State. The process to determine appropriate roles and responsibilities for each Agreement helps to ensure that oversight occurs where it is most needed. These Agreements form a basis for the State, with EPA's support, to discuss environmental challenges with its citizens, and to present its action plans and, over time, its results.

Recent evaluations done by States, EPA and outside auditors have given us valuable insight into how we can work together to improve NEPPS. Drawing on these recommendations, EPA's goal for NEPPS in FY2000 is to make these Agreements and the process for developing them so valuable and integral to protecting the environment that all States will be interested in participating. We will be building on the foundation that has been laid, consolidating the gains achieved and sharing the best of what we have learned from NEPPS. To do this, we need to focus on four objectives:

Continued improvement aimed at more useful Performance Partnership Agreements;

Expansion of the use of Performance Partnership Grants to support NEPPS;

Identification and implementation of burden reduction opportunities for States; and

Continued efforts to enhance the use of outcome-oriented core performance measures.

To carry out these objectives, I am directing the Office of Congressional and Intergovernmental Relations (OCIR) to be the National Program Manager (NPM) for NEPPS. Diane Thompson will report directly to me on our progress. Diane and I together will work with each of you to ensure that the necessary resources are made available to carry out the NEPPS agenda.

I am asking you to work closely with OCIR to integrate NEPPS into EPA's planning and budgeting processes; management and personnel standards; and reporting and communication activities. Documents such as our Strategic Plan, our GPRA goals and measures, our NPM guidance, our cost accounting guidelines, our Annual Report to Congress should all include NEPPS as an integral part of how we do business with our co-regulators. OCIR will also work with the new Office of Environmental Information to ensure that Regions can help States take advantage of burden reduction opportunities that may present themselves during NEPPS negotiations, as well as increase the use of outcome-oriented core performance measures and other environmental information for decision making. OCIR will also work with the Regions and Headquarters Offices to build institutional capacity for NEPPS through decentralized training opportunities and the development of tools to help managers and staff.

I am confident that the focus of the senior leadership of the Agency on these goals, objectives and activities will serve to strengthen the NEPPS process and our partnership with the States. I ask each of you to ensure that all EPA employees share this focus on NEPPS. By

focusing on the relationship and relying on results, we can ensure that each of us is doing what we are best equipped to do in protecting public health and the environment. The principles upon which NEPPS is built will lead to more integrated and strategic environmental management, pollution prevention and enhanced environmental quality. I look forward to working with each of you closely to achieve these results.

/S/

W. Michael McCabe

Acting Deputy Administrator

cc. Deputy Assistant Administrators

Associate General Counsels

Deputy Associate Administrators

Deputy Regional Administrators