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

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OFFICE OF
THE ADMINISTRATOR

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ENVIRONMENTAL PROTECTION

MEMORANDUM

Subject: State Partnership on Burden Reduction

To: Assistant Administrators
General Counsel
Inspector General
Chief Financial Officer
Regional Administrators
Associate Administrators
Staff Office Directors

As you know, the Agency has been actively engaged with the States on the subject of core measures and more recently, in a discussion of forging a stronger, mutually beneficial partnership afforded by EPA's decision to create a new information office. A critical component of these discussions has focused on our joint efforts to look for additional opportunities to reduce the reporting burden that we impose on the States. As outlined in the attached Joint State/EPA Vision and Operating Principles, our mutual goal is to collect only information that has a demonstrated use and manage it cost effectively. As we lay the groundwork for the new information office, the time is right for EPA and the States to engage in discussions of where we can eliminate low value, high cost information reports or practices.

In discussion with the ECOS leadership, we have agreed that this issue cannot be assigned to any one office in EPA or to any one State. Rather, opportunities for burden reduction need to be sought in all aspects of how EPA and the States interact on information matters. Therefore, I am directing that the Regions take the lead in working on a State-by-State basis (with those States that step forward to engage with us on this effort) to identify opportunities to reduce their reporting burdens.

Regions should have discussions with individual States to identify data collections for elimination or streamlining, where appropriate. These discussions should be broad-reaching – including both those data collections that strictly support Regional needs and those that support national programs. Where Regions and States identify low value burdens that are strictly Regional, the Regions should proceed expeditiously to implement appropriate change. Where Regions and States identify opportunities for burden reduction in data collections that support national programs, Regions should raise those candidates to the appropriate DAA, where I ask

that they receive prompt attention. Appropriate action may include immediate elimination of the burden, or a determination that reform is needed but should be part of a future planned system modernization, or, in the case of data that support national program needs, that, after careful consideration, elimination or streamlining is not feasible.

I have asked Jay Benforado, Acting Associate Administrator, Office of Reinvention, working with Margaret Schneider, Associate Deputy Administrator, to oversee this effort and to report to me on a quarterly basis. The Office of Reinvention will work with the National Programs and Regional Leadership to create a timely, prudent decision structure in which unresolved issues are raised to me and the transitional leadership for the new information office (David Gardiner, Margaret Schneider and Al Pesachowitz) for resolution. I do not intend to establish a prescriptive process, but I do want us all to follow general guidelines so that we and our respective State partners can be flexible, but still share a common understanding of the overall purpose and scope of this effort. The following are some components of the effort that I view as critical:

- We will extend the opportunity to discuss burden reduction to all States, and will pursue discussions with those States that signal their interest and commitment to us. Environmental Commissioners should be notified that they can initiate these discussions at the RA/DRA level.

- EPA headquarters and regional staff should be encouraged to bring burden reduction opportunities to the attention of their respective DAA/DRA, whom I am asking to "champion" this effort in their respective organizations.

- The principles of Cost/Value as outlined by the attached report from the Joint State/EPA Information Workgroup should be used as a guide for discussion.

- The discussions can take place within the framework that the State and Regional Leadership finds most useful. For example some may choose the Performance Partnership Agreement forum while others would prefer to focus by media.

- The results of our efforts will be posted on the Web in a joint EPA/State clearinghouse to accelerate broader information sharing and positive change.

I would like the Region/State discussions to be broad enough in scope to include all aspects of our information relationship with the States. As we have come to realize, burdens may take several forms: actual burden of specific data reporting requirements, duplication in reporting, different reporting formats for similar information, and reporting similar information to different layers or parts of EPA. In addition to these aspects of burden, among the categories of data collection and issues that should be pursued in the discussions are:

1. Information that feeds a national system (information directly related to core performance measures should be addressed through the existing process for developing and supporting core measures that EPA and the States have put in place);
2. Information that is not directly related to a core performance measure;
3. Information that is a condition of EPA grants to States;
4. Information burdens that stem from management needs, such as information requested to support Performance Partnership Agreement negotiations, or periodic unplanned telephone requests for information from States; and
5. Information that has high transaction and transmission costs – including staff time spent on submitting data to or retrieving data from EPA systems, and ideas for cost efficiencies as EPA and the States reenginer and modernize data systems.

An important part of our success in moving as an Agency into the information age of the 21st Century is our ability to work with our State partners to improve our information transactions. I ask that you give your personal attention to this effort, and appreciate your commitment and willingness to work closely with our State partners.

Peter D. Robertson
Acting Deputy Administrator

Attachments
1. State/EPA Vision and Operating principles
2. Background paper on Cost/Value

State/EPA Vision and Operating Principles For Environmental Information Management

Approved by State/EPA Information Management Work Group At Salt Lake City Meeting

The States and EPA are committed to a partnership to build locally and nationally accessible, cohesive and coherent environmental information systems that will ensure that both the public and regulators have access to the information needed to document environmental performance, understand environmental conditions, and make sound decisions that ensure environmental protection.

Joint State/EPA Operating Principles For Effective Environmental Information Management

Working closely with local governments, the regulated community, the public, and tribal governments, the States and EPA will adhere to the following Operating Principles in their efforts to build efficient and effective environmental information systems that recognize customers' needs, ensure full public access, strengthen environmental program management, minimize reporting costs, and ensure fairness and due process in the protection of trade secrets.

1. Data collected by the States and/or EPA should have a specific and demonstrable use that:

- contributes to public understanding and decision-making about environmental and health risks in their communities.
- supports States' and EPA's ability to manage environmental programs effectively and enables regulators, legislators and other oversight bodies, and the public to measure success in the implementation of such programs, in a manner that is increasingly based upon environmental results.
- imposes the least burden on the private and public sectors, consistent with the above public requirements.

2. The States and EPA commit to developing ways of sharing core environmental information based on compatible data standards and system design. To this end, business processes and information systems designed by either or both States and EPA should:

- be designed and managed employing methods and technologies that will assure that the burden of collecting, storing, maintaining, and retrieving these data is minimized and provides for timely data sharing among all users.
- be managed and maintained to provide enhanced data quality, reliability, security and overall system stewardship.
- be integrated across programs and facilities based on data standards, in part so that information collection duplication and/or redundancy is reduced as much as possible.
- provide the context, purpose, reliability, and collection methods for these data, in order to enhance users' understanding and use of data to address environmental issues.
- promote ready access to quality environmental information for all levels of government, the regulated community, and the public.

3. The States and EPA will leverage and share existing and future state and federal investments in the use of information technology. Recognizing the opportunities and risks associated with the rapid pace of developments in information technology, the States and EPA will work as partners to modernize environmental information systems as rapidly and efficiently as possible, while doing everything possible to ensure that all EPA components and all States participate fully in this process.

4. The States and EPA recognize that there is a critical need to share information for each agency to be successful in its general mission. While recognizing that both have special data needs for specific programs that do not require information to be shared or for which information sharing may not be necessary, States and EPA recognize the overriding importance of transparency in public activities and decision-making and of respect in the use and dissemination of each other's information.

5. The States and EPA will improve the collection, management, and sharing of environmental information to support the achievement of their respective and shared environmental goals and priorities. Integration of and agreement on these goals and priorities will occur through a structured dialogue (such as the National Environmental Performance Partnership System [NEPPS]).

Launching State/EPA Burden Reduction Efforts

Launching State/EPA Burden Reduction Efforts:

A Report From the State/EPA Information Management Workgroup

March 25, 1999

Background

Over the past year, the ECOS Data Management Workgroup and EPA have worked together as the State/EPA Information Management Workgroup (Workgroup) to characterize the critical issue of information-related "burden reduction" and to launch appropriate efforts to reduce or eliminate unnecessary reporting. The Workgroup chose to frame the discussion of reporting burden as a question of "cost versus value." (See http://state-epa-info-group.org/burden/burden.htm.) Under this framework, information is assessed in terms of its value in managing environmental programs and measuring environmental results, balanced against the cost of collecting, managing, and exchanging that data. High cost/low value data should be considered burdensome, to be reduced or eliminated, with resources more productively redirected to higher value activities. The Workgroup believes this perspective more accurately reflects how those engaged in information collection and exchange view their information and program needs, and can lead all parties to a more effective utilization of information management resources that achieves better environmental results. This approach also underscores the importance of reviewing the cost and value of information in the context of States' and EPA's (shared) environmental objectives and priorities.

The Workgroup identified in its framework of cost and value, three distinct areas in which the potential burden may be categorized. They are:

1. <u>What information is needed to support program goals and help achieve desired environmental results?</u> This includes a consideration of how well current information supports the goals, plans, and program responsibilities that EPA and States each have. The Core Measures and the national goals and strategic plan efforts help align the

objectives and priorities of States (collectively) and EPA; of equal importance are the goals, strategic plans and measures that individual States have developed based on their own needs, resources, and accountabilities.

2. How is information transmitted between interested parties? This relates to the efficiency of both technology and human resources needed to collect and exchange information accurately and at low cost. Since EPA and the States are moving toward integrated information, key questions on how to integrate information across program areas and how best to share that information among agencies are also being raised. The Workgroup's action teams on data standards and data transfer are addressing some of these questions.

3. How is information being used and released to the public? Using information properly requires an understanding of the purposes for and methods by which information was collected, as well as a recognition of the roles of the respective parties whose interests are served by the use and release of information. Respectful use of information is essential, given the amount of information EPA and States exchange and/or release. Achieving it is often difficult given varying interests, audiences, and legal mandates regarding use and release of information.

Because the specifics of each State's circumstances and relationship with EPA vary greatly, the Workgroup believes that there is no "magic list" of generic information that can be readily identified as representing reporting burden for all parties, and hence eliminated easily. Clearly, cost and value can often be assessed differently—case by case—for each state and for EPA Regions and Headquarters. In addition, other important interested parties, such as industry and the environmental community, have their own ways of assessing cost and value. Their views on reducing burden—and adding or keeping value—will also influence outcomes on this issue.

Both the States and EPA agree that burden reduction is of crucial importance in the overall transformation and operation of effective environmental information management systems. The Workgroup believes that burden reduction efforts will work best, at least initially, where individual states work with EPA Regions (and, when necessary, national programs) on specific issues and programs of concern to a state. The Workgroup has developed the following recommended approach for conducting these State/EPA discussions.

Begin with State/Regional Discussions

The primary arena for initiating these explicit burden reduction discussions is between States and their Regions. Discussions should take place with each state that desires to do so.

■ What's on the Table

It is conceivable that any aspect of the State/Federal relationship might be considered "burdensome" at some time or another by one party or the other. This process has been developed to specifically address concerns within the State/EPA relationship regarding the relative cost/value associated with the identification, collection, reporting, and use of information. The Workgroup does not believe that this process should be seen as the vehicle for raising broader issues of federalism, such as the authority and responsibility of delegated programs or what the appropriate role for federal enforcement activities within a state might be.

While the specific topics a State and Region may decide to discuss will vary and cannot be fully anticipated, illustrative examples of the types of information or information reporting relationships these cost/value discussions might encompass the following:

- Information that feeds a national system (information directly related to core performance measures should be addressed through the existing process for developing and supporting core measures that EPA and the States have put in place);
- Information flows that do not support Core Performance Measures;
- Grant reporting requirements, especially if the information has been deemed low-value from a programmatic point of view;
- Information burdens that stem from management needs, such as information requested to support Performance Partnership Agreement negotiations, periodic unplanned telephone requests for information from States; and
- Methods of transferring/reporting information where efficiencies or improvements may be possible.

Information necessary to support a Core Performance Measure is presumed to be of high value, but data gaps, quality, and efficient exchange may still be issues. Procedures for Core Measure-related discussions are addressed in the recently negotiated, but not yet approved by ECOS, *Addendum to the Joint Statement on Measuring Projects Under NEPPS.* It is not intended that the cost/value process would supplant those procedures; however the cost/value model may be a useful way to look at any specific Core Performance Measure-related issue.

■ How to Start and Approach the Discussions

These discussions should be based upon specific reporting obligations that a State believes represent a low value/high cost from its perspective. While it is not possible to predict precisely how the discussions should be initiated, conducted, and brought to resolution, some ground rules apply.

- States should initiate discussions/nominate an issue when they have something specific to propose. As appropriate, these discussions should be linked to the broader context of State and EPA goals and objectives, and collaborative priority setting, including information investments or disinvestments. More limited "burr under the saddle" type issues are okay to bring up as well. States should not feel that all issues/programs need to be addressed at the same time or in the same way, nor that they "have to find" an issue.

- These discussions should be initiated and managed at the State Commissioner/Regional Administrator/Deputy Regional Administrator level. High level "champions" within the Region and the State will be absolutely necessary to bring issues to quick and successful closure. The discussions should remain accountable at the leadership level in the States and the Regions, and not get shunted off into several places within the States or EPA for isolated answers.

- The States/Regions can use whatever process or vehicle to conduct their discussion/negotiations. Clearly, using the NEPPS process may be relevant for many States, but other grant negotiations, the Reinvention process, or "special project" status may work, and be used, as well. The relevant timing for raising and addressing issues should be seen as flexible.

- While value and cost can be conceptually defined, it may prove difficult to do a rigorous quantitative analysis on any particular exchange. A straightforward and practical approach would be to include program managers/experts in the discussions and rely on their expert judgment. Disagreements over cost, value, or both, can be expected. At the very least, such debates can help make explicit early on what principles/uses either party holds important regarding specific information flows.

- Participants in this process could focus first on the utility and efficiency of State/EPA information reporting. How best to include the information needs of the broader set of interested parties would be up to each state and Region.

How the Decisions Get Made and How EPA Headquarters Fits in

Key assumptions in this approach are that States and Regions are the best places to identify specific cost/value issues and begin discussions; that Regions can and will be able to agree to eliminate or reduce information requirements identified for the State if it is low value from EPA's perspective; and that Regions can and will be champions in bringing issues to the attention of EPA Headquarters, and will help get quality decisions quickly from Headquarters. In addition, the following expectations regarding the respective roles of EPA Regions and Headquarters should help guide the process.

- Hopefully many, but not all, issues will be able to be resolved at the State/Regional level. Some issues will clearly result in Regions consulting with Headquarters, and some will have to be resolved at the Headquarters level due to the national nature of the cost/value implications raised by that issue.

- Each National Program will also assign a high level champion so that issues can be addressed and resolved quickly and consistently in the spirit of this approach. The process to get decisions should not be so burdensome as to become part of the problem.

- At the national level, EPA will:

  — empower Regions to reduce or eliminate low value/high cost reporting requirements. (Identifying ways to access information other than "requiring" it to be reported by a State can be part of this approach.);

  — participate in an open and transparent process when it is necessary for a State, Regional Office, and a National Program to negotiate resolution of an issue; and

  — look for similarities in requests from States/Regions so that nationally applicable opportunities to reduce burden can be seized.

EPA and the States understand that over the long term, understanding information needs necessary to support environmental programs, measure environmental results, and inform the public will be critical to establishing high value information flows. As well, system modernization at both the State and federal level holds great promise in reducing costs of exchanging information. As this occurs, EPA will incorporate the results of these State/regional dialogues as it conducts its information planning and system modernization. Core measures will also be a powerful guide to assist EPA in identifying high value information streams, and in identifying potential low value flows for reduction or elimination.

Learning from Each Other, and Managing for Success

These State/Region discussions do not mark the first time that States and Regions have addressed burden reduction germane to their particular circumstances. Indeed, previous (and ongoing) efforts helped shape the cost/value approach, and its application at the State/Regional level. Florida reformed its RCRA reporting with Region 4, Illinois streamlined its reporting with Region 5, and Washington state and Region 10 are currently comparing previous PPA reporting obligations to the newly revised (but not yet adopted by ECOS) Core Performance Measures in order to reduce or eliminate unnecessary reporting. Examples such as these will help orient States, Regions, and Headquarters to the possibilities of this approach and to successful ways to begin, analyze, and conclude discussions on issues States choose to bring forward. In order to support this learning, and to make sure that this effort is taken seriously by all the parties, the following will be initiated.

■ Learning

- States and EPA will support joint learning and assist the champions together and individually as they work on specific topics. Since the necessity for reducing burden should be shared broadly within each organization, this effort should not devolve into mere dicta from the top that diffuses responsibility for success onto somebody else. Champions will need, and will get, support.

- An Activity Clearinghouse will be established by ECOS to accomplish the following:

  — describe what activity is going on, where, about what issues (this includes disseminating information on recent examples such as those cited above);

  — provide frequent (monthly) updates on progress or lack thereof;

  — search for multiple instances of the same issue, to assist in identifying possible national applicability;

  — enable participants to seek relevant expertise from other States/Regions, identify issues/problems, promote joint learning and link champions together; and

  — provide the information needed to assess overall success of this effort.

States that desire to begin a dialogue with their Region should contact their Regional Administrator, and notify ECOS that they have done so.