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Good Morning Ladies and Gentlemen, Mr. Chairman.  
Thank you for your gracious Introduction.

I would like to offer a special note of appreciation to Minister Keresztes and to Mayor Demszky for their warm and gracious hospitality. I would also like to thank my fellow sponsors Minister Alders and Mr. Brinkhorst, represented today by Mr. Beck. I want to reserve particular thanks to my co-chair from the Netherlands, Pieter Verkerk. Pieter as co-chair for the first two International Enforcement Conferences epitomizes his country's long tradition of environmental leadership.

Today we have come together at this Second International Conference on Environmental Enforcement to continue the work begun two years ago in Utrecht, the Netherlands. Despite the diversity of our national origins, we have come together with one common resolve: a shared commitment to establishing environmental protection and the recognition of the importance of enforcement towards that commitment. Understanding the growing convergence of international trade with environmental protection has presented us with a significant opportunity for bridging the divide between economic development and environmental values. In 1992, there were two particular international agreements which underscore this point. Through Agenda 21 of the United Nations's Conference in the Environment and Development held in Rio, this past June, the world community recognized the importance of developing compliance and enforcement programs with environmental program implementation and institution building. Second, the North American Free Trade Agreement (NAFTA), called by Administrator William Reilly "the greenest Trade Agreement ever explicitly called for economic development to take place in an environmentally sustainable manner recognizing that enforcement of environmental laws and regulations was the guarantor for this development.

Strong enforcement while deterring non-compliant behavior also has the effect of encouraging active management for environmental protection. Our experience in the United States is illustrative of this point. President Bush at the beginning of his Administration in 1989 promised to make "polluters pay ..." and pay they have. The President's enforcement program has achieved in the areas of penalties, criminal case referrals and successful prosecutions more than all the other previous Administrations combined in the preceding 18 years. In the past three years alone, under the direction of Administrator Reilly, EPA has collected more civil and criminal fines and penalties, an amount exceeding \$200 million dollars, than the Agency had ever collected in the past eighteen years. This past year alone we anticipate an additional 100 million in civil and criminal fines and penalties to be issued against environmental polluters. Also, EPA, along with the Department of Justice, in the past three years has referred and successfully prosecuted over 50% of all criminal cases ever prosecuted in the Agency's entire 21 year history, with a significant number of individual offenders, including company presidents and other high level corporate officials, receiving jail sentences.

In addition to criminal prosecutions, fines and penalties, enforcement has been used to require industry to correct its own non-compliance through enforcement settlements. Preliminary reports for this past year alone indicate that regulated industries in the United States have spent or will spend over 200 million dollars to correct environmental violations or engage in pollution prevention projects as a direct result of enforcement settlements.

Finally, in the area of cleaning up old and long-standing hazardous waste sites, EPA's "enforcement first" program, under the Superfund Hazardous Waste Cleanup Statute has recovered from private companies and individuals over \$1 billion dollars per year, for each of the past four years to clean up old long-standing hazardous waste sites which are now being completed at the rate of one site per week.

The result of this aggressive and vigorous enforcement program is industry's recognition of the great potential economic liability as well as individual personal liability for poor environmental practices. These direct costs resulting from civil or criminal penalties, the costs necessary to remediate a site or a plant or facility, as well as the indirect costs associated with lengthy litigation, all are causing industries to develop new and improved ways to manage their methods of operation and handling their waste. Industry is becoming "encouraged" toward active management for environmental protection and waste minimization. The concept that "good business" and "good environment" are compatible is beginning to take hold with our business community. Although in the past our program of enforcement was strictly a "Command and Control" regulatory-deterrent approach, we are now moving toward an approach of complementing our enforcement program with more market-based incentives and voluntary approaches to provide industry with incentives to go beyond mere compliance so they may engage in pollution prevention and waste minimization programs to a greater degree. These approaches are finding acceptance with industry without compromising our vigorous enforcement efforts. But we must remember that incentives are not meaningful incentives without deterrence through effective enforcement.

Given the current worldwide decline in many country's economies, the challenge facing all nations is striking an effective balance between deterrence and incentives in their environmental protection programs. Our goal should be to develop a strategy which clearly will "make polluters pay" but one that will also reward good corporate citizenship and enlist the substantial resources of private industry to help leverage the staggering costs associated with providing meaningful environmental protection.

There is no single ideal enforcement mode. Rather, enforcement will generally reflect the economic conditions and culture of a society. Indeed, environmental enforcement may pose unique challenges for nations which are in the process of transforming their economic systems. Whatever the specific circumstances, enforcement will be an essential component.

I think you will find that the themes we have struck for continuing to improve the U.S. program have applicability to countries both which are developing environmental enforcement programs as well as for those countries with mature programs.

Nations with limited financial and technological resources will discover that the adoption of clearer and more "enforceable" regulations and permits will reduce enforcement costs and increase their effectiveness toward regulation. Investigatory techniques such as strategic targeting through inspections and enforcement response as well as multi-media approaches to enforcement will help countries to leverage limited environmental resources for maximum, efficient environmental results, risk reduction and deterrence. Creative enforcement settlements calling for corrective technology changes, cleanup and remedial action, or pollution prevention and reduction projects can reach beyond the deterrence created by fines and penalties to require industry and companies to invest in sustainable development for their nation's future.

The U.S. is committed to sharing our own experiences, and also to respecting and exploring the many approaches each nation may take to achieve compliance. During the next several days, we will mutually work to develop effective environmental enforcement and environmental assessment capabilities, and in the process, to improve our own programs.

We have a lot to do... now let's get to work.