

## ENVIRONMENTAL COMPLIANCE ASSISTANCE CENTERS DELIVER TARGETED HELP TO THE REGULATED COMMUNITY

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### SUMMARY

The United States Environmental Protection Agency (EPA) has established unique partnerships with external, non-profit organizations to create Compliance Assistance Centers (Centers) over the past twelve years. These Centers provide user-friendly access to comprehensive, easy-to-understand environmental compliance information packaged to fit the specific needs of regulated businesses in several industry sectors, particularly those with a large number of small and medium-sized entities. The Centers have been very successful and demonstrate several “best practices,” including the: (1) effective use of partnerships to develop and disseminate assistance to a target audience; (2) integration of compliance, pollution prevention, and industry sector-specific content; (3) efficient use of Agency resources; and (4) measurement of results.

With assistance from the Asian Environmental Compliance and Enforcement Network, environmental agencies in the Philippines and Thailand are establishing Centers based on U.S. best practices. EPA has worked closely with its Asian counterparts to share U.S. experience and provide feedback on proposed strategies and models. As in the U.S., the Asian pilot Centers target small and medium-sized entities and employ a stakeholder-driven approach to identify target sectors, and define center needs, capabilities and tools. This article describes the model established for Centers in the U.S. and how that model has been adapted to meet the needs of environmental agencies and businesses in the Philippines and Thailand.

## 1 INTRODUCTION

There are several tools available to environmental agencies to address environmental problems, including compliance assistance, incentives, monitoring, and enforcement. EPA's experience has been that environmental results are optimized when all the tools are used strategically to change the behavior of regulated entities. EPA has also learned that environmental compliance requires that regulated entities know and understand all the environmental requirements that apply to their operations. Based on this principle, EPA has established effective models, and is sharing this experience in Asia.

## 2 THE U.S. MODEL FOR COMPLIANCE ASSISTANCE CENTERS

In the United States, getting compliance assistance information to those who need it is challenging. Many small and mid-sized businesses are not routinely inspected which creates a lack of information regarding what regulatory requirements may not be well understood. The organizational structure of EPA offices also creates problems in delivering compliance assistance.

Most assistance materials created by regulatory agencies are specific to a particular regulation or media program (*e.g.*, air, water, waste), instead of identifying how the requirements affect different industry sectors and placing any new requirements in context with other environmental requirements. Delivering assistance in this way does not meet the needs of most businesses. Businesses are only concerned with the environmental requirements that apply to their specific sector operations. Building trust and acceptance with the regulated community is also a difficult task for a regulating agency. Businesses, local governments, and federal agencies may be hesitant to draw attention to their operations by seeking assistance from agencies that regulate those same operations and are empowered to take enforcement actions. EPA recognized that regulated entities are often more accepting of compliance assistance delivered by their peers. The Centers were established to address these issues and to provide an efficient delivery mechanism for ongoing, up-to-date assistance. With a few exceptions, they are a peer-based network that can directly communicate compliance assistance information to regulated entities. It is EPA's Center partners - including industry associations, universities, environmental groups, and other non-profit organizations - that provide information in language that relate directly to the specific operations of each sector.

### 2.1 Center Audiences

Most of the Centers are targeted to specific sectors and are able to reach a large number of businesses (as well as local and tribal governments and federal facilities). One of the key considerations in identifying candidates for Center support is the number of small and medium-sized entities in the sector. Small and medium-sized entities are often significant contributors to the total pollution

load, but are less likely to be the focus of permitting, inspection or enforcement efforts. EPA understands that smaller entities are usually not as well equipped as large companies to comply with environmental laws; consequently, they have been a primary audience for much of EPA's compliance assistance. In addition to the regulated community, Centers have proven to be valuable resources for compliance assistance providers and regulators.

Use of the Centers by their target audiences has grown each year, demonstrating the effectiveness of this third-party assistance delivery best practice. Since 1998, the Centers have experienced over nine million user visits; nearly two million of those visits occurred in 2007.

## **2.2 Center Features**

Over time, the Centers have evolved to better serve their audience. When the Center concept was first developed over twelve years ago, the decision was made to create web-based resources since the Internet was an emerging communication vehicle, even for small businesses. Initially, the Centers only had a few features, mainly providing links to applicable documents and resources and identifying regulatory and assistance contacts. Today, the Centers are using sophisticated web casting, on-line training, list serves, electronic newsletters, streaming videos and more to provide timely and comprehensive environmental compliance information. Additionally, virtual plant tours have been popular among Center users. With an easy point-and-click of the mouse, Center users can readily identify environmental regulations, pollution prevention opportunities and best management practices associated with specific facility activities. The Centers also offer information on enforcement actions in the specific sectors, emissions calculators, discussion groups, and on-line "Ask the Expert" services.

In Fiscal Year 2007, the Centers published over 224 newsletters reaching over 17,000 subscribers. Subscribers received the latest on new regulations, federal policy updates, information on upcoming conferences/events, funding opportunities and more. Difficult compliance questions were answered, problems resolved, publications ordered and comments/suggestions were submitted through the Centers listserv functions. This year alone, the Centers received and responded to over 3,000 inquiries.

## **2.3 Center Selection and Management**

EPA has established criteria for selecting sectors candidates for Center support. In addition to the prevalence of small businesses already mentioned, the criteria include: impacts on health and the environment; prevalence of the problem nationally; patterns of noncompliance; impacts of new environmental regulations; subject to multiple environmental statutes/regulations; lack of comprehensive compliance assistance program; and determination that compliance assistance is an appropriate tool to address the problem. Once these threshold criteria have

been met, an additional criterion is applied: willingness of a sector or third-party organization to partner with EPA in developing the Center.

Once a sector has been selected, EPA solicits, through a competitive process, proposals to develop and operate that Center. EPA then selects the best qualified organization(s) amongst those submitting proposals and provides funding through a multi-year cooperative agreement. This third-party run Center model is the primary model used in the U.S. However, three Centers are exceptions to this model – the Centers for agriculture, federal facilities, and tribes. These Centers are EPA owned and operated. In the case of federal facilities and tribes, EPA is already a peer governmental organization and thus well-positioned to provide compliance assistance.

The sectors currently served by Centers include agriculture, auto repair, auto recycling, chemical, health care, education, printing, transportation, metal finishing, paints and coatings, printed wiring board, and construction industries, as well as federal facilities, tribes, local governments and compliance issues along the US, Mexican and Canadian borders.<sup>1</sup> A Center addressing the food processing sector is scheduled to be launched by next year.

### **3 BEST PRACTICES**

#### **3.1 Using Partnerships**

Developing effective partnerships is critical to the success of the Centers. Industry support as well as input from other affected stakeholders must occur prior to Center development and be maintained once the Center is operational. EPA seeks stakeholder feedback in the Center candidate evaluation process through several mechanisms. To ensure broad stakeholder input, national *Federal Register* notices are published requesting suggestions on candidates for Center development.

Once a candidate sector has been identified, EPA has had particular success convening meetings with representatives from that sector, academia, governmental partners and other parties that routinely interact with the sector. The meetings usually focus on the sector's compliance needs, identification of existing and planned compliance assistance activities, obstacles to compliance and what information or materials are needed to address outstanding compliance needs. This process fosters improved communication and helps inform decisions about what needs to be included on the Center. Center partners also routinely share experiences with each other regarding the effectiveness and delivery of the services they provide.

#### **3.2 Integration of Content**

Bundling of compliance assistance information with related information is another best practice. By integrating pollution prevention, compliance assistance, technical,

incentive and other information, the Centers provide easy access to resources and programs that help regulated entities understand their regulatory requirements and improve their operations. In one place, a business can readily find the information they need to identify their environmental regulatory obligations, implement pollution prevention to save money, locate vendor information, stay current with industry-specific news and events, contact experts to have their questions answered, and much more. Beginning in 2008, information on recent enforcement actions in the sector and the nature of the violations will be added to one or more of the Centers.

### **3.3 Efficient Use of Resources**

Over the years, the Center program has expanded to include 17 Centers even as funding has been reduced 29 percent from 1999 to 2007. In other words, in 2007, EPA supported six additional centers and provided start-up funds for two more with fewer funds than it had in 1997. Over this same time period, the average annual cost for maintaining each Center has been reduced by 60 percent per year. EPA has done this by routinely looking for and building efficiencies into the development and maintenance of its newer Centers. Continual strategic use of available resources ensures that the Centers can successfully meet the needs of the regulated community. Two Center funding strategies developed by EPA have: 1) created efficiencies in Center maintenance and content development; 2) encouraged Centers to explore alternative revenue sources and reduce reliance on Federal funding; and 3) based Centers funding on performance. The goal of having Centers become self-sufficient over time through revenue-generating projects has proven to be elusive. Currently, only one Center is completely self-sufficient.

### **3.4 Measuring Results**

Although the direct beneficiaries of the Centers are those who seek answers to their own compliance questions, the assistance provided by the Centers has also benefited the public and the environment. In 2007, 83 percent of the regulated entity respondents to the annual survey reported that assistance from Centers increased their understanding of environmental requirements; 81 percent reported they improved their environmental management practices; and 53 percent reported they reduced pollution at their facilities.<sup>2</sup> While the number of annual survey respondents is small and not representative of the sectors as a whole, they do suggest that Center users improved their environmental performance, decreased the risk of costly violations, and ensured a cleaner, safer environment for themselves and their neighbors. It would be impossible to assess whether there is any value to the Center model without establishing a method of measuring results.

## **4 ADAPTING THE U.S. CENTERS MODEL IN ASIA**

Asia is the most economically dynamic region in the world, yet it is home to two thirds of the world's poor. While Asia's economic progress has raised 270 million

people out of poverty, it has triggered a decline in natural capital – shrinking forests, declining biodiversity, disappearing water sources, and barren lands. Exploitation of natural resources, industrial production, and urbanization continue to pose serious environmental challenges.

In response, Asian countries have developed an array of environmental laws and judicial decisions that seek to implement international principles. Enforcement of the resulting legal requirements, however, remains weak and uneven, due in part to limitations in financial resources and in human and institutional capacity. To overcome these limitations, many Asian governments have introduced innovative mandatory and voluntary approaches that leverage market and community forces, and are less resource-intensive than traditional command-and-control regulatory approaches. These innovative approaches also promote voluntary compliance by educating and assisting the regulated community, and providing opportunities to publicize good corporate citizenship.

To share experience related to these efforts, Asian governments and donor partners established the Asian Environmental Compliance and Enforcement Network as a platform for promoting improved compliance with environmental legal requirements through the demonstration and regional exchange of innovative policies and practices ([www.aecen.org](http://www.aecen.org)). Asian Environmental Compliance and Enforcement Network Members include national or sub-national environmental agencies in Asia responsible for identifying, monitoring, and correcting non-compliance with environmental laws and other requirements. The United States Agency for International Development provides principal funding assistance to Asian Environmental Compliance and Enforcement Network, while EPA offers technical assistance to Asian Environmental Compliance and Enforcement Network Members.

#### **4.1 Establishing Compliance Assistance Centers in Asia**

Asian Environmental Compliance and Enforcement Network works with member agencies to develop pilot projects that demonstrate best practices for replication throughout Asia. Based on regional priorities, Asian Environmental Compliance and Enforcement Network is working with member agencies in the Philippines and Thailand to establish Centers based on U.S. best practices. The objectives of the pilot projects are to:

- Employ a stakeholder-driven approach to identify target sectors, and define Center needs, capabilities and tools
- Identify the most efficient and cost effective approach for managing and sustaining centers;
- Establish and pilot centers for target sectors;

- Develop a monitoring and evaluation system to measure the outcomes; and
- Promote national replication to other sectors, and regional replication to other countries.

Based on a series of consultation meetings, observational programs and targeted technical assistance, Asian Environmental Compliance and Enforcement Network members in the Philippines and Thailand have established Centers that provide a basis for national and regional replication.

#### **4.2 Thailand: Centers for the Swine Industry**

Due to limitations in enforcement authority, Thailand's Pollution Control Department has been exploring strategies for promoting environmental compliance through compliance assistance centers. As with EPA, Pollution Control Department is targeting sectors that are composed principally of small and medium-sized entities. Through national consultation meetings, Pollution Control Department decided to target the swine sector for its first Center, and has targeted Nakornpathom Province in the Tha Chin River basin and the Chachoengsao Province in the Bang Pakong River basin. Both rivers are among the most polluted in Thailand due to agricultural, domestic and industrial pollution.

Based on subsequent consultations with pig farmers and other local stakeholders, in 2008 Pollution Control Department will establish two centers that will provide compliance information, technology support and training. Pollution Control Department will take initial responsibility for operating the centers, but will transition to local non-profit organizations, such as universities or associations, to manage the centers. At present, Pollution Control Department has developed a web-based assistance program, informational and outreach materials, and a "train-the-trainer" program.

In establishing the centers, Pollution Control Department also shared experience with the Council of Agriculture of Taiwan, and the Swine Association of Taiwan to share lessons learned on compliance assistance programs and activities for the swine sector. By 2012 Pollution Control Department also plans to establish centers in Chapraya River basin, Songkhla Lake, Lamtakong River basin and the Ping River basin.

#### **4.3 Philippines: Compliance Assistance Centers for the Swine Industry**

Laguna de Bay is the second largest inland freshwater lake in Southeast Asia located on southern Luzon Island in the Philippines, and home to over 10 million Filipinos or 13 percent of the country's population. The Laguna Lake Development Authority is responsible for managing Laguna de Bay and its watershed in coordination with over 30 environmental, natural resources, and water-related agencies/offices, as well as 66 local governments.

Despite an effective wastewater discharge fee program managed by Laguna Lake Development Authority, the Laguna de Bay watershed faces serious water pollution challenges due in large part to industrial pollution from small and medium-sized entities. In 2006, for example, less than half of the 67 slaughterhouses complied with the permitting requirements and effluent standards. Similarly, in the commercial hog sector, only 26 percent of the piggeries (53 out of 201) complied with permitting requirements and effluent standards.

Through a partnership with Asian Environmental Compliance and Enforcement Network and EPA, Laguna Lake Development Authority convened stakeholder consultations and has developed a model for “virtually-based” compliance assistance centers that provide commercial hog farms and slaughterhouse industries with updated information on environmental requirements, best practices, technology options, and funding opportunities. Based on a survey of existing models of compliance assistance, Laguna Lake Development Authority and Asian Environmental Compliance and Enforcement Network formulated a pilot framework and action plan to establish both centers, including a manual of operations for the centers to guide day-to-day operations and to clarify coordination among concerned agencies and institutions. Through this process, Laguna Lake Development Authority entered into partnerships with the local federation of hog farmers for the swine sector, and the Department of Agriculture-National Meat Inspection Service for the slaughterhouses.

In 2007, Laguna Lake Development Authority and the NMIS piloted the slaughterhouse compliance assistance website ([www.slaughterhousecac-phil.org](http://www.slaughterhousecac-phil.org)), followed by an orientation workshop for regulators in March 2008 to assist hog farm and slaughterhouse owners and operators comply with the Laguna Lake Development Authority effluent standards. Initially, both centers will remain “virtual,” with support from Laguna Lake Development Authority. Based on the response of these initial web platforms, Laguna Lake Development Authority is working to establish physical compliance assistance centers, most likely located in Rizal province.

#### **4 CONCLUSIONS**

Compliance assistance centers have proven an effective means for promoting effective compliance and enforcement, especially in addressing pollution from small and medium-sized entities. Experience in the U.S. and Asia demonstrates that engaging stakeholders in defining target sectors, industry needs and center operational requirements leads to the successful development of effective centers that both meet user needs and optimize agency resources. Partnerships with third-party operators has also proven a successful strategy for delivering compliance assistance.

## 5 REFERENCES

<sup>1</sup> Access to each Center site, Compliance Assistance Center Homepage available at <http://www.assistancecenters.net>

<sup>2</sup> Back, T., *FY 2007 Centers' Survey and Webtrend Results*, 2007

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