



Environmental Compliance Overview

Federal Environmental Law

- ◆ Establishes national goals
- ◆ Based on a system of self-monitoring and self-reporting
- ◆ Depends on corporate responsibility for success

Corporate Responsibility

What does corporate responsibility have to do with environmental compliance

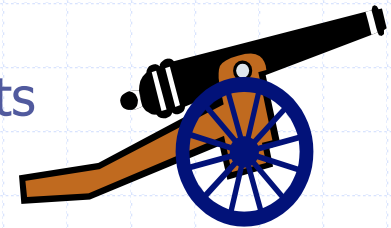
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Consequence of Non Compliance

- ◆ Penalties, fines, extra work
- ◆ Felony offenses sometimes involve personnel
- ◆ In some cases:
 - Loss of eligibility to do business with the Government - Debarment

Federal Debarment History

- ◆ Defense Procurement Act - post Civil War
 - The United States ***will do business only with*** responsible contractors
 - ◆ No more moldy hardtack or faulty muskets
- ◆ Post World War II
 - The United States ***will not do business with*** irresponsible contractors
 - ◆ requirements and definitions of responsibility codified
 - ◆ Coordination of procurement and non procurement programs



Agency Authority to Debar

- ◆ Discretionary for all procurement and non procurement activities
- ◆ Statutory in the Clean Water and Clean Air Acts

Eligibility Re-established

- ◆ Achieved through an administrative Compliance Agreement
- ◆ Requires an Environmental Management System
- ◆ Results in a showing of “present responsibility”
 - A responsible corporation is organized to achieve compliance
- ◆ Often more difficult than fulfilling judicial requirements

Corporate Responsibility Is Evidenced by an Environmental Management System

◆ Careful planning increases the likelihood of success

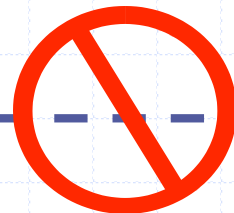
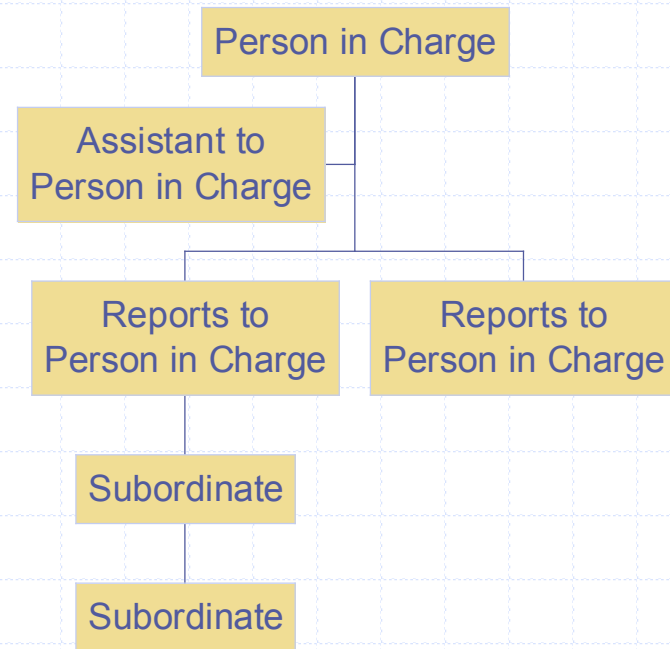
- Identify and assign environmental responsibilities
- Standard operating procedures
- Incident review and corrective action
- Set measurable goals for improvement

◆ All Employees Participate

- Set clear expectations
 - ◆ Written job description
 - ◆ Standards of performance
 - ◆ Written evaluation
- Provide training
- Delegate the authority to act

External Attributes of a Responsible Corporation

- ◆ Corporate commitment is clearly articulated in policy
- ◆ Corporate organization has clear lines of authority
- ◆ Authority, responsibility, resources and accountability are aligned



Internal Attributes of a Responsible Corporation

- ◆ Relentless, organization-wide focus on compliance
- ◆ Behavior is rewarded that is:
 - Rational
 - Appropriate
 - Timely
- ◆ Visible consequence management
 - Attention to low performance
- ◆ Internal climate of trust

What This Means

- ◆ Mistakes are made by employees
- ◆ Good systems allow average people to achieve extraordinary results
- ◆ Failure to achieve compliance is the responsibility of management
- ◆ Managers are ***essential*** to success - lawyers and other professionals can only give advice

Make the Commitment

- ◆ Commitment must come from the top
- ◆ The commitment must be in writing
- ◆ The commitment must be unconditional



Know What is Required To Achieve Compliance

- ◆ Learn how to participate in the process
 - Federal, state and local
 - Statute and regulation
- ◆ Learn how to anticipate change
- ◆ Know what to advocate

Compliance Adds Value

- ◆ Resources have maximum economic potential while still in the ground
- ◆ Each hand carries the opportunity to add value
- ◆ Each operation exposes the owner to loss
- ◆ Opportunity multiplies
- ◆ So does risk
- ◆ Environmental Compliance Management reduces risk

There is No Alternative

- ◆ Compliance is achievable
- ◆ Failure is expensive
- ◆ The cost of compliance is manageable
- ◆ The cost of failure is unrecoverable