



**Memorandum of Understanding  
Between  
The Environmental Council of the States  
And  
U.S. Environmental Protection Agency**



A Memorandum of Understanding (MOU) between the Environmental Council of the States (ECOS) and the U.S. Environmental Protection Agency (EPA) regarding organizational business process improvement techniques including Lean and other methods.

**WHEREAS**, ECOS' mission is to improve the environment of the United States by providing for the exchange of ideas, views and experiences among the states, and by fostering cooperation and coordination in environmental management;

**WHEREAS**, ECOS and EPA believe we can better achieve the goal of protecting public health and the environment through the use of administrative/business process improvement techniques such as Kaizen, Six Sigma, Value Stream Mapping and similar projects;

**WHEREAS**, the use of these techniques has proven effective in commerce and also in government, including in the work already done by states and EPA;

**WHEREAS**, ECOS and EPA have successfully implemented business process improvement techniques in some state environmental agencies to reduce costs, enhance outcomes and improve relationships;

**WHEREAS**, Lean approaches have been applied to different types of agency programs and processes including air permitting, water permits and standards setting, brownfields, wetlands and leaking underground storage tanks to identify and eliminate unnecessary and non-valued activities and processes; and

**WHEREAS**, ECOS and EPA believe that we can work together to establish a shared vision and demonstrate further success in the use of business process improvement techniques and tools to improve our administrative processes to protect human health and the environment.

Now, **THEREFORE**, ECOS and EPA enter into this MOU.

1. Purpose: To sustain organizational commitment by the states and EPA to apply business process improvement techniques and thinking to areas of federal-state interaction in implementing the nation's environmental laws and regulations to ensure better and cost effective use of agencies' resources.

2. Objectives:

- a. To engage in a partnership and increase interaction to secure and maintain top management commitment and support and to dedicate the appropriate management staff for planning and implementation.
- b. To educate state and federal environmental agency leaders and staff about the benefits of business process improvement techniques and to address the benefits and differences between the various techniques.
- c. To foster the use of business process improvement techniques across state environmental agency activities and to build capacity among the states to share expertise and produce better and more efficient environmental results.

3. Background: Business process improvement techniques are systematic approaches to eliminate waste from all aspects of an organization's operations, where waste is viewed as any use or loss of resources that does not lead directly to creating the product or service a customer needs when they need it. While there are differences between the tools, the goal of each is to reduce production resource and cost requirements, increase customer responsiveness and improve the quality of the product. Because states administer the majority of environmental protection programs, any effort to redesign administrative processes will strongly impact day-to-day operations of state environmental agencies, especially in air, water and waste permitting. What is clearly needed is on-going dialogue and development of a foundation upon which states can share experiences and develop expertise on business improvement processes.


EPA has provided financial assistance to ECOS to support the development of training materials on these nascent state activities in the context of the federal/state coregulator system. In June 2006, ECOS originally met with EPA officials to discuss state experiences with administrative business process improvement techniques. Many states are looking for ways to work smarter and achieve administrative efficiencies. There are a number of reasons driving this interest: new environmental problems are emerging but resources are tight, and state agencies are adopting a customer focus to improve their core, leadership and support processes. Additionally, Congress, state legislatures, the regulated community and the public are asking agencies to produce results with greater efficiency.

4. Authorities and Limitations:

- a. EPA has authority to cooperate with ECOS to promote effective and efficient environmental protection under, among other statutes, Section 103 of the Clean Air Act, Section 104 of the Clean Water Act, Section 8001 of the Solid Waste Disposal Act and Section 102(2) (G) of the National Environmental Policy Act. Nothing in this MOU alters the responsibilities or statutory authorities of EPA or the individual states.
- b. This MOU does not supersede existing agreements or restrict any future agreements between EPA and the individual states or other state associations.
- c. This MOU does not, in and of itself, obligate either party to expend funds.
- d. All commitments made by EPA are subject to the availability of appropriated funds and the Agency's budget priorities.
- e. Any endeavor involving reimbursement, contribution or financial assistance between the parties to this MOU will be handled according to applicable laws, regulations and procedures, including policies relating to competition for contracts and assistance agreements and subject to separate agreements.
- f. Neither party will submit a claim for compensation to the other party for activities carried out under this MOU.

- g. Nothing in this MOU precludes individual MOUs between ECOS, state environmental agencies and EPA regional offices.
  - h. This MOU does not create any rights or benefits, substantive or procedural, enforceable at law or in equity by any person against any party to the MOU.
  - i. A party claiming copyright in seminar materials, software or other work created jointly by the parties from the activities conducted under the MOU hereby grants to the U.S. government a royalty-free, nonexclusive, irrevocable right to reproduce, distribute, make derivative works and publish or perform the work(s) publicly or to authorize others to do the same on its behalf. Any patented invention made by a party from the activities conducted under the MOU will be jointly owned by the parties regardless of inventorship, unless an alternative agreement indicates otherwise.
5. Responsibilities of ECOS and EPA:
- a. Provide leadership and capacity building among the states to promote broader understanding of organizational improvement techniques and tools, continue to refine the available tools and assist states in the use of tools.
  - b. Appropriate activities could include:
    - 1. Establish a workgroup to coordinate state communication and organize an ongoing dialogue among states that seek to use process improvement techniques.
    - 2. Maintaining an information repository.
    - 3. Creating forums and face-to-face meetings, hands-on workshops, Web-based seminars and information dissemination.
    - 4. Work with states on demonstration projects assisting them with business process improvements.
6. This MOU becomes effective upon the final signature of the parties listed below and is to remain in effect for three (3) years, after which the parties are to discuss an extension of the MOU for mutual benefit. This MOU may be modified at any time per the mutual written consent of the parties. Additionally, a party may terminate its participation in this MOU by providing written notice to the other party at least ninety (90) days prior to the desired termination date.

  
U.S. Environmental Protection Agency  
Administrator Lisa P. Jackson

  
The Environmental Council of the States  
President Michael J. Linder

Date: March 19, 2010

Date: March 24 2010