

# ENVIRONMENTAL PROTECTION AGENCY ENVIRONMENTAL FINANCIAL ADVISORY BOARD STRATEGIC ACTION AGENDA FISCAL YEARS 2010-2011

## **BACKGROUND**

The Environmental Financial Advisory Board (EFAB) is chartered under the Federal Advisory Committee Act to advise EPA on environmental finance issues, options proposals, and trends. EFAB seeks ways of lowering costs and increasing investments in public purpose environmental facilities and services. EFAB is supported by EPA's Office of the Chief Financial Officer.

The Chair of the Board is Bradley Abelow, Chief Operating Officer, MF Global of New York, NY. EFAB's Designated Federal Official is Michael Shapiro, Deputy Assistant Administrator for the Office of Water. EFAB's plans and operation are aligned with the major environmental goals presented in EPA's strategic plan.

## **EPA GOALS AND EFAB ISSUES**

EFAB's work is organized in support of the 5 major goals in EPA's *Strategic Plan*:

- 1. Taking Action on Climate Change and Ensuring Air Quality**
- 2. Protecting America's Waters**
- 3. Cleaning Up Our Communities**
- 4. Ensuring the Safety of Chemicals and Preventing Pollution**
- 5. Enforcing Environmental Laws**

In its strategic planning process, EFAB applies these thematic EPA goals in the context of the requirement in its charter to provide advice and recommendations on the following issues:

- Reducing the cost of financing sustainable environmental facilities, discouraging polluting behavior, and encouraging stewardship of natural resources;
- Creating incentives to increase private investment in the provision of environmental services and removing or reducing constraints on private involvement imposed by current regulations;
- Developing new and innovative environmental financing approaches and supporting and encouraging the use of cost-effective existing approaches;
- Identifying approaches specifically targeted to small community financing;
- Assessing government strategies for implementing public-private partnerships, including privatization and operations and maintenance issues, and other alternative financing mechanisms;
- Improving governmental principles of accounting and disclosure standards to help improve sustainability of environmental programs;
- Increasing the capacity issue of state and local governments to carry out their respective environmental programs under current Federal tax laws;

- Increasing the total investment in environmental protection and stewardship of public and private environmental resources to help ease the environmental financing challenge facing our nation; and
- Removing barriers and increasing opportunities for the U.S. financial services and environmental goods and services industries in other nations.

Based on these goals and objectives and input from EPA, EFAB develops a *Strategic Action Agenda* describing its workgroup structure and lists ongoing and completed projects. Given the number, scope, and nature of the issues that EFAB addresses, its workgroups take the lead in developing projects for consideration and approval by the Full Board.

### **CURRENT EFAB WORKGROUPS**

- ▶ **SRF Investment Options:** Chaired by Jim Gebhardt, NY State Environmental Facilities Corporation, Albany, NY
- ▶ **Financing Clean Air Technology:** Chaired by Sharon Dixon Peay, State of Connecticut, Hartford, CT
- ▶ **Financial Assurance Mechanisms:** Chaired by Mary Francoeur, Assured Guaranty Corporation, New York, NY

Cost-Estimation: Co-Chair, Cherie Rice, Waste Management, Inc., Houston, TX

### **STATUS OF EFAB PROJECTS**

#### **On-Going Projects FY 2010**

1. ***Financial Assurance Mechanisms: Cost Estimation***  
**EPA Strategic Goals:** Cleaning Up Our Communities and Enforcing Environmental Laws  
**Primary Customers:** Office of Solid Waste and Emergency Response and Office of Enforcement and Compliance Assurance
2. ***SRF Investment Options***  
**EPA Strategic Goal:** Protecting America's Waters  
**Primary Customer:** Office of Water
3. ***Financing Clean Air Technology***  
**EPA Strategic Goal:** Taking Action on Climate Change and Ensuring Air Quality  
**Primary Customers:** Office of Air and Radiation

**Completed Projects  
FY 2010**

1. ***Financial Assurance Mechanisms: Commercial Insurance***, January 2010  
**EPA Strategic Goals:** Cleaning Up Our Communities and Enforcing Environmental Laws  
**Primary Customers:** Office of Solid Waste and Emergency Response and Office of Enforcement and Compliance Assurance
  
2. ***Financing Mechanisms for Drinking Water Distribution Systems***, March 2010  
**EPA Strategic Goal:** Protecting America's Waters  
**Primary Customer:** Office of Water
  
3. ***Financing Mechanisms for Reducing Greenhouse Gas Emissions, and Other Air and Water Pollution Problems***, March 2010  
**EPA Strategic Goals:** Taking Action on Climate Change and Ensuring Air Quality; Protecting America's Waters; and Ensuring the Safety of Chemicals and Preventing Pollution  
**Primary Customers:** Office of Air and Radiation and Office of Water
  
4. ***Financial Assurance for Underground Carbon Sequestration Facilities***, March 2010  
**EPA Strategic Goals:** Protecting America's Waters; Enforcing Environmental Laws; and Ensuring the Safety of Chemicals and Preventing Pollution  
**Primary Customers:** Office of Water; Office of Enforcement and Compliance Assurance; and Office of Air and Radiation

**Completed Projects  
FY 2009**

1. ***Voluntary Environmental Improvement Bonds: An Innovative Local Environmental Finance Concept or Mitigation of Climate Change Risk; Air Pollution Reduction; and the Reduction of Non-Point Source Water Pollution***, June 2009  
**EPA Strategic Goals:** Taking Action on Climate Change and Ensuring Air Quality; Protecting America's Waters; and Ensuring the Safety of Chemicals and Preventing Pollution  
**Primary Customers:** Office of Air and Radiation and Office of Water
  
2. ***Financial, Underwriting, Risk Mitigation and Consumer Protection Considerations for the Adoption of Voluntary Environmental Improvement Bond Programs***, June 2009  
**EPA Strategic Goals:** Taking Action on Climate Change; Protecting America's Waters; and Ensuring the Safety of Chemicals and Preventing Pollution  
**Primary Customers:** Office of Air and Office of Water

- ▶ This Strategic Action Agenda is a flexible planning tool and is updated during the fiscal year as needed. All revisions will be shown on the Board's home page at:  
<http://www.epa.gov/efinpage/efab.htm>
- ▶ The winter/spring meeting of the full board will be held March 8-9, 2011 in Washington, DC. The primary purpose of this meeting is to hear from informed speakers on environmental finance issues, proposed legislation, Agency priorities, and to discuss progress with current workgroup projects.
- ▶ Your comments are important and welcome. For additional information, contact Vanessa Bowie at the Center for Environmental Finance at [bowie.vanessa@epa.gov](mailto:bowie.vanessa@epa.gov).