

fees, to Dec. 31, 1996, ex-
1.1 percent of the fees are

service company that competed against Network So-
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ing that initial claims for jobless benefits
in the week ended Jan. 18 rose to

See STOCKS, D3, Col. 1

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THE REGULATORS

The Perils of Reinventing

Critics See a Playground for Polluters in EPA's XL Plan

By Cindy Skrzycki
Washington Post Staff Writer

Environmental and citizens groups have their own names for what the Environmental Protection Agency's Project XL stands for: Instead of EXcellence and Leadership, they call it "EXtra Leniency." Other critics simply call it a "regulatory free-for-all."

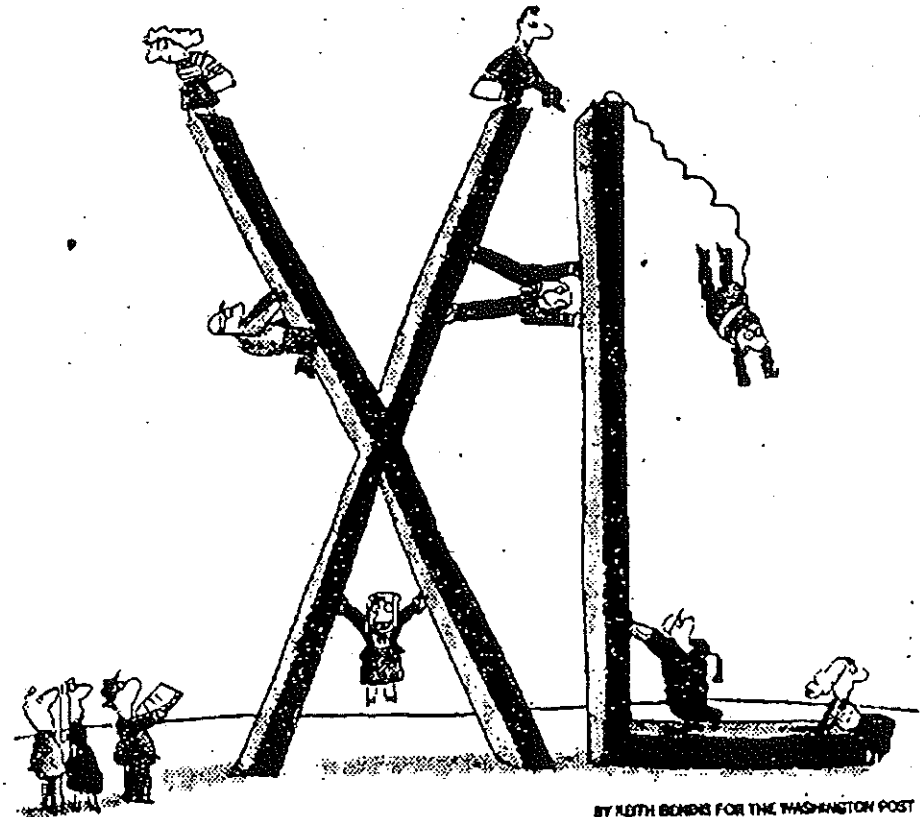
Not all of the groups are critical of the program, but many of the disgruntled showed up for a recent meeting hosted by the EPA to discuss Project XL, one of the Clinton administration's high-profile efforts to reinvent environmental regulation.

The idea of XL is to offer companies an alternative to traditional regulation, in which the agency sets the rules and companies comply.

Instead, XL seeks to make greater strides in pollution control by encouraging companies to come up with their own regulatory game plans to control pollution. Then, so-called "stakeholders" such as local and state governments, environmental groups and private citizens who have an interest in the issue are brought into negotiations to approve a company's plan. Since the beginning of the program in 1995, questions about the "vagueness" of the XL program have been raised by government, industry and environmental groups.

Though some regulatory analysts predict XL one day will become a model for effective environmental regulation, critics regard it as the Clinton administration's hastily conceived answer to conservatives who wanted to roll back environmental safeguards. They say

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BY KEITH BONDIS FOR THE WASHINGTON POST

Groups Accuse EPA of 'Extra Leniency'

THE REGULATORS, From D1

there is political pressure from Washington to make it work, compromising the role that outside participants are supposed to play.

The meeting was called to answer criticisms and make mid-course corrections.

Environmental and citizens groups are concerned that the agency doesn't really know what to extract from a company in return for offering regulatory flexibility.

They want assurances that

stakeholders won't be reduced to mere observers in the process of coming to agreement with companies, rather than full participants.

"It's surprising that a program this important to EPA's top leadership is such a disappointment to the people it is supposed to benefit," said Rena Stehner, a persistent critic of the program at the University of Maryland Law School.

EPA officials acknowledge there have been problems getting Project XL off the ground because it is a laboratory for new regulatory approaches. Officials said they want to fix problems brought to their attention. "We are trying to be a learning program," the official said.

The EPA announced at the meeting, for example, that it would provide \$25,000 per project to public participants if funds were needed to do independent technical assessments. It also promised more roundtable meetings to air concerns.

That won't be enough to mollify groups such as the Silicon Valley Toxics Coalition. It is highly critical of an agreement that the EPA recently struck with Intel Corp. for Intel's Chandler, Ariz., semiconductor facility.

It said public participants lost their voice during lengthy negotiations between the agency and Intel, and contended that those representing the community didn't have the technical tools or authority to decide the merits of the Intel plan.

Intel dismisses such claims. But clearly there is disagreement about how much leverage the public should have in the process. "People have misconstrued what the stakeholder process is all about," said Timothy Mohin, Intel's government affairs manager. "Citizens are going to make decisions . . . that are binding on Fortune 500 companies?"

Besides Intel, two other programs have been approved. The latest one is with Weyerhaeuser Co., and an earlier one was with a citrus company in Florida. There was an aborted attempt with Minnesota Mining and Manufacturing Co.

Proponents of XL, such as the Denver Research Group, which advocates alternative regulation, think the EPA should wait out the critics.

"I understand the critics can be loud. However, as XL moves forward, improves itself, and new, better projects arise, the criticism . . . will diminish," said Charles M.

McLean, president of the Denver Research Group. He predicts the project will be an "unprecedented victory for the environment and the concept of regulatory efficiency."

ANOTHER RULE. Another report.

In August, the Federal Communications Commission decreed three hours of children's viewing weekly. To keep track of its charges, it has come up with the spanking-new Form 398. Broadcast licensees will have to file their quarterly annually with the FCC, but put copies in their stations' public inspection files quarterly.

Got that?

The good news is that Form 398 is a mere four pages. Before the new rule, licensees filed long narratives every five years detailing the content of programming. Critics of that system called it "jobs for English majors."

OUT FOR COMMENT: It's money in the bank. The Office of Thrift Supervision has an offer for you: Be part of its new Financial

Regulatory Fellows Program. As many as 10 paid fellowships will be offered for 13 to 15 months,

beginning in March. Interns will work in Washington and five regional offices, helping develop new regulatory policy for the thrift industry. The OTS says it's looking for "highly motivated individuals" from all sorts of disciplines and career fields.