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In This Issue

Unemployment Insurance: A 79-Year Old Promise to American Workers That Needs Renewing

by Jessica Schieder

"What was the New Deal?...It was, I think, basically an attitude...that found voice in expressions like 'the people are what matter to government,' and 'a government should aim to give all the people under its jurisdiction the best possible life.'" —Frances Perkins, Labor Secretary and architect of the Social Security Act of 1935

The Unemployment Insurance (UI) program was signed into law by President Franklin D. Roosevelt on Aug. 14, 1935, in the midst of the economy's most severe contraction. At its lowest point, a quarter of the workforce was jobless, and in some areas, two-thirds of the unemployed had not worked for a year or more.

Beginning in 1929, the Great Depression ambushed the American people. In the weeks before the stock market crash, 429,000 Americans were unemployed. Three months after the crash, 4 million were out of work; by the following year, 8 million were jobless. Those lucky enough to keep their jobs saw their wages shrink by 60 percent.

Families were torn apart by poverty and stress: divorce rates soared, marriage rates plummeted, and many men and boys left their homes to look for work.

Joblessness also destroyed public health. Malnutrition among school children was reported. Cases of tuberculosis doubled, and the U.S. Public Health Service reported that families of the unemployed suffered 66 percent more illnesses than families that had work. Two years into the Depression, hospitals in New York City reported 100 cases of starvation. Suicides rose by 40 percent.

The Creation of a National Social Insurance Program: A Long Time Coming

The Crash of 1929 was not the first severe economic downturn, nor was it the first time citizens demanded their government provide relief. Economic panics broke out in 1837 and 1857, and severe depressions occurred in 1873 and 1884; all led to large public protests in the nation's urban areas, protests that were often broken up by the police.

Before the New Deal, there was no national social safety net in America or a national system of relief. The poor relied on churches and private charities for help and on a county-based system of poorhouses or poor farms, where the destitute worked for food. In some places, the poor were put up for bid, the authorities accepting the lowest bid from whoever promised to provide care for the elderly, indigents, and orphans. But these small-scale "solutions" were inappropriate for a growing urban population.

Before the New Deal, there was no national social safety net for the unemployed.

By the second half of the 19th century, the economy was rapidly industrializing, and migration from farm to city changed the conditions of work, the risks faced by workers, and the public discourse around employment. Political leaders and social reformers began to talk about the need for public programs to help those who lost their jobs in the "busts" that regularly followed boom times.

The earliest unemployment insurance programs were established by trade associations; association members paid into a private fund that would help support them when they were out of work. But it was not until the first decades of the 20th century that reformers envisioned an insurance against unemployment program that would involve the government.

In the wake of a severe recession in 1920-22, Connecticut, Minnesota, Pennsylvania, and Wisconsin introduced bills to require an employer to create a reserve fund from which to pay the workers that the individual employer laid off or fired. Massachusetts and New York introduced bills for a general unemployment fund paid for by workers, employers, and the state. None of these bills passed.

After the crash of 1929, when the number of unemployed reached numbers never seen before, mayors in several cities tried to create work programs for the unemployed but didn't have the revenue to pay

them. City governments were having a hard time paying their employees, teachers, and policemen and took on debt to do so. But as the urban unemployed became increasingly desperate and evictions and hunger grew, social protests and organized resistance to evictions spread. Thousands protested in Cleveland, Philadelphia, Chicago, Los Angeles, and New York demanding public action.

In 1931, two years into the Depression, 52 bills were introduced in state legislatures proposing some kind of assistance to the unemployed. Wisconsin was the first state to pass a mandatory unemployment assistance program, to be paid for by employers, in 1932.

Unfortunately, three years of depression meant individual employers, state governments, and city governments did not have the funds to deal with the growing number and anger of the unemployed. By 1933, almost 1,000 cities had defaulted on their debt, and both state and city governments were begging for federal assistance. National action was clearly needed.

The Federal Government Steps In

Relief came in the form of the Federal Emergency Relief Act, shepherded through Congress by a Republican senator from Wisconsin and two Democratic senators from Colorado and New York. The bill, signed in May 1932, provided $500 million in immediate grants to 45 states to cover their relief efforts. By the time the program ended four years later, the federal government had spent $3 billion on relief for 20 million unemployed Americans. Payments were very modest, just $15.15 per month per family in May 1933, when the average monthly salary was about $110. This was a critical emergency measure, but the nation needed an ongoing program to deal with continuing mass unemployment.

The New Deal's Unemployment Insurance Program: A Shared Responsibility between States and the Federal Government

"Of course, unemployment insurance alone will not make unnecessary all relief for all people out of a major economic depression, but it is my confident belief that such funds will, by maintaining the purchasing power of those temporarily out of work, act as a stabilizing device in our economic structure and as a method of retarding the rapid downward spiral curve and the onset of severe economic crises." —Franklin Roosevelt on signing the Social Security Act

When the Social Security Act establishing Unemployment Insurance was signed into law, 12 million Americans were unemployed and an estimated six million had been out of work for more than a year.

When the Social Security Act establishing Unemployment Insurance was signed into law, 12 million Americans were unemployed and an estimated 6 million had been out of work for more than a year. The program was a compromise that left many important design decisions to state legislators.

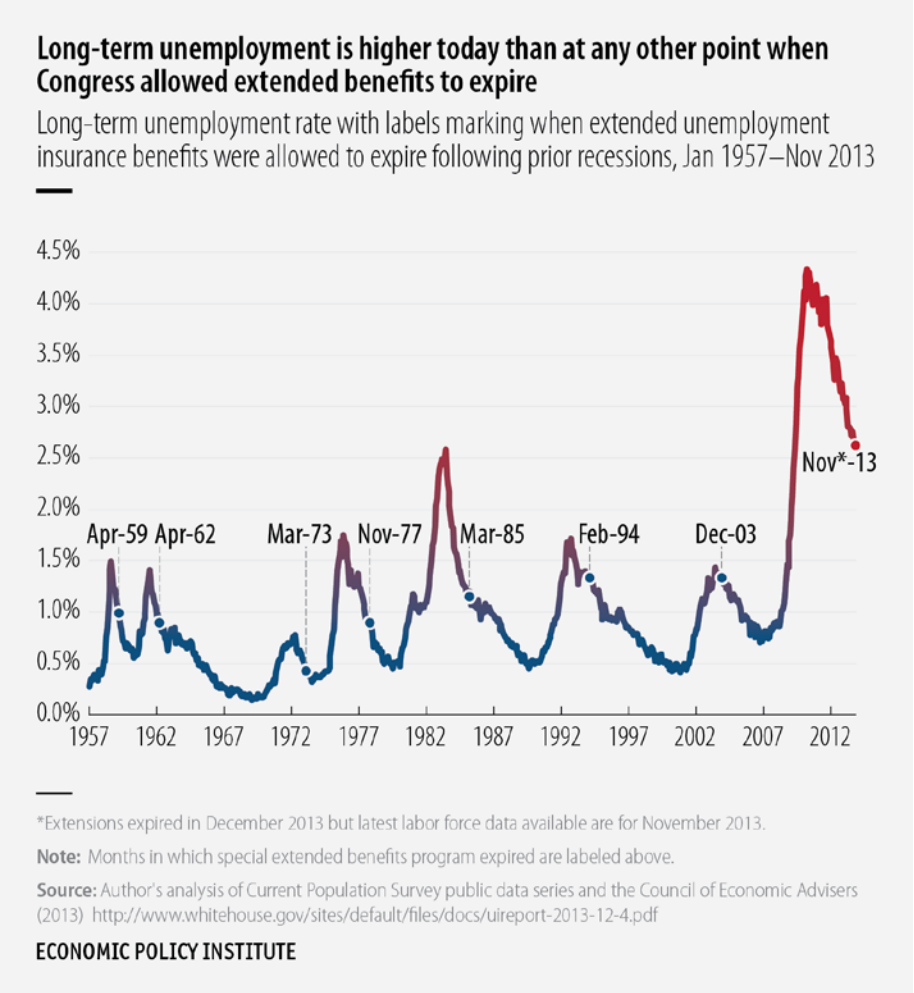
Under the law, employers with more than eight employees paid a percentage of their total payroll into the federal Unemployment Trust Fund. A small portion of the money is set aside to pay for administrative costs (staff and costs involved in processing claims). The state draws down the funds that its employers have deposited to pay out unemployment benefits. States can also borrow from the federal government if their funds run out.

While an important step forward, initially benefits were only available for 13 weeks (later extended to 26). And important classes of workers were excluded from the bill to satisfy Southern legislators – agricultural and domestic workers, disproportionately black, and federal workers could not participate. Benefits were only available to workers who had established a steady work history at a certain wage. In practice, this meant the program mainly served male industrial and commercial workers in the 1930s. In 1939, amendments were made to deliberately exclude more categories of workers: food packagers, nonprofit employees, and students. But since that time, federal reforms of the law have generally expanded the scope of workers eligible for unemployment benefits.

Under the Unemployment Insurance system, states set "work history" requirements that determine eligibility and the benefits levels that unemployed people receive; as a result, access to benefits and benefit amounts vary dramatically across the country. Even today, the percentage of unemployed who actually receive benefits in a state varies from 10 percent to 60 percent, according to the National Employment Law Project. The *maximum* weekly benefit a worker can receive varies from $235 a week in Mississippi to $674 a week in Massachusetts. Low-wage workers often fail to qualify because they don't have consistent work histories at high enough wages.

In 1958, the federal government created an extended benefit program that provided an additional 13 weeks of unemployment benefits to individuals who had exhausted state benefits. Eventually, this program expanded to an additional 26 weeks of Emergency Unemployment Compensation, paid mostly by the federal government through special appropriations.

In the wake of the Great Recession, the Obama administration made $7 billion of the Recovery Act available to states to modernize their unemployment insurance programs, encouraging them to expand unemployment coverage to more low-wage workers, women, and part-time workers. This expansion provided critical help to many families as the number of unemployed was rising to almost 15 million in 2010. But the "recovery" from this deep recession has been slow to reach many communities and families around America, and spells of unemployment have been much longer than in other recessions, as the graph below from the Economic Policy Institute shows. The federal government did enact and fund a federal extension of 26 weeks for those who exhausted their 26 weeks of state benefits in 2009. But Republicans in Congress stopped funding for the program in December 2013.



Extending federal unemployment benefits to Americans in need has not been a partisan issue since the program was established almost 80 years ago. It shouldn't be now. Federal extended benefits need an automatic trigger that doesn't expire – based on state rates of unemployment and long-term unemployment. Preventing individual economic hardship should not be optional.

As Franklin Roosevelt noted, unemployment insurance helps stabilize the economy – by providing cash to unemployed people to pay for food and goods in their local communities. In fact, the failure to renew the Emergency Unemployment Compensation (EUC) program could cost the nation 240,000 jobs by the end of 2014.

Extending federal unemployment benefits to Americans in need has not been a partisan issue since the program was established almost 80 years ago. It shouldn't be now.

But the most important goal of our unemployment insurance program must be alleviating the devastating impacts of job loss on families and individuals. This is a central risk of living in a complex industrial society, and only government can organize an appropriate response. Almost 80 years ago, government promised to help people beaten down by market forces beyond their control to survive, with enough sustenance to get back on their feet and try again. It's a promise we need to renew.

Katherine McFate contributed to this post.

20 Tax Dodgers: $240 Million for CEOs, Big Loss for the American People

by Scott Klinger

USA Today published a story last week entitled "20 big profitable companies paid no taxes." Using data provided by S&P Capital IQ, the newspaper identified 20 firms that paid no federal taxes in the second quarter of this year despite reporting $4.4 billion in second quarter profits. Collectively, these 20 CEOs were paid $240 million by the corporations they lead, an average of $12 million per CEO.

Because CEO pay is in most cases fully tax deductible as a normal business expense on corporate tax returns, these 20 companies saved as much as $84 million on their annual tax bills last year simply because they paid their CEOs so much. Sens. Jack Reed (D-RI) and Richard Blumenthal (D-CT) have introduced the Stop Subsidizing Multi-Million Dollar Corporate Bonuses Act (S. 1476), which would cap CEO pay deductions at $1 million per executive and raise more $50 billion in additional revenue over the next decade. Had this bill been law last year, these 20 tax-dodging firms would have received $77 million less in public subsidies for their CEO pay.

Half of the companies identified by *USA Today* are Real Estate Investment Trust (REITs), a designation that allows these corporations to escape federal corporate income taxes so long as their shareholders report their share of corporate profit on their individual income tax returns. *USA Today* notes that this attractive tax deal is "one reason this corporate structure is getting more popular."

Historically, REITs have been limited to portfolios containing properties like office buildings, shopping centers, hotels, and private prisons, but new rulings by the U.S. Treasury last May greatly expanded this tax loophole. The rulings allow telecommunications company assets – like cell towers and phone networks – to be considered REITs, and some analysts think solar energy farms will be quick to follow.

Two of the firms on *USA Today*'s list, Eaton Corporation and Seagate Technologies, are firms that abandoned their U.S. registrations for new corporate papers in offshore tax havens. This practice, known as corporate inversion, became front-page news after drug retailer Walgreens announced it was considering such a move. Walgreens abandoned its plans after a powerful consumer backlash and a courageous public rebuke from Sen. Dick Durbin (D-IL), who represents the company's home state of Illinois.

When corporations pay one person more than they pay our federal government for the myriad of taxpayer-funded services that their businesses depend on, it is a sign of just how broken both the tax system and the system of executive compensation are. No profitable corporation should get all the services the federal government provides for free. We should start by closing the loophole that generates huge tax breaks for those that lavishly fill their executives' pockets.

Company	Net Income 2Q 2014 (in millions)	2013 CEO Pay
Merck	$2,004	$13,375,935
Seagate Technology*	$320	$19,758,406
Thermo Fisher	$279	$16,168,880
General Motors	$278	$9.071,309
Public Storage#	$277	$9,199,200
Iron Mountain#	$272	$9,766,616
Newmont Mining	$180	$8,763,222
Eaton*	$171	$23,097,458
Avalonbay#	$158	$11,393,742
Kimco Realty#	$90	$3,136,145
Prologis	$81	$15,190,029
Boston Properties#	$79	$23,821,829
Apartment Investment#	$77	$5,021,130
Plum Creek Timber#	$55	$8,161,257
Citrix Systems	$53	$11,508,033
Crown Castle#	$35	$7,389,109
Macerich#	$16	$13,125,048
News Corp.	$13	$26,100,000
Essex Property Trust#	$6	$2,166,625
First Solar	$5	$3,690,272
TOTAL	**$4,449**	**$239,904,245**

* = Inverted corporation – abandoned U.S. registration for one in foreign tax haven
# = Real Estate Investment Trust (REIT)

Sources: *Profit data: "20 big, profitable companies paid no taxes"* USA Today. *The author corrected one typo in the article, Crown Castle's net income. CEO pay data: with the exception of News Corp.,*

all pay data come from most recent proxy statement filed by the company with the U.S. Securities and Exchange Commission as of Aug 13, 2014. News Corp. did not file a proxy statement with the SEC; its pay data for comes from Forbes.com.

Toxic Toledo Water: Cities Nationwide Face Similar Risks

by Katie Weatherford

On Aug. 2, the City of Toledo, Ohio issued a water use ban for roughly 500,000 residents after chemists detected toxic levels of microcystin in the public water supply. Microcystin is a toxin produced by harmful algal blooms caused by the overuse of nitrogen and phosphorous fertilizers. Large amounts of excess fertilizers run off into waterways during rainstorms. Exposure to microcystin can cause diarrhea, nausea, liver dysfunction, and nervous system damage. Beyond the public health risks, harmful algal blooms also negatively impact ecosystems and burden the economy.

Harmful algal blooms can contaminate water and harm ecosystems and the economy.

Despite these risks, the U.S. Environmental Protection Agency (EPA) does not restrict fertilizer runoff into our nation's waterways. Nor has EPA set limits on allowable levels of microcystin or similar toxins in public drinking water systems or required testing for these toxins. Thankfully, some states have taken action in EPA's absence. Ohio, for instance, has adopted the World Health Organization's (WHO) recommended maximum concentration of one microgram per liter, equal to roughly two Olympic-sized swimming pools of the toxin in Lake Erie.

EPA does not restrict fertilizer runoff into our nation's waterways.

As a result of state monitoring requirements and prompt action by local and state officials, public exposure to the toxin was minimized in Toledo. Though major health impacts were apparently avoided in this case, harmful algal blooms wreak havoc on ecosystems and impose enormous costs on nearby communities.

Public health emergencies that require large-scale water use bans for multiple days, such as the contamination in Charleston, West Virginia and now in Toledo, can also undermine public trust, especially when officials appear to be withholding critical information. For example, when Toledo's mayor, D. Michael Collins, lifted the water ban early Monday morning, residents remained skeptical of the water's safety and successfully called on Collins to publicize the latest test results. And even with the ban lifted, the city has asked residents to "continue conservation efforts during the algal season, which typically lasts until September."

The impacts associated with uncontrolled fertilizer runoff are not unique to Toledo or Lake Erie. "What plagues Toledo and, experts say, potentially all 11 million lakeside residents, is an increasingly serious problem across the United States," writes Michael Wines of *The New York Times*. In fact, EPA warns that harmful algal blooms are a "major environmental problem in all 50 states."

Instead of waiting until another emergency strikes, we need to proactively prevent fertilizer runoff from contaminating water supplies, threatening ecosystems, and negatively impacting the economy. Strong preventative actions should include federal rules designed to reduce the amount of fertilizer entering our waterways and to limit the concentration of contaminants in our public water systems. States should also have the ability to set more stringent standards than the federal minimums. Together, these rules would not only drastically reduce health, environmental, and economic risks, but would also boost public confidence in the safety and quality of our drinking water and in public protection programs generally.

We need to proactively prevent fertilizer runoff from entering waterways and limit contaminants in public water systems.

Industry Allies in Congress Assault Public Protections Once Again

by Ronald White

Not content with restricting the U.S. Environmental Protection Agency's ability to protect public health and the environment (see http://www.foreffectivegov.org/blog/congresss-latest-assault-epa), anti-regulatory members of Congress have broadened their sights to encompass the entire scope of federal agencies that provide public protections and safeguard the American people.

On July 24, Reps. Steve Scalise (R-LA) and Doug Collins (R-GA) introduced H.R. 5184, the National Regulatory Budget Act of 2014, which would set an annual "regulatory cost" limit for each executive branch agency, as well as a yearly national limit for all regulatory costs. Calculating these costs and establishing these "budgets" would fall to a new independent agency, the Office of Regulatory Analysis. This new agency would also provide Congress with recommendations on how regulations could be "streamlined, simplified, and modernized" and would identify rules that the agency thinks should be repealed. The bill essentially mirrors S. 2153, introduced in the Senate on March 25 by Sen. Marco Rubio (R-FL).

The bills conveniently focus solely on the *costs* of agency rules and completely ignore the important health, safety, and public welfare *benefits* that these protections provide to us all. As the Center for Effective Government's recent report on the benefits of public protections notes, actual costs of complying with standards and safeguards are usually substantially lower than original estimates. Such estimates often rely on exaggerated industry figures and don't account for cost reductions that occur due to technological innovation.

More importantly, ignoring the significant public benefits of rules presents a distorted, one-sided picture of the important role that government plays in balancing the public interest against the profit-focused goals of the private sector. Allowing Congress to set an arbitrary "budget cap" on the cost of rules is a not-so-subtle mechanism for limiting the ability of individual agencies and the federal government as a whole to respond to emerging hazards and provide important public and worker protections.

Lastly, staff at the Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA), who currently have responsibility for reviewing the costs of federal agency rules, should hope

these bills don't become law. One of the first products that the new Office of Regulatory Analysis is charged with developing is a report to Congress on federal government positions that duplicate the work of, or whose work is rendered "cost ineffective" by, the new office. OIRA, that means you.

GAO Report Finds Problems with EPA Groundwater Protection Program

by Amanda Frank

The U.S. Environmental Protection Agency (EPA) is not adequately monitoring more than 172,000 wells used to enhance oil and gas drilling and dispose of drilling wastewater, according to a July 28 report by the Government Accountability Office (GAO). The report, based on two years of research, identified several significant problems with EPA's program to protect groundwater from drilling chemicals and wastes. Since millions get their drinking water from groundwater, these problems raise significant questions about how effectively and consistently we are protecting public drinking water.

EPA's Groundwater Protection Program

The Safe Drinking Water Act gives EPA authority to regulate underground injections of hazardous and non-hazardous fluids in order to protect drinking water from contamination. EPA's Underground Injection Control (UIC) class II program, as it is formally known, sets standards for fluid wells, covering well construction, operation, monitoring and testing, completion, and more. Thirty-nine states manage their own programs that incorporate EPA-required safeguards, while EPA regional offices oversee wells in the remaining states.

Class II wells include three types of wells – *enhanced recovery wells*, where drilling fluids are pumped into existing wells in order to increase production; *disposal wells*, where drilling waste is disposed of through underground injection; and *storage wells*, which contain liquid petroleum products. Of these, enhanced recovery wells are the most common and make up around 80 percent of all class II wells.

Hydraulic fracturing (fracking) wells are excluded from the program, despite the rapid expansion of the drilling method and the serious groundwater contamination risks it poses. This is due to a provision in the Energy Policy Act of 2005 – known as the "Halliburton Loophole" – that exempts fracking fluid injection and wells from EPA oversight under the Safe Drinking Water Act (except when diesel fuel is used). However, when ***additional*** fluids are injected into a well to enhance natural gas/oil recovery, or when fracking waste fluids are disposed of by injecting them underground, those activities are covered by the UIC program.

The GAO Report

Roughly half of the U.S. population relies on groundwater for drinking water, and in rural areas, this figure rises to nearly 100 percent. Over two billion gallons of drilling fluids are pumped into class II wells *each day*, posing a direct threat to the drinking water so many Americans rely upon. With these risks in mind, the Government Accountability Office (GAO) examined the UIC program to determine whether it is adequately protecting this vital resource.

The GAO report reviewed well monitoring in eight states, six of which manage their own EPA-approved programs and two that are overseen by EPA regional offices. The report reviewed safeguards, agency evaluations, and the reliability of reported data. The investigation revealed the efforts these programs are taking toward protecting groundwater but also shed light on areas in need of improvement.

Safeguards do not address emerging risks

Each of the eight states has safeguards designed to prevent drilling fluids from contaminating groundwater, which include pre-construction reviews of well sites, instructions for well casing, and periodic well testing. According to state programs and EPA officials, these safeguards have proven successful and have resulted in few incidents of contamination. However, most state programs do not require groundwater testing, so it is difficult to verify whether these standards are truly effective in preventing contamination. GAO did not provide any recommendations on such testing, even though it could provide valuable data on the effectiveness of current safeguards.

Moreover, EPA has not reviewed such policies since the 1990s, meaning they do not address emerging risks associated with the increase in fracking wastewater disposal. For instance, there is evidence that wastewater injection may pose a risk for increased seismic activity. Earthquakes can compromise well integrity, cracking them and increasing the risk that toxic fluids could contaminate drinking water sources.

Another emerging hazard can be caused by "overpressurization" of a well, in which high-pressure injections can force drilling fluids back to the surface. Wastewater spilled on the surface can be absorbed into the ground and may find its way into nearby aquifers and contaminate groundwater.

While EPA is investigating the risk of increased seismic activity, the agency plans to address overpressurization on an individual state basis. GAO concludes that without a national survey of risks associated with overpressurization, EPA's program lacks the information it needs to protect groundwater. **GAO advises EPA to address overpressurization in a national report in order to provide valuable information to all states on this risk.**

EPA is not fulfilling two enforcement requirements

EPA is tasked with monitoring and evaluating state programs in order to determine whether their requirements are protecting groundwater. Moreover, EPA policies require that the agency incorporate state requirements into federal regulations through a rulemaking process. However, GAO notes that the agency has fallen behind in incorporating state requirements and therefore may be unable to enforce many of them. When pressed on this issue, EPA responded that the rulemaking process is costly and burdensome. While this may be true, the importance of protecting the public's drinking water would seem to outweigh any such administrative burden. **GAO suggests that EPA issue a single rulemaking to incorporate state regulations and then investigate whether there are more efficient ways of achieving this.**

EPA must also conduct additional oversight activities, including reviewing state program reporting and conducting annual, on-site evaluations. The agency is fulfilling the review requirements but in many cases is not conducting annual visits, citing the costliness of such trips. Moreover, EPA has not updated

its guidance for oversight since the 1980s, meaning the agency is unable to determine whether current oversight procedures are still effective. **GAO recommends that EPA update its guidance policies to determine the most effective oversight activities given the agency's resource constraints and to follow through with on-site evaluations that ensure state programs are protecting groundwater.**

Reported data is inconsistent and therefore difficult to use

Well operators, as well as state programs and EPA regional offices, are required to submit forms to EPA documenting injection activities, monitoring data, and compliance evaluation. These data are essential for evaluating the effectiveness of the groundwater protection programs. However, GAO notes certain inconsistencies in reporting, including differing interpretations by states and the lack of reporting reviews to check for completeness.

Because of these issues, it is difficult to compare data among states when they interpret forms differently or leave out essential information. Moreover, many forms are submitted on paper, creating processing delays and making it more difficult for the public to access records.

EPA is currently working to create a national UIC database with electronic reporting requirements that should address these problems, but the tool will not be complete for another two to three years. **In the meantime, GAO urges EPA to improve reporting by making it more consistent and by checking for data quality. This will allow data to be more useful to the public while the national UIC database is being finalized.**

Conclusion

The GAO report reinforces the importance of well monitoring and the need for improvements to EPA's program to protect groundwater from contamination. It also illustrates that many of the problems with EPA's oversight of the program are related to limited agency resources and funding, which have grown more constrained in the current era of misguided federal budget austerity.

In spite of these limitations, GAO asserts that EPA can do much to better ensure the effectiveness of the UIC groundwater protection program. It is imperative that EPA follow the GAO's constructive recommendations and take appropriate steps to ensure that injection wells are not poisoning the drinking water of millions of Americans.

Obama's Executive Order to Improve Chemical Facility Safety, One Year Later

by Amanda Frank

One year ago today, President Obama issued Executive Order 13650, which directs federal agencies to improve the safety and security of chemical facilities. The order came in response to a string of chemical disasters, including the April 2013 fertilizer plant explosion in West, Texas that killed 15 people and injured more than 200. The executive order calls for increased coordination among chemical facilities,

state governments, and first responders to better prepare for potential disasters. It also seeks improved interagency coordination, as well as better chemical safety standards.

The executive order established an Interagency Working Group to coordinate these efforts. Here is what they have accomplished so far:

- In fall 2013 and early 2014, the Working Group hosted listening sessions to gather public input on how the federal government can improve chemical safety and security. Participants were diverse and included representatives from environmental organizations, labor groups, and the chemical industry, among others. The Center for Effective Government testified at two sessions and later submitted a list of recommendations to the Working Group. **Our core message is that requiring facilities to adopt inherently safer chemicals and technologies whenever feasible is the best step toward preventing chemical disasters.**

- In May, the Working Group released its Report to the President, which highlights its progress to date and creates a Federal Action Plan that includes directions and a timeline for achieving specific goals. One goal is to modernize the U.S. Environmental Protection Agency's (EPA) Risk Management Program, which requires facilities that store, produce, or use large quantities of chemicals to report the potential effects of a release, their efforts to prevent accidents, and provide emergency response plan details. The Action Plan calls on EPA to issue a Request for Information within one year on how it can improve the Risk Management Program. Among the suggested improvements is requiring facilities to examine the feasibility of adopting safer technologies.

- EPA released its Request for Information on July 31, initiating a 90-day public comment period that closes Oct. 29. The document seeks input on various options for improving the Risk Management Program, including the use of inherently safer technologies. EPA has committed to publishing a guidance document to inform facilities about safer technologies and processes that can reduce the risk of chemical disasters. However, EPA is clear that it is not committing to rulemaking at this time and requests further comments on the feasibility of a rule that requires facilities to assess alternatives and implement safer chemicals and technologies.

To date, the Working Group is on track with the Federal Action Plan it set out in its Report to the President. Even so, new rules remain a long way off. After the Request for Information comment period closes, EPA will review comments and decide whether to pursue regulations. Any proposed rules would be accompanied by another public comment period, pushing the finalization of any potential new rules far into the future. In fact, the Federal Action Plan only calls for EPA to *consider* requiring facilities to implement inherently safer technologies where feasible. The plan indicates that should EPA decide to proceed with such a requirement, the rule would not be finalized until of the fall of 2016 – more than three years after the president issued the executive order.

Meanwhile, communities across the country remain at risk of preventable chemical disasters, including the one in ten students who attends school within a mile of a dangerous facility that has yet to adopt safer technologies. Advocates including the Coalition to Prevent Chemical Disasters, an alliance of public interest groups that includes the Center for Effective Government, urge EPA to use its existing

authority to develop standards capable of preventing disasters. The Coalition is calling on EPA to develop a rule within the next 18 months that requires the use of safer chemicals and technologies. Delays in rulemaking will only increase the chance of preventable disasters.

Both the Report to the President and the Request for Information acknowledge that adopting inherently safer technologies is one of the surest ways to promote chemical facility safety because it focuses on *preventing* disasters. The next step is for EPA to act quickly and use its authority to make this proven prevention approach a requirement.

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