

Ohio's Regulatory Climate Change: Bonus Content

November 26, 2010

Listed below is bonus content from the November 26th *Business Courier* supplement. The Q&A below discusses sustainability/greening of corporate America.

Moderator: What are all of you seeing as far as the whole sustainability/greening of corporate America and how that's impacting your work?

Michael Kerr: I teach graduate students a sustainability class at Antioch University Midwest. I tell my students, we have finite resources, and as such, embracing the concepts and practices of sustainability not only in the United States, but across the planet must happen. And there are ever increasing numbers of companies voluntarily stepping up to the plate and embracing a sustainable initiative. However, as Kevin said, there is still a need for some sort of regulatory framework as you indicated earlier that provides some level playing field, while voluntary programs such as Design for Environment, the concept of The Triple Bottom Line, and the very real efficiencies that can be realized by embracing concepts and practices associated with Natural Capitalism.

What needs to happen in the US, and the EU has already begun to address this, is there needs to be forward-thinking process that looks at the current regulatory framework in 2010 and suggests new concepts for 2020 or 2030. And these new schemes, whether regulatory driven or voluntary must address the issue of sustainability. They must provide for protection of valuable resources, finite resources, and protection of the planet and human health. Sustainability is gathering speed, and that is evidenced by the increase in Fortune 500 companies that have created "C-level" position within their organization, a Chief Sustainability Officer, somebody tasked with looking within the organization, looking at every facet. How raw materials are derived. How vendors and distributors of products process materials from initial distribution to the customer. We're seeing that whole production chain being closely scrutinized and recognizing that they're looking for opportunity within every single aspect of that food chain for improvement, getting inefficiencies out and looking at the environmental impact along the way. And that's revolutionary. In the olden days the environmental engineer was probably not the most favorite person, but now we see them being fully engaged in the strategic planning of a corporation, and as I said, elevated to an executive level position in the corporation. We're seeing more and more of that.

Closer to home, people are recognizing their personal environmental footprint, and looking at how they can minimize it through participation in recycle programs. We see lots of municipalities putting trash cans out just for recyclable materials only. I remember in my neighborhood I used to put three trash cans out. I'm down to two now and one of them is bigger than the other and that's the recycling can. So things are changing. There's more recognition of the environmental impact on the residential side, your personal community, but also on the manufacturing side. There's a place for regulation, but we also need the government and regulators to recognize that we are making efficiencies. We are getting rid of inefficiencies. We're cleaning up. We are complying with the Pollution Prevention Act. We are filling out necessary paperwork every single year that is showing how we are reducing our impact on the environment. We are implementing pollution prevention opportunities in our manufacturing environment. But there needs to be that recognition and an easing to a degree of that oversight and that easing could come from a reduction in force. Do we need that many regulators?

Kevin Braig: I think that sustainability is a huge issue and I think the limited resources are why it's important for everyone. China and India and other countries are making demands on resources that 20 or 30 years ago just didn't happen because they hadn't opened up their countries to the free enterprise system. Once you do that, you're going to accelerate the demand for resources. It makes sustainability a much, much more important issue for everyone. So I think it's a practical reality level for being sustainable. The politics of sustainability are much more of a mishmash. Still, I think that's still sorting itself out. I think it just will sort itself out over time. Because the underlying fundamental realities aren't going to go away. One day you're going to wake up and that's just how it is. That's just how it is. But I do think it becomes much more that you have to understand that it's difficult because of instant communications. Nothing that we are talking about is going to be fixed tomorrow, even with the change in politics. It is going to be something every day as we work a more cooperative model.

I'll give you an example. I live an hour north of Dayton and I am a member of the Indian Lake Watershed Project Board of Directors. Twenty years ago, Indian Lake was basically a cesspool — it was a sewer. Real estate values had gone way down. So a small group of people, many of whom are still on the board, came together and they formed a non-profit corporation and another board that accepted grant funds from the state to help the entire lake. So they addressed their waste water treatment plant, waste water issues first. So they cleaned that all up and then they had a non-profit group that worked with the farmers. They called a meeting with all the farmers to deal with run off and environmental issues.

It was funny at our banquet to hear some of the people talk about it because they said when they were invited to this initially. They didn't even know what everybody was talking about and couldn't quite figure out what to do. But they talked to each other repeatedly over the years, over and over again and never gave up on it.

The other thing that they did was never try to force anybody to do anything and never tried to be a government agency. They didn't say this is your order. This is your mandate. This is what you must do. They just tried to educate them and they tried to raise money. They didn't try to raise a huge war chest. They just raised some money if somebody needed a piece of equipment, a capital piece of equipment to help with some no-till farming on to spend some money buying an easement to put some green space between the lake and a field, so they would do that. So the farmer didn't lose anything as it got green.

I moved there five years ago and became involved in this. I'm not taking credit because by the time I got there the momentum was well established. I can remember going to one of the first board meetings when there was a new development was going on the lake — hundreds of new homes and somebody was saying they were concerned about the new development going in and there's going to be run off and what can we do?

I was dumb and didn't know anything about anything, but I said: "I'm not saying we ought to do this, but there are mechanisms under the Clean Water Act." Basically, taking a litigation posture.

One of the guys said, "If we do that, I'm leaving the board." He had been there as one of the members for 20 years and couldn't have sent the message any clearer. It was very clear to me that was how strongly he felt about it. That was not the way. We work in a cooperative manner and if it takes more time for everyone to build a consensus, then that's how we do it. It's just been a tremendous success.

In fact, the lake is so clean that we just appropriated a large expenditure to buy a weed cutter, which is kind of like a lawn mower for the lake. Because the water is so clear, to the point that the weeds are thriving at the bottom and we need to cut them down. It's a problem, but it's a good problem. But, it's a problem that results from success and you know it can be done if there's a commitment to do it every day. Sustainability is not something you can commit to one day and then say we won. It's over. It's got to be every day.