Corporate Toxics Information Project Interview with co-directors James Boyce and Michael Ash

March 2006 -- This interview was conducted by Adam Hersh, a U Mass Ph.D. candidate and Research Assistant at PERI.

What is the Corporate Toxics Information Project? Where did the idea for this project come from?

Michael Ash: The US depends heavily on right-to-know legislation, rather than, say, direct regulation, to protect citizens against industrial toxic pollution. The right-to-know approach means that corporations are under mandate to publicly report their pollution, but after the reports are filed and published, citizens, employees, consumers, shareholders and managers are left to respond as they see fit. For the right-to-know approach to improving corporate environmental performance to have any chance of success, you need to have stakeholders with access to the information, the ability to interpret the information, and the capacity and incentive to respond to the information.

James Boyce: The project taps a remarkably rich, but little known, database produced by the US Environmental Protection Agency, called the Risk-Screening Environmental Indicators, or RSEI for short. The RSEI was created in order to help the EPA and state environmental agencies prioritize their efforts to safeguard the public from toxic chemicals released into our air and water by thousands of industrial facilities across the country. The EPA provides RSEI 'scores' for each facility. With the Corporate Toxics Information Project, we gather data on the ownership of these facilities to produce corporate-wide measures. Our Toxic 100 Index is an example – it identifies the top 100 air polluters from firms that appear on lists of the biggest 500 corporations in the United States.

MA: The CTIP is intended to increase the effectiveness of the right-to-know approach to corporate pollution--by bolstering the ability of stakeholders to interpret information on toxic releases and by increasing the incentive for shareholders and managers of polluting industries to clean up their act.

JB: In the future, we would like to extend this information in two main ways: first, by reporting similar measures for all corporations, not just the biggest ones; and second, by combining the RSEI data with census data on income, race, and ethnicity to develop measures of performance in terms of environmental injustice, that is, to see which corporations and facilities have the most disproportionate impacts on low-income communities and people of color.

We have received funding for the first phase of the project from the V.K. Rasmussen Foundation, and we're now actively looking for further support. We welcome any inquiries from potential funders with an interest in these issues!

Who defines what is "toxic?" Who has to report toxic releases? How complete and reliable are the figures?

MA: In the U.S., the premier information source for corporate industrial pollution is the EPA's Toxic Release Inventory (TRI), which mandates that most industrial facilities report their releases into earth, air, and water of some 630 different chemicals. Inclusion of a chemical on the list is hotly contested through the federal regulatory process. So all the included chemicals in the list are reliably poisonous based on substantial documentation, peer review, and public input. The list changes over time, with new listings and occasional de-listings. The reports are pretty daunting to look at: some facilities release dozens of obscurely-named chemicals.

The Toxic Release Inventory was provided for in the Emergency Planning and Community Right-to-Know Act (EPCRA 1986), which Congress passed after the Union Carbide plant disaster at Bhopal, India, in 1984. Industrial facilities have to report to the TRI if they process or store amounts of each chemical above specified thresholds.

JB: The TRI data are provided to EPA by the facilities, and facilities can be penalized for failure to report accurately. That said, there are undoubtedly some mistakes in the data. When we released corporate rankings, several companies were in touch with us to say that they discovered that they had made errors by overreporting their toxic emissions to the EPA. Oddly enough, none have contacted us to say that they underreported their emissions. But underreporting is probably more common for obvious reasons.

Another interesting thing we learned is that in some cases, the corporate headquarters had never seen these data. They are reported by individual facilities directly to the EPA. It was only when we made information on corporate rankings available to the public that the folks at headquarters took notice. We're talking here about some of the biggest companies in the United States. After talking to me on the phone for an hour or so, the top environmental officer of one of these companies told me, 'You know, I think I'm going to institute a new policy – I'm going to have our plant managers fax me a copy of their TRI reports when they send them to the EPA.'

MA: The RSEI makes three important contributions that increase the value the TRI data. First, RSEI uses a peer-reviewed system of toxicity weights that express how dangerous each chemical is on a per-pound basis; the toxicity weights make it possible for citizens to understand the importance of obscurely-named chemicals for actual human health risk. Second, the RSEI describes "fate and transport," or how each chemical spreads from the point of release to the surrounding

area. Finally, the RSEI shows the affected population, by using Census data to examine the number of people in the most affected and significantly affected areas around the releasing facility.

One function of the Corporate Toxics Information Project is simply to spread the word about the TRI and RSEI. CTIP adds further value to the RSEI data by matching polluting facilities to their parent corporations.

Our focus so far has been pollution releases by fixed, industrial facilities, partly because that's what is included in the TRI and the RSEI. For example, the TRI and RSEI data don't include information on mobile sources, either private cars or corporate-owned trucks and buses.

The TRI data are the best data available. By the way, TRI has provided an international standard for Pollution Release and Transfer Registries, which many countries have developed or are developing on our model. By improving the usefulness of the data and by increasing their circulation, we hope that CTIP will create a useful feedback loop for government and corporate actors that will improve accuracy.

JB: No data are perfect, but these are the best data available. And as these data receive more attention from the public, and from government officials and the companies themselves, we can expect their quality to improve.

Economists have long recognized environmental pollution as a "negative externality." Aren't these toxics merely a byproduct from producing the goods that we all need? In this sense, do the toxics data merely indicate the extent of externalities?

JB: Yes, these are what economists call 'negative externalities.' They're also called 'external costs,' because these are costs imposed on other people, without their assent and often without their knowledge, rather than being incorporated in the firm's cost of production and the price paid by consumers. The information generated by the project will give us a better picture of who generates these costs, and who is on their receiving end.

We don't think that pollution can be eliminated entirely, at least we don't expect to see that happen in our lifetimes. But the amount of pollution can be reduced. That will happen only when people who are being hit with these 'external costs' stand up and defend their rights to a clean and safe environment. We hope to help the people translate the right to know into the right to clean air and clean water.

MA: The RSEI data give insight into the distribution of industrial toxics across the population and across sub-populations stratified by, say, race and income. It's easy to say, "we all need the goods" and "we all suffer from pollution," but the reality is that neither the goods nor the pollution is equitably distributed.

How can the toxics release data be used?

JB: We expect that the information generated by this project will be useful to three main constituencies: community-based environmental activists; socially responsible investors; and researchers. Our aim is to engender greater public participation in decision-making about environmental policy.

MA: The data themselves can be part of the solution. Consumers, residents, and employees can respond to the information on pollution, partly internalizing the previously external cost. Shareholders and managers may respond because of concerns about stock price, through increased legal liability, diminished reputation with environmentally conscious consumers, or greater conflict with regulatory agencies and activist organizations. So we hope that these data can be a lever for change.

The RSEI and CTIP additions to the underlying data should make it relatively straightforward for citizens to use this information to put pressure on corporations to clean up their environmental performance. Thanks to RSEI and CTIP, citizens can find out the importance of the toxics that are affecting them and the identity of the ultimately responsible party.

What's next for the CTIP?

MA: We are looking forward to the publication in the next several weeks of an updated version of the Toxic 100, ranking the top toxic air polluters among the largest U.S.-owned corporations. This publication will be accompanied by a web-accessible database with more detail about the polluting facilities for each corporation.

JB: We are also developing software that will enable visitors to our website to access details on the contributions of individual facilities and chemicals to the companies' total scores. So anyone sitting at his or her computer will be able to access this information.

We want to make the invisible more visible, because we know that what you can't see can hurt you. Stay tuned.