

Lessons about Transparency and Open Government from the Implementation of the Toxics Release Inventory Program (TRI)

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I. TRI Research Results

II. Lessons from TRI as a Regulatory Program

III. Implications for Transparency and Open Government

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TRI Research Results

(from *Regulation through Revelation*,
Hamilton, Cambridge University Press)

A. TRI data did provide new information when first released in 1989.

- Higher the air emissions or off-site shipments of toxics, more likely print journalists wrote a TRI story about the firm.
- Nearly $\frac{3}{4}$ of TRI pollution releases came from publicly held companies.
- Stock market event study: TRI firms had negative abnormal returns on day data released. Size of drop in market value depended on whether firm already known as generating high levels of pollution.

B. Initial failure to file TRI forms linked more to ignorance of reporting requirements rather than evasion.

- Studied Minnesota Emergency Response Commission effort to find TRI noncompliers.
- About quarter of eventual 1990 TRI filers in state were initial noncompliers. But they accounted for only 6% of 1990 releases and transfers in the state.
- Initial failure to file linked more to ignorance factors than evasion of reporting.

C. In reducing TRI releases, firms considered both risks of emissions and who bore the risk.

- For 16 carcinogens with toxicity data and TRI air releases, calculated cancer risks generated by polluting facilities.
- Controlling for levels of air toxics released in 1988, plants that generated higher expected cancer cases reduced emissions more between 1988 and 1991.
- Nature of community bearing the risk also mattered. The higher the voter turnout in the area, the greater the reductions in a plant's release of air carcinogens.

D. How accurate are the TRI data?

- For 12 chemicals in TRI, matched reporting facilities with nearby monitors tracking the concentration of the chemical in the air.
- For these 12 chemicals with both monitored concentration levels and reported release amounts, most have a greater drop in total reported TRI emissions than average monitored emissions.
- For the two most heavily regulated chemicals in the set, lead and toluene, monitored data have Benford distribution of first digits but TRI data do not. Reporting may not be accurate.

Lessons from TRI as a Regulatory Program

1. Perceived flaws in regulation emerge more from politics than from lack of foresight.

Example: Data accuracy

2. The impact of regulations on the ground varies with changes in who occupies the White House and Congress.

Ex: Changes in rulemaking activity, budgets.

3. Administrative procedures and judicial review do allow interest groups another shot at influencing the course of regulatory policy

Ex: Addition, subtraction to TRI list by rulemakings.

4. Ideas spread

Ex: Pollutant Release and Transfer Registers abroad. FCC reporting database on children's educational programming.

5. Information provision can work.

Ex: New information created. Case studies of learning, focused scrutiny.

6. Intermediaries lower the costs to the public of public information.

Ex: EDF Scorecard. Enviro group reports. News articles.

7. The impact of information is not uniform

Ex: What happens when exposed community is not politically active?

8. Regulators learn over time.

Ex: Reduced reporting burden through Form A. Created reporting software. Speeded up reporting of data.

Implications for Transparency and Open Government

What information demands are met by the data?

Anthony Downs: 4 Information Demands are Producer, Consumer,
Entertainment, Voter

See *All the News That's Fit To Sell*, Hamilton, Princeton University Press

Who will use the data, given the problems of collective action and rational ignorance?

Intermediaries: interest groups, reporters

What attracts attention?

Reports lower costs. Human interest angle. Explanation and interpretation.

How can you reduce transaction costs?

Matching with other data.
Algorithms to help analysis.
Visualization.

What is the underlying regulatory context?

Command and control? Other property rights? Focal points (e.g., 33/50 program, Sector Facility Indexing)?

What type of implementation strategy?

Police patrol or fire alarm?