

Wanted: Corporate leadership for the Green New Deal

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Tuesday, April 30, 2019 - 1:30am



GreenBiz Collage

The Green New Deal is a four-part program for moving America to a secure, sustainable future.

There is growing public debate about the Green New Deal, but businesses have largely stayed out of it. That's a mistake. The Green New Deal offers businesses a

chance to work with regulators and environmental groups to reduce pollution and give back to the community — while benefiting their bottom line. I know it can be done, because we did it during my tenure at the United States Environmental Protection Agency (EPA).

Representing EPA Region 9 as co-chair of the Merit Partnership, embraced by both the G.H.W. Bush and Clinton administrations, I brought together industry leaders, regulators, environmental groups and communities for a joint venture to develop pollution prevention (P2) projects. From 1991 to 2000, the voluntary partnership implemented projects that demonstrate how to reduce environmental impacts in ways that make good business sense.

The partnership produced far-reaching results. For example, Northrop Grumman agreed to share its pioneering clean manufacturing processes with other companies. The trade association for metal finishers — long plagued by environmental enforcement actions — found a way to use water, rather than toxic chemicals, to clean produced parts. And ARCO led a roundtable on pollution prevention at oil refineries, which resulted in game-changing efforts to reduce hazardous waste.

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All of these efforts produced healthy profits, along with measurable benefits for the environment. Industry costs were lowered over time and participating companies received positive publicity. Harder to quantify, but just as real, was the value of the communications channel built between regulators and the private sector, allowing them to work cooperatively to identify and correct compliance issues.

Today, the Green New Deal offers businesses a similar chance to lead on climate change. Businesses — like every other sector of society — have a substantial stake in the outcome. Extreme weather events, fueled by global warming, have emerged as one of the top 10 international business risks, [according to the financial services firm Allianz \(PDF\)](#).

By engaging in the fight against climate change, rather than denying the problem, companies can make better decisions as to how to adapt for the impacts of a changing climate. The Securities and Exchange Commission (SEC) [agrees \(PDF\)](#), requiring companies to protect shareholders, by providing a comprehensive summary of climate-related financial risks, such as the risk of supply chain disruption due to flooding. But, according to Ceres, a nonprofit sustainability group, many businesses provide general, boilerplate language. Instead, corporate leaders effectively could analyze risks and develop best practices, which could not only be used by investors, but could be shared with other companies to update their practices.

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And, by joining the climate fight, businesses can help in crafting solutions that reduce environmental impacts in ways that make good business sense. Unfortunately, some industries have taken the opposite approach.

For example, trade associations for auto manufacturers recently argued that Obama-era regulations on gas efficiency for cars and light-duty trucks were too stringent. The Trump administration reacted by weakening the federal standards beyond what auto manufacturers requested and in direct conflict with what California requires. California and EPA now square off in prolonged litigation, leaving auto

manufacturers to decide whether to follow federal standards and bypass lucrative markets by not meeting California requirements.

This model — in which trade associations hire lobbyists and lawyers to convince the EPA and the public that environmental regulations are an unnecessary drain on business — is not the best way forward. Leading auto manufacturers need to intervene directly with federal and state regulators to provide specific timelines on how it can technically improve gas efficiency.

The Green New Deal is a proposal in the resolution stage and help is needed to make it work. Business has the resources, skills and vested interest to tackle the unprecedented threat of climate change. This can be done using the model of the Merit Partnership. Resist the traditional view of joining with other industry interests to object to protecting the environment. When it comes to fighting to save our planet from extreme weather conditions that cannot be reversed, reach out to regulators to propose best practices and to share those best practices and technologies with others in your sector. Companies with vision are positioned to make a difference for us all by developing methods to mitigate risks — improving their bottom lines and earning the goodwill of the public.