



# **Environmental Justice:** Regulation, Litigation, and Transactions

Douglas A. Henderson Partner, King & Spalding <u>dhenderson@kslaw.com</u> 404-372-4004



# Topics

- **1. EJ Definitions**
- 2. EPA EJ Policies
- **3. State EJ Policies**
- 4. EJ Analysis Tools
- 5. EJ in Permitting
- 6. EJ Litigation
- 7. EJ in Transactions
- 8. EJ Take-Aways





# **EJ Definitions**

# **EPA's Definition of EJ**



## **1. Fair treatment:**

No group of people should bear a disproportionate share of negative environmental consequences resulting from industrial, governmental and commercial operations or policies.



## **2. Meaningful involvement:**

- People have opportunity to participate in decisions about activities which may affect their environment and/or health;
- The public's contribution can influence regulatory agency's decision;
- Community concerns will be considered in decision-making process; and
- Decision makers will seek out and facilitate involvement of those potentially affected.

https://www.epa.gov/environmentaljustice/learn-about-environmental-justice

## **How / Where does EJ surface?**

- **1.** Reissuance of existing environmental permits (air quality, wastewater, etc.).
- 2. Permitting new facilities (e.g., pipelines).
- **3. Federal and state enforcement and AG enforcement.**
- 4. Tort and environmental litigation.
- 5. M&A corporate acquisitions and due diligence.
- 6. SEC Rules/Shareholder suits over "Greenwashing."
- 7. ESG policies, statements and reports.









# **EPA EJ Policies**

## **Biden Administration's EJ Emphasis**

Executive Order 14008–Jan. 27, 2021

- **1.** Government-wide approach to environmental justice
- 2. Joining civil rights laws and EJ considerations across the environmental regulatory landscape
- 3. Disproportionality and cumulative impact analysis in regulatory decisions (i.e., permits, rules)
- 4. Disproportionality and cumulative impacts addressed in formal agreements with regulatory partners (i.e., states, tribes, local governments)
- 5. Clear responsiveness to community input by agencies
- 6. "Fair treatment and meaningful involvement"







## **EPA Administrator Regan's EJ Directive**

On April 7, 2021, EPA Administrator Michael Regan directed Agency employees to:

- **1.** <u>Strengthen enforcement</u> of violations of cornerstone environmental statutes in communities overburdened by pollution.</u>
- 2. Take <u>immediate and affirmative steps</u> to incorporate EJ into their work.
- 3. Take steps to improve early and more frequent engagement with pollution-burdened and underserved communities affected by enforcement decisions.
- 4. Consider and prioritize direct and indirect benefits to underserved communities in the grant requests and <u>making grant awards.</u>





## **EPA's Strategic Plan, March 2022**



## EPA'S March 2022 Strategic Plan



- **1.** Taking <u>decisive action to advance EJ and civil rights</u>.
- **2.** Enforcing environmental laws and ensuring compliance.
- **3.** Ensuring clean air, clean water and safe drinking water.
- 4. Implementing cross-agency partnerships with states, cities and tribes.
- **5.** Cleaning up and revitalizing communities.
- 6. Ensuring safety of chemicals for people and the environment.
- 7. EJ is an over-arching policy in EPA's Strategic Plan.

## **EPA's Focus on Cumulative Impacts**



January 11, 2023: EPA Cumulative Impacts Addendum to its May 2022 Legal Toolkit

- 1. "The <u>totality of exposures</u> to combinations of chemical and nonchemical stressors and their effects on health, well-being, and quality of life outcomes"
- 2. Provides EPA and its tribal, state, and local partners a compilation of legal authorities to address cumulative impacts affecting environmental justice communities.
- 3. Title VI disparate impact analysis requires assessment of whether adverse impact from the permitting decisions may be even greater considering cumulative impacts.

## **\$EPA**

EPA Legal Tools to Advance Environmental Justice: Cumulative Impacts Addendum

January 2023

Office of General Counsel U.S. Environmental Protection Agency Washington, D.C. 20460

This document discusses a variety of federal statutory and regulatory provisions but does not itself have legal effect and is not a substitute for those provisions and any legally binding requirements that they may impose. It does not expressly or implicitly create, expand, or limit any legal rights, obligations, responsibilities, expectations, or benefits to any person. To the extent there is any inconsistency between this document and any statutes, regulations or guidance, the latter take precedence. EPA retains discretion to use or deviate from this document as appropriate.

Publication No.: 360R22002

## All of Government Approach to EJ



Executive Order 14096–April 21, 2023

Each federal agency should -

- "make achieving environmental justice part of its mission"
- adopt measures to avoid, minimize, or mitigate disproportionate and adverse human health and environmental effects of Federal activities on communities with EJ concerns
- encourage involvement of persons and communities potentially affected by Federal activities
- develop and submit to CEQ an Environmental Justice Strategic Plan

Independent agencies "are strongly encouraged to comply" with the order

**CEQ is directed to police the agencies for compliance** 

**EJ analysis under NEPA** 



# **EJ Enforcement**

## **EPA Enforcement Tools**

### **EPA Provides Legal Tools to Enforce EJ**

#### Legal Tools Discusses a Range of Authorities to Address Environ

#### Examples:

Under CAA § 109, NAAQS reviews identify at-risk subpopulations, whic susceptible to pollution or facing higher pollution burdens, based on evider health effects.

RCRA §§ 1008(a) and 4002(c) provide authority to consider and address development of regulations, standards, and guidelines for solid waste manage

CERCLA § 104(a)(1) authorizes response actions "necessary to protect the p environment," which may include consideration of cumulative impacts in tak

Water infrastructure amendments to the SDWA in 2016 and 2018 authorize E grants to assist vulnerable, small, and disadvantaged communities.

EPA is responsible for ensuring recipients of EPA funding comply with Title 1964, which prohibits discrimination on the basis of race, color, and nation English proficiency).



### EPA Legal Tools to Advance Environmental Justice



OFFICE OF GENERAL COUNSEL U.S. ENVIRONMENTAL PROTECTION AGENCY • WASHINGTON, D.C. 20460

## **USDOJ's EJ Strategy, May 2022**



## **USDOJ** will

- 1. "prioritize cases" that will reduce the public health and environmental harms to overburdened and underserved communities."
- 2. "make strategic use of all available legal tools to address environmental justice concerns."
- 3. "ensure meaningful engagement with impacted communities."
- 4. "promote transparency regarding environmental justice enforcement efforts and their results."

|                            | U.S. Department of Justice<br>Office of the Associate Attorney General |
|----------------------------|--|
| Associate Attorney General | Washington, D.C. 20530   |
|                            | May 5, 2022  |
| MEMORANDUM F               | OR HEADS OF DEPARTMENT COMPONENTS<br>UNITED STATES ATTORNEYS           |
| FROM:                      | THE ASSOCIATE ATTORNEY GENERAL $VG$                                    |
| SUBJECT:                   | COMPREHENSIVE ENVIRONMENTAL JUSTICE<br>ENFORCEMENT STRATEGY            |

In Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad* (January 27, 2021), the President made clear that securing environmental justice must be a key consideration in how we govern. The President instructed the Attorney General to "ensure comprehensive attention to environmental justice throughout the Department of Justice" and, more specifically, to "develop a comprehensive environmental justice enforcement strategy, which shall seek to provide timely remedies for systemic environmental violations and contaminations, and injury to natural resources[.]" EO 14008, Sec. 222(c)(ii).

The Environment and Natural Resources Division (ENRD), in coordination with EPA's Office of Enforcement and Compliance Assurance (OECA), and after receiving input from other Department of Justice components, other federal agencies, and environmental justice advocates and community organizations, has developed this Environmental Justice Enforcement Strategy. This Strategy provides a roadmap for using the Justice Department's civil and criminal enforcement authorities, working with EPA and other federal partners, to advance environmental justice through timely and effective remedies for systemic environmental violations and contaminations and for injury to natural resources in underserved communities that have been historically marginalized and overburdened, including low-income communities, communities of color, and Tribal and Indigenous communities.

Building on past successes as well as lessons learned, this Strategy provides a set of principles and actions to continue our work to advance environmental justice through the enforcement of federal laws.<sup>1</sup> These principles and actions will ensure that the entire Justice Department is vigorously and transparently working to secure environmental justice with the full set

<sup>&</sup>lt;sup>1</sup> This Strategy complements EPA actions taken in the civil, criminal, and cleanup enforcement programs in response to the directive in EO 14008 section 222(b)(i) to "strengthen enforcement of environmental violations with disproportionate impact on underserved communities." See Memoranda from OECA Acting Assistant Administrator Lawrence E. Starfield, Strengthening Environmental Justice through Criminal Environmental Justice Concerns (April 30, 2021); Strengthening Environmental Justice through Criminal Environmental Justice through Cleanup Enforcement Actions (July 1, 2021); and Using All Appropriate Injunctive Relief Tools in Civil Enforcement Settlements (April 26, 2021).

## **EPA FAQs re: EJ and Civil Rights in Permitting\*\*\***

**FAQ #5** – Does an entity's full compliance with the federal environmental laws in carrying out its permitting programs and decisions equate to compliance with the federal civil rights laws?

EPA's answer – No

**FAQ #13** - What if a Title VI disparate impact analysis by a permitting program concludes that the permit decision will have adverse disparate impacts on the basis of race, color, or national origin (including LEP status)?

EPA's answer – "If there are no mitigation measures the permitting authority can take ... denial of the permit may be the only way to avoid a Title VI violation."





Environmental Protection Agency

Interim Environmental Justice and Civil Rights in Permitting Frequently Asked Questions

August 2022

Office of General Counsel Office of Policy

U.S. Environmental Protection Agency Washington, D.C. 20460



# **EJ Analysis Tools**

## **Tools: EPA's EJScreen**



- EPA's EJScreen is the most basic screen to assess EJ potential impacts
- Many other states have developed their own EJ screens and EJ assessment approaches
- All differ in fundamental ways



In order to better meet the Agency's responsibilities related to the protection of public health and the environment, EPA has developed a new environmental justice (EJ) mapping and screening tool called EJSCREEN. It is based on nationally consistent data and an approach that combines environmental and demographic indicators in maps and reports.

#### What is **EJSCREEN**?



- What is EJSCREEN?
- How was It Developed?
- How Does EPA Use It?
- Purposes and Uses

#### Learn to Use EJSCREEN



- Learn to Use EJSCREEN
- EJSCREEN Office Hours

#### Launch the Tool



Launch the EJSCREEN Tool

## **EJ Math Basics**





Intended use of <u>EJ Indices</u> – identify vulnerable communities most affected by pollution. Typically compared to reference community (e.g., state or national average) or a standard.

## **Example EJ Variables and Metrics**



#### Community / Neighborhood Characteristics

- ► People of color
- ► Low income
- Linguistically isolated
- Level of high school education
- ► < 5 yrs old</p>
- ▶ > 64 yrs
- ► Climate exposed
- Asthma, cardiovascular disease, low birth weight
- ► Food insecurity
- Unemployment rate
- Energy shut-offs, energy efficiency program access, % income paying for energy

### **Environmental Exposure / Pollution Burden**

- **PM**<sub>2.5</sub>
- Ozone
- Diesel PM (NATA)
- Cancer Risk (NATA)
- Respiratory Hazard (NATA)
- Traffic Proximity and Volume
- Proximities:
- Superfund
  - RMP
  - Hazardous Waste

- Lead Paint Indicator
- Wastewater Discharge
- Pesticide Use
- Groundwater Threats
- Chrome metal plating sites
- ► Noise
- ► Subsidence
- ► Vibration
- ► Odor

## Range of EJ Screening Tools & Metrics\*\*\*



### **Variables & Metrics**

- Demographic, Vulnerability Indicators
- Environmental Indicators
- EJ Indexes, EJ Scores

### **EJ Indexes and Common Data Presentation**

- EJ Mapping
- Tabular Summaries
- % Comparisons
- EJ Reports

### Analysis Tools / Data

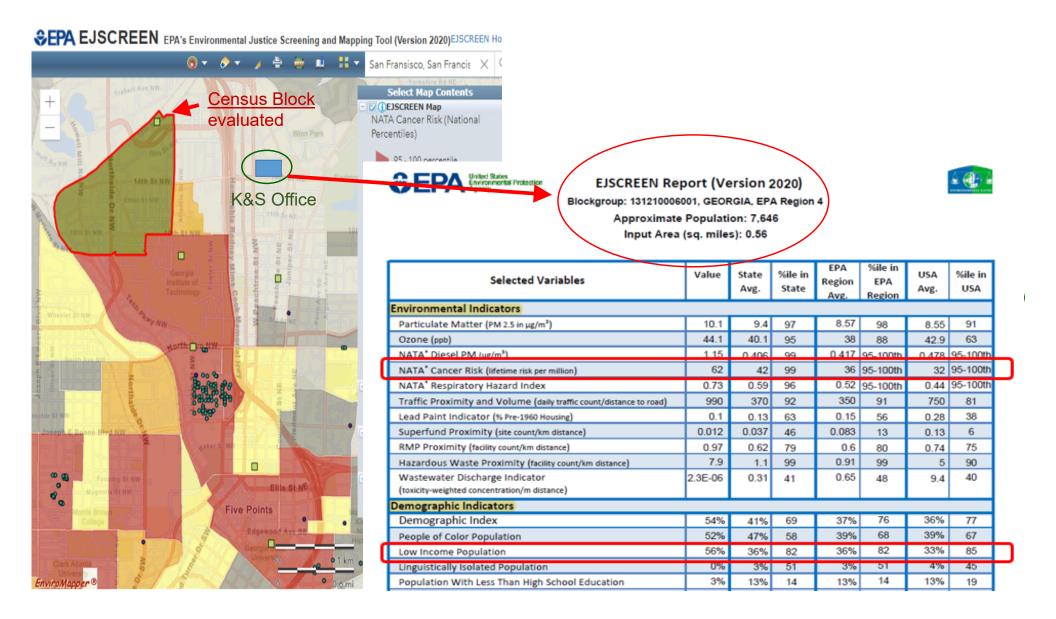
- EJScreen
- Climate & Economic Justice Screening Tool (CEJST)
- CalEnviroScreen
- TRI Search Plus
- Risk Screening Environmental Indicators (RSEI)
  - EasyRSEI Dashboard
- AirToxScreen
- National Air Toxics Assessment (NATA)
- National Emissions Inventory (NEI)

### Analysis Tools / Data (cont.)

- Enforcement and Compliance History Online (ECHO)
  - Census / American Community Survey (ACS) Data
- EPA Power Plants & Neighboring Communities Mapping Tool
- RAND Environmental Racism Tool
  - EnviroMapper for EnviroFacts
- ArcGIS
  - Talkwalker (social analytics, media monitoring)
  - Ambient Monitoring, Next Gen monitoring, FLIR cameras
    - OLD MACT, Gasoline Distribution regs
  - Cumulative / Health Risk Assessments
    - Dispersion Models
    - EPA Cumulative Risk Guide
    - EPA Human Health Risk Assessment Protocol (HHRAP)
    - EPA Hazardous Air Pollutant Exposure Model (HAPEM)
    - EPA 2003 Framework for Cumulative Risk Assessment (CRA)
    - California Hot Spots Analysis & Reporting Program (HARP)
    - BREEZE Risk Analyst

## **EJScreen Standard EJ Report**

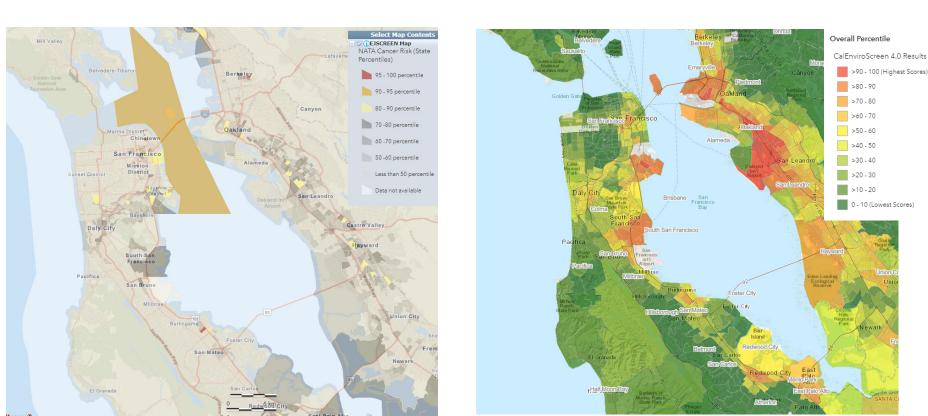




### Models Make a Difference: EJScreen v. CalEnviroScreen in San Francisco



CalEnviroScreen Score vs State Indices



**EJSCREEN** NATA Cancer Risk vs State Indices

- CalEnviroScreen indicates higher EJ Scores than EJSCREEN
- > CalEnviroScreen IDs more neighborhoods for regulators and interested parties to focus on for EJ initiatives
- > CA requires & makes publicly available Health Risk Assessment cancer risk scores linked to facilities = litigation risk

## **EJ Mitigation Options**

**Examples:** 

- 1. <u>Conduct "refined" EJ analysis</u> to evaluate initial screen: actual health risk assessments using "boots on the ground" information on stack heights, locations, exhaust velocities, weather, recent emissions and available health data.
- 2. <u>Facility changes</u>: increased air quality controls, improved operating procedures.
- **3.** <u>Install buffer technologies</u>: mufflers on temporary generators, erect noise barriers, etc.
- 4. <u>Disseminate additional data</u>: through web portal: emission source, fence line, etc.
- 5. <u>Hold community hearings</u>: translate and provide permits in languages spoken in immediate community.
- 6. Fund environmental education projects.
- 7. <u>Distribute quarterly or annual emissions and</u> <u>compliance reports</u>.







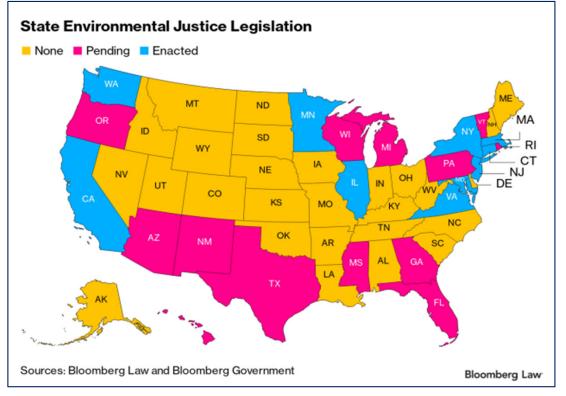


# **State EJ Programs**



## Many States have Enacted their own EJ Laws, Regulations, Policies and Screening Tools

- Varying State-Specific EJ definitions:
  - "Environmental Justice"
  - Environmental factors
  - Health status and medical conditions
  - Community / SES features
  - Process for involving local communities
- State-specific "disparate impact" thresholds differ significantly state to state.
- State EJ laws and regulations are often broader and more stringent than EPA EJ approach.

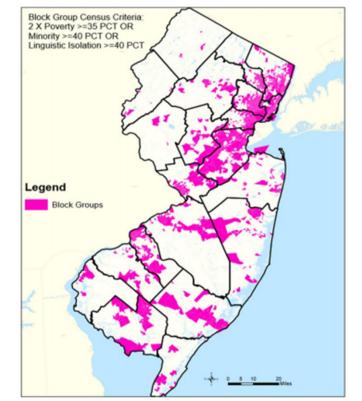


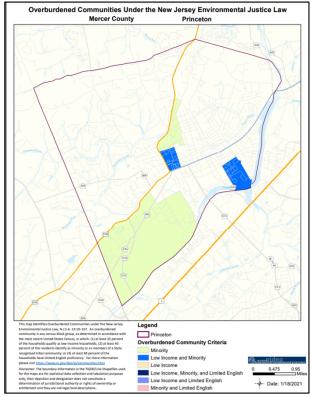


## **Some States Develop Maps Showing "Overburdened Communities"**

 Some states—New Jersey--generate EJ maps for the entire state

 Detailed
 assessments and mitigation likely required in these areas





## **Georgia EJ Green Book**





## The Environmental Justice Green Book

Empowering Communities to Fight for Environmental Protection

August 2023



# **EJ Litigation**

nr&e fall 2021 | 1

#### Environmental Justice Litigation Few Wins, Still Effective

Douglas A. Henderson, Cynthia A. M. Stroman, and Joseph A. Eisert

Wer the past 40 years, individuals and environmentlar groups alike have filed environmental justice (EJ) infrastructure projects, or both, associated with landfill sitting, infrastructure projects, and industrial emissions. But so far EJ litigation has resulted in few big wins for plaintiffs, at least using standard measures of orders or judgments finding discrimination or disparate impacts. The question is why. Is the lack of blockbuster EJ wins caused by bad facts, bad laws, bad agencies, or bad judges—or even systemic racism itself? Or is it more likely that the legal system—as currently structured and interpreted—is simply an ineffective tool to curb environmental injustice? Putting these questions aside, is it fair to even judge the success of EJ litigation by litigation wins alone?

In this article, we outline the history of EJ litigation, review the main causes of action, highlight key recent EJ cases, and offer observations on EJ litigation going forward. Most environmental lawyers today probably cannot name one absolute EJ "win," underscoring one of the biggest myths of EJ litigation—that nothing has really worked, which is not really accurate. Even if EJ lawsuits have not resulted in big judgments, EJ litigation has been successful in highlighting environmental injustice and forcing federal and state agencies to grapple with EJ in the assessment and approval of projects. And while litigation te laves can always be read differently, with expected tweaks and shifts on the horizon, EJ litigation may soon become the most important topic in environmental law, perhaps second only to climate change.

#### Environmental Justice Inception: The Constitution and Civil Rights

Early EJ plaintiffs, inspired by the civil rights movement, framed environmental racism cases as equal protection or due process violations of the U.S. Constitution. In what most consider to be the first and most inspirational EJ lawsuit, *Bean v.*  Southwest Waste Management Corp. challenged the siting of a new solid waste landfill in Northwood Manor, a predominantly African American neighborhood in Houston, Texas. 482 E Supp. 673 (S.D. Tex. 1979). Plaintiffs lost because they could not surpass the high hourdles needed to prove intentional discrimination. Many other cases arguing equal protection violations or violations of section 1983 under the Civil Rights Act of 1866 similarly fell short because of the requirement to prove intentional discrimination. See R.I.S.E. Inc. v. Kay, 768 F. Supp. 1444 (E.D. Va. 1991); East-Bibb Triegy Neighborhood Asin v. Macon-Bibb Cnty: Planning & Zoning Commin, 706 F. Supp. 880 (M.D. Ga.), affil, 896 E2d 1264 (11th Cir. 1989) (siting of solid waste landfill did not evidence intent to prevail on Equal Protection). None of the constitutional or section 1983 schallenges for El have succeeded in the traditional legal sense.

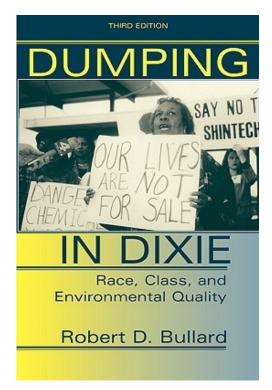
Largely because of these hurdles, EJ plaintiffs turned to the Civil Rights Act of 1964, typically under sections 601 and 602 of Title V1.4 2 U.SC. § 2000d et seq. Under section 601, no agency receiving federal funds may have a racially discriminatory purpose or effect. It is under section 601 of Title V1 where plaintiffs can bring intentional discrimination claims against agencies. But EJ plaintiffs recognized quickly the same evidentiary hurdles exist under section 601 as for Equal Protection or section 1983 claims.

Under section 602 of Title VI, private parties could bring lawsuits to enforce "disparate impact" claims. In the context of EJ, this meant—initially at least—that third parties could enforce disparate impact claims, alleging, for example, that the site of a solid waste landfill would violate section 602 where it created disparate environmental impacts. In Alexander v. Sandowl, 532 US. 275 (2001), a case not involving EJ claims, the U.S. Supreme Court corralled EJ litigation when it found no private right of action to enforce Title VI regulations. Under Sandoval, private parties could not bring disparate impact

## **Quick History of EJ Litigation**

- **1.** Early EJ plaintiffs framed environmental racism cases as <u>equal protection</u> or <u>due process violations</u> of the U.S. Constitution.
- Key Georgia EJ Case: East-Bibb Twiggs Neighborhood Ass'n v. Macon-Bibb Cnty. Planning & Zoning Comm'n, 706 F. Supp. 880 (M.D. Ga.), aff 'd, 896 F.2d 1264 (11th Cir. 1989) (siting of solid waste landfill did not evidence intent to prevail on Equal Protection).
- 3. EJ plaintiffs turned to the <u>Civil Rights Act of 1964</u>, typically under sections 601 and 602 of Title VI. 42 U.S.C. § 2000d *et seq*.
- 4. Under section 601, no agency receiving federal funds may have a racially discriminatory purpose or effect. It is under section 601 of Title VI where plaintiffs can bring intentional discrimination claims against agencies.





## EJ as "Disparate Impact" Under Civil Rights Act

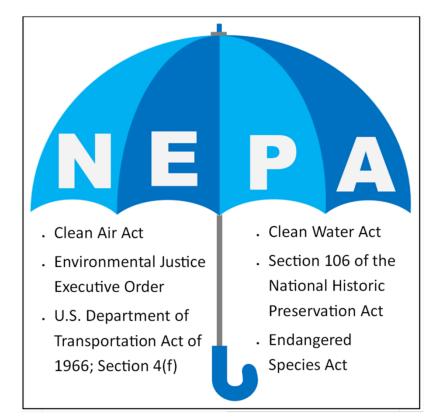


- **1.** Under Section 602 of Title VI, private parties could bring lawsuits to enforce "disparate impact" claims, until 2001.
- 2. In Alexander v. Sandoval, 532 U.S. 275 (2001), a case not involving EJ claims, the U.S. Supreme Court corralled EJ litigation when it found no private right of action to enforce Title VI regulations.
- 3. After Sandoval, federal agencies continued as the main shepherds for EJ enforcement, a troubling result for EJ plaintiffs because, they claimed, agencies were one of the main reasons for lax EJ assessments.
- 4. Until late 2015, agency review of EJ impacts has been underwhelming.

## **Most EJ Litigation to Date**



- **1. NEPA is the battleground for most EJ disputes today**, but that's changing fast.
- 2. Most of the time, at issue in NEPA EJ litigation are the nuts-and-bolts issues associated with EJ assessments in the permitting process.
- 3. What is an "impacted community"?
- 4. EJ in environmental permitting is the next center of EJ litigation.



## **Rise in State EJ Litigation**



- State Attorneys General (e.g., New Jersey, California) are ramping up EJ enforcement on various grounds.
- State Permit Litigation Involving EJ:
  - Friends of Buckingham v. State Air **Pollution Control Board, 947 F.3d** 68 (4th Cir. 2020)
- "EJ is not just a black box to be checked."
- EPA's EJScreen may not be enough.

#### STATE OF NEW JERSEY | DEPARTMENT OF LAW & PUBLIC SAFETY



Acting Attorney General

ABOUT V INITIATIVES V MEDIA V CAREERS

### Acting AG Bruck, DEP Commissioner LaTourette Announce Seven New Environmental Enforcement Actions, Six Environmental Justice Communities

#### For Immediate Release: October 8, 2021

NJ Department of Law & Public Safety

- Andrew J. Bruck, Acting Attorney General

NJ Department of Environmental Protection - Shawn M. LaTourette, Commissioner

#### For Further Information:

Media Inauiries-Lee Moore (LPS) Leland.Moore@njoag.gov Larry Hajna (DEP) Larry.Hajna@dep.nj.gov





# **EJ in Transactions**

## **EJ Due Diligence?**

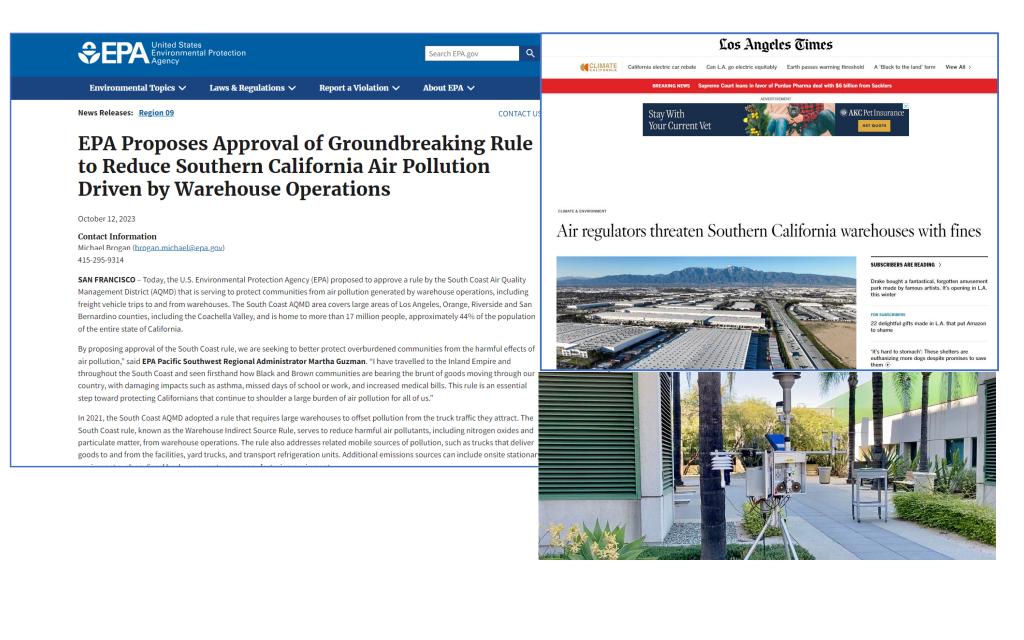


- 1. If your company is building / buying / selling / financing a <u>warehouse</u>?
- 2. If your company is buying / selling / financing a <u>chemical company</u>?
- **3.** Does the deal involve any facility that has a federal, state or local environmental <u>permit</u>?
- 4. When is your permit up for <u>renewal</u>? What are the EJ requirements for the facility?
- 5. Does the facility emit "pollutants" into residential neighborhoods?

## Phase I Environmental Site Assessments Don't Address EJ

## **EJ Warehouses?**







# **EJ Take-Aways**

## EJ Take-Aways\*\*\*

- 1. <u>Know your EJ Profile</u> and, if available, site-specific actual data, based on publicly available information— this applies to every EJ area.
- 2. <u>Recognize EJ triggers</u>: permit renewal, facility modifications.
- 3. Think beyond EPA's EJScreen.
- 4. EJ requires <u>engagement with your communities</u> do you know who they are?
- 5. <u>Expect the EJ unexpected</u>: EJ in permitting, litigation, and transactions.
- 6. EJ → "Citizen Science," Agency Deference, Fenceline Monitoring, ESG Litigation







# Questions

