

Revised Syllabus (as of 1/2/06)
Environmental Management: Law and Policy
MGMT 213/713 and LGST 215/815

Ira R. Feldman
Lecturer (2005-2006), Department of Legal Studies and Business Ethics
Administrative Director, Wharton Environmental Management Program

Office: 600 Huntsman Hall
Phone: 202-669-1858
e-mail: iraf@wharton.upenn.edu
Class meets: Wednesdays 3 – 6 PM
Office hours: Thursdays from 2:00 to 3:30 PM or by appointment.

**This syllabus and the listed readings may be periodically revised during the semester to reflect in class progress, student interests, and/or the availability of guest presenters.*

Course description: This course introduces the legal and policy underpinnings of environmental management. The aim is to provide students with a theoretical and practical sense of the relationship between business activities and the environment; to examine how this relationship can be managed in a strategic and sustainable manner; to explore how businesses and various stakeholders address difficult issues in balancing corporate and environmental objectives; and, to think critically about the implications of new policy directions and alternate regulatory approaches on corporate environmental management.

Readings:

(A) **Required texts** (both are available at Penn Bookstore)

- Steven Ferrey, *Environmental Law: Examples & Explanations*, Aspen Publishers, 3rd edition, 2004 (paperback) (hereinafter “Ferrey”)
- Norman Vig & Michael Kraft (eds), *Environmental Policy: New Directions for the Twenty-First Century*, CQ Press, 2003 (paperback) (hereinafter “Vig & Kraft”)

(B) **Highly recommended** (Out of print -- NOT available at Penn Bookstore -- but available on Amazon.com and elsewhere)

- Carl Frankel, *In Earth's Company*, New Society Publishers, 1998 (paperback)

(C) **Your choice** (pick any one of the following three to inform your group project; these are now available at Penn Bookstore)

- John Elkington, *Cannibals With Forks*, New Society Publishers, 1998 (paperback)
- Amory Lovins, Hunter Lovins & Paul Hawken, *Natural Capitalism*, Back Bay Books, 2000 (paperback)
- Paul Hawken, *Ecology of Commerce*, Collins, 1994 (paperback)

(D) **Coursepack.**

- The coursepack is available for purchase from Wharton Reprographics in the basement of Steinberg/Dietrich Hall.
- Any supplementary handouts provided in class by the professor or guest presenters are to be considered part of the required course material.

Exams, Group Presentation, and Grading: There will be a mid-term exam, a short paper demonstrating the ability to analyze and critique, and one final group presentation. The mid-term, the short paper and the group project will each carry approximately the same weight in determining the final grade for the course. Student preparation for and participation in class will also be taken into account in the determination of final grades as discussed below.

Mid-term Exam: The mid-term exam will be conducted in class. The exam will be open book, short essay style. No make-ups exam will be given without an adequate and verifiable excuse. Any incident discovered of cheating on an exam will be fully prosecuted. Please adhere therefore to the University of Pennsylvania's honor code.

Group Project and Presentation: The group project involves the research, preparation and presentation of a real world case study in corporate environmental management. Students should select a subject organization and begin to frame their case study proposal early in the semester. The professor must approve the proposal and student teams. Class time will be allocated at the end of the semester for presentations. Grades for the group projects will be based on the quality of the final presentation itself, as well as the quality of any written or other submissions provided.

Class Participation: An important part of the learning experience for this course is the classroom discussions. Students are expected to read and be prepared to discuss the material assigned for each class. Consistently excellent participation in class may be taken into account to increase a student's grade; poor attendance or failure to participate in class discussion may be taken into account to reduce a student's final grade. In assessing class participation over the course of the semester, quality as well as quantity of comments will be taken into account.

Quality circle: A small quality circle of student representatives may be used to provide mutual feedback on teaching, classroom issues, and class performance. No extra credit in terms of grading will be given for representatives in a quality circle, but volunteering for this service is appreciated by the professor and other students.

Course Outline:

Class 1 -- 11 January

A. Introduction

Readings:

- Vig & Kraft, Chapter 1 (Norman Vig & Michael Kraft, “Environmental Policy from the 1970’s to the Twenty-first Century”).
- Nancy Kubasek & Gary Silverman, ”An Introduction to Environmental Law and Policy,” Chapter 4 from Environmental Law, 5th edition, (2005) [coursepack]
- Garrett Hardin, “The Tragedy of the Commons,” 162 Science 1243 (1968) [coursepack]
- *Boomer v. Atlantic Cement*, 26 N.Y.2d 219 (1970) [coursepack]

B. Institutions

Readings:

- Daniel Fiorino, “Institutions I,” Chapter 2 from Making Environmental Policy (1995) [coursepack]

Class 2 -- 18 January

A. Institutions (cont’d)

Readings:

- Vig & Kraft, Chapters 5, 6, 7 (Norman Vig, “Presidential Leadership and the Environment”; Michael Kraft, “Environmental Policy in Congress: From Consensus to Gridlock”; and Rosemary O’Leary, “Environmental Policy in the Courts”)

B. Corporate Drivers

Readings:

- Andrew Hoffman, Competitive Environmental Strategy, Chapter 2 and Chapters 4 – 6 (2000) [coursepack]

C. Administrative and Constitutional Dimensions of Environmental Law

Readings:

- Ferrey, Chapter 2

Class 3 -- 25 January

A. Administrative and Constitutional Dimensions of Environmental Law (cont'd)

Readings:

- Ferrey, Chapter 4
- T. Bishop, S. Brice & A. Hiegel, "Do Federal Environmental Laws Regulate Commerce?" *Natural Resources & Environment (ABA)* [coursepack]
- D. Brooks, "Regulatory Takings: Where Environmental Protection and Private Property Collide" *Natural Resources & Environment (ABA)* [coursepack]
- R. Percival, "Environmental Implications of the Rehnquist Court's New Federalism," *Natural Resources & Environment (ABA)* [coursepack]

B. Competing Methods of Environmental Regulation

Readings:

- Amory Lovins, Hunter Lovins & Paul Hawken, *A Road Map for Natural Capitalism* (Harvard Business Review article) (1999) [coursepack]
- Cary Coglianese & David Lazer, "Management-Based Regulation" (2003) [coursepack]
- Eric W. Orts, "A Reflexive Model of Environmental Regulation," (1995) [coursepack]
- Geoffrey Hazard & Eric Orts, "Environmental Contracts in the United States" in *Environmental Contracts* (2001) [coursepack]

Class 4 -- 1 February

A. NEPA and Environment Impact Assessment

Readings:

- Ferrey, Chapter 3

B. Stakeholders and Voluntary Standards

Readings:

- Ira Feldman, "The Stakeholder Convergence: Enhanced Public Participation and Sustainable Business Practices," *Environmental Law Reporter* (2003) [coursepack]
- Chris Laszlo, et al., "Expanding the Value Horizon: Stakeholders as Source of Competitive Advantage," *Corporate Environmental Strategy* (2004) [coursepack]
- ISO 14001:2004, Environmental Management System Certification Standard [coursepack]
- Ira Feldman & Douglas Weinfield, "The Policy, Regulatory & Management Implications of Environmental Management Systems" *Trends* (2002) [coursepack]

Class 5 -- 8 February

A. Institutional Context

Readings:

- Allen White, "The Accountable Corporation," *Environment* (1999). [coursepack]
- Andrew Hoffman, "Institutional Context," Chapters 9 and 10 from *Competitive Environmental Strategy* (2000). [coursepack]
- Magali Delmas & Ann Terlaak, "Institutional Context of Voluntary Agreements," Chapter 15 in Hoffman & Vantresca, *Organizations, Policy, and the Natural Environment* (2002). [coursepack]

B. Air Quality

Guest presenter: TBA

Readings:

- Ferrey, Chapter 5

Class 6 -- 15 February

Water Quality

Guest presenter: Karen Hansen, Esq., Beveridge & Diamond

Readings:

- Ferrey, Chapter 6

Class 7 -- 22 February

Toxics, Hazardous Waste, Superfund

Guest presenter: TBA

Readings:

- Ferrey, Chapters 8 and 9

Class 8 -- 1 March

MID-TERM EXAM [open book, short essay style, first 90 minutes of class]

Incentives, Markets and Risks

Readings:

- Vig & Kraft, Chapters 9 and 10 (Myrick Freeman, “Economics, Incentives and Environmental Policy” and Richard Andrews, “Risk Based Decision Making”)
- J.B. Ruhl, Ecosystem Services [coursepack]

- Lisa Heinzerling, TBA [coursepack]
- Kenneth Arrow, TBA [coursepack]

After Spring Break

* Please select one and begin reading Elkington, *Cannibals With Forks*; or Lovins, Lovins & Hawken, *Natural Capitalism*; or Hawken, *Ecology of Commerce* (ideally each project team will arrange their own assignments to cover all three). Complete this reading at your own pace.

Class 9 -- 15 March

A. Environmental Justice

Guest Presenter: TBA

Readings:

- Vig & Kraft, Chapter 11 (Evan Rinkvist, “Environmental Justice: Normative Concerns, Empirical Evidence and Government Action”)
- M.R. Elliott, Y. Wang, R.A. Low, and P.R. Kleindorfer, “Environmental Justice: Frequency and Severity of U.S. Chemical Industry Accidents and the Socioeconomic Status of Surrounding Communities,” 58 *J. Epidemiological Community Health* 24 (2004) [coursepack]

B. Environmental Dispute Resolution

Guest Presenter: Adam Saslow, president, Consensus Solutions

Readings:

- TBA

Class 10 -- 22 March

SHORT PAPER DUE

Climate Change

Guest Presenter: Ken Berlin, Esq., Skadden Arps

Readings:

- Vig & Kraft, Chapter 13 (Lamont Hempel, “Climate Policy on the Installment Plan”)
- Jacob Harold & Rebecca Center, “The MBA’s Climate Change Primer,” Center for Social Innovation, Stanford Graduate School of Business (2005). [coursepack]
- “Global Warming: Both Sides,” (contributions by Jack M. Hollander and V. Ramanathan & Tim P. Barnett), Wilson Q., (Spring 2003). [coursepack]
- S. Julio Friedmann & Thomas Homer-Dixon, “Out of the Energy Box,” Foreign Affairs, (Nov.- Dec. 2004). [coursepack]

Class 11 -- 29 March

A. Environmental Information & Disclosure Issues

Readings:

- Paul Kleindorfer & Eric Orts, “Informational Regulation of Environmental Risks” (1998) [coursepack]
- Shelly Metzenbaum, TBA

B. Environmental Management and Security

Guest Presenter: Charles Howland, US EPA, Region 3

Readings:

- Mark Cohen, “Transparency After 9/11: Balancing the Right to Know with the Need for Security, Corporate Environmental Strategy (2002). [coursepack]
- Michael Penders & William Thomas, “Ecoterror: Rethinking Environmental Security After 9/11,” Natural Resources & Environment (ABA) (Winter 2002). [coursepack]
- Charles Howland, TBA

Student Presentations

Class 12 -- 5 April

Trade & Environment

Readings:

- Vig & Kraft, Chapter 16 (David Vogel, “International Trade and Environmental Regulation”)
- TBA

Student Presentations

Class 13 -- 12 April

Globalization, Sustainability and CSR

Guest presenter: J. William Futrell, Esq., Sustainable Development Law Associates, formerly, president, Environmental Law Institute

Readings:

- Vig & Kraft, Chapter 12 (Daniel Press & Daniel Mazmanian, “Understanding the Transition to a Sustainable Economy”)
- World Business Council for Sustainable Development (WBCSD), “The Business Case for Sustainable Development,” pp. 12 -38 in *Walking the Talk* (2002). [coursepack]
- Agenda 21: Earth’s Action Plan, Chapter 30, “Strengthening the Role of Business and Industry,” pp 525-32 (1992). [coursepack]
- William Futrell, “The Transition to Sustainable Development Law,” *Natural Resources & Environment* (ABA) (2004). [coursepack]
- “Sustainable Development and U.S. Law: Have the Twain Met?” (contributions from Don Elliott, Alan Hecht, et al.), *Environmental Forum* (ELI) (July-August 2003). [coursepack]

Additional background:

- William Thomas, “Globalization and Corporate Environmental Law,” (survey report) Pillsbury, Madison (2003). [coursepack]

- PriceWaterhouseCoopers, “Integral Business: Integrating Sustainability and Business Strategy,” (2003). [coursepack]

Student Presentations

Class 14 (last class of semester)

19 April

Future Trends and Wrap-up

Readings:

- Vig & Kraft, Chapter 8 (Walter Rosenbaum, “Still Reforming After All These Years: George W. Bush’s ‘New Era’ at EPA”)
- TBA

Student Presentations

Group Project Written Submissions Due

26 April