

This video discusses the role of the Environmental Protection Agency (EPA) in using corporate financial reports for environmental regulation. Despite the significance of its regulatory role, there is limited knowledge about how the EPA acquires and utilizes information from these reports. The paper emphasizes the importance of both financial and non-financial information in the EPA's decision-making process and argues for a comprehensive understanding of how these types of data interact.

The author highlights that the EPA actively downloads numerous corporate financial reports primarily from firms in high-pollution industries. This video data acquisition is particularly prominent during enforcement investigations and when developing new regulations, suggesting that financial information is crucial for cost-benefit analyses and assessing compliance with environmental laws.

A novel measure called "EPA downloads" was developed to track the EPA's retrieval of financial reports from the SEC EDGAR system. The findings indicate that a variety of factors, including compliance costs and financial assurance requirements, influence the EPA's demand for and use of financial information.

The author concludes that greater transparency in financial reporting could enhance regulatory efficiency and positively impact environmental oversight. Future research should focus on identifying specific financial information that is most relevant for regulatory purposes and how such insights can be utilized effectively by the EPA. Overall, the study aims to shed light on the opaque decision-making processes of environmental regulators and improve environmental regulatory practices.