

US EPA ARCHIVE DOCUMENT



State Innovation Grant Program: Wisconsin

Environmental Management Systems and an Environmental Results Program to Improve Air Permitting for the Printing Sector (2005 Competition)

The State Innovation Grant Program

In 2002 EPA introduced the State Innovation Grant Program to support efforts led by state environmental agencies to test innovative approaches for achieving better environmental results and improved efficiency in permitting programs. Between 2002 and 2007, the State Innovation Grant program competition awarded over six million dollars to support 35 state projects that test permitting innovation for a variety of regulated entities including several small business sectors. A summary of the awards by year appears in the table below.

Competition Year	Proposals Submitted	Proposals Selected	Total Program Funding (\$)
2002/2003	29	6	\$618,000
2004	33	9	\$1.425 Million
2005	26	7	\$1.479 Million
2006	25	6	\$1.243 Million
2007	17	7	\$1.611 Million
Cumulative Total	130	35	\$6.376 Million

"Innovation in Permitting" has been the theme of the State Innovation Grant competition since its inception. In the last three competition cycles states received awards for projects in the following three categories:

- **The Environmental Results Program (ERP)** is an innovative approach to improving environmental performance based on a system of the interlocking tools of compliance assistance, self-certification (sometimes, where permissible, in lieu of permitting), and statistically-based measurement to gauge the performance of an entire business sector. The program utilizes a multimedia approach to encourage small sources to achieve environmental compliance and pollution prevention. (See: <http://www.epa.gov/permits/erp/>)
- **Environmental Management System (EMS)** is a system involving a continual cycle of planning, implementing, reviewing and improving the processes and actions that an organization undertakes to meet its business and environmental goals. EMSs provide organizations of all types with a structured system and approach for managing environmental and regulatory responsibilities to improve overall environmental performance and stewardship. (See: www.epa.gov/ems/info/index.htm)
- **Performance Track** is a partnership that recognizes top environmental performance among participating US facilities of all types, sizes, and complexity, both public and private. (See: <http://www.epa.gov/performance-track/>)

NCEI has provided awards also for projects testing watershed-based permitting, and for permit process streamlining in past competitions. For more information on the history of the programs, including information on solicitations, state proposals, and project awards, please see the EPA State Innovation Grants website at <http://www.epa.gov/innovation/stategrants>

Project Background:

After undertaking an extensive evaluation of its air-permitting program, the Wisconsin Department of Natural Resources (WDNR) Air Program sought to improve its efficiency in environmental regulation and program implementation. The state was concerned about the amount of effort and time involved in the air permitting process and its value in achieving measurable environmental improvement. Businesses had also expressed strong interest in having the state adopt a more comprehensive approach to environmental regulation. To address these concerns, while also facing a decline in Department resources, WDNR applied for and received an EPA State Innovation Grant in 2005 to help streamline the state's air permitting process and find innovative permitting alternatives for the printing sector. More specifically, WDNR planned to design and implement both:

- 1) Performance-Based Permits for large printers with environmental management systems (EMSS), and an
- 2) Environmental Results Program (ERP) for small printing facilities.

Wisconsin also hopes to adapt this pilot project's methodology and lessons learned to other sectors in the state.

Project Description

The printing industry in Wisconsin is vital to the state's economy, with an array of small and large-scale businesses selling a diversity of products and services. The sector is also a significant source of volatile organic compound (VOCs) and hazardous air pollutant (HAPs) emissions. WDNR's innovative Performance-Based Permit/ERP project is working across the entire printing industry to improve air permitting, with specific goals to:

- Streamline the permitting process for both printers and the WDNR and find innovative air permitting alternatives;



- Integrate EMSs and permits for the printing sector as a significant step toward creating a performance-based approach to managing environmental risk;
- Reduce the burden associated with air permitting for all printers and provide regulatory flexibility; and
- Improve the environmental stewardship of participating facilities by providing tools to increase their understanding of environmental impacts and creating incentives for beyond-compliance behavior.

In designing this program, WDNR built on similar programs developed by Florida, Massachusetts, and Rhode Island as a foundation for their ERP development, as well as Colorado's experience in developing an EMS-Permit approach. WDNR also drew on findings from their permit improvement initiative, and experiences from the Wisconsin Department of Commerce's Small Business Assistance Program, which was already exploring an ERP.

The ERP portion of WDNR's pilot project was developed for small to medium sized printers with up to 25 tons of VOC emissions per year. Implementation of the ERP begins with an initial compliance inspection assessment of a randomly selected group of printers to determine their baseline compliance rate. WDNR then provides compliance assistance materials and a self-assessment checklist to participating establishments to help facilities understand the environmental requirements they need to meet, and encourage them to prevent pollution. Participants must complete and submit the multi-media self-certification forms to WDNR. If facilities discover they are out of compliance, they must submit a return to compliance (RTC) plan to WDNR; and correct the compliance problem(s) identified in the RTC plan as soon as possible. The agency then conducts inspections at a second sample of randomly selected facilities to measure changes in the group's compliance performance over time and gauge the ERP's success. Both the baseline and follow-up inspections are multi-media.

Through this pilot, WDNR will investigate the effectiveness of ERP as a regulatory tool and consider whether participation in an ERP can fulfill the role of a permit. Until WDNR can fully explore the suitability of a permit exemption for ERP participants, a registration permit designed specifically for printers will be issued. This will ensure a legally enforceable implementation mechanism, but will substantially reduce the complexity and administrative burden associated with traditional permitting, often

considered arduous and confusing by small businesses. In addition, the amount of time required for annual certification should not be greater than what was previously needed under traditional permitting.

The second portion of this pilot project, the Performance-Based Permit, involves developing an alternative permit structure that employs EMSs as the basis for performance-based facility permits. Larger printers that successfully implement an EMS will enter into a contract under WDNR's Green Tier Program, a voluntary initiative that provides positive incentives to superior environmental performers. The enabling statute for Green Tier allows WDNR to issue a flexible, multi-media, performance-based permit that utilizes portions of a facility's EMS to demonstrate compliance with permit conditions and justify operational changes and expansions. By providing relief from certain regulatory burdens, such as permit modifications, this permit can serve as a reward for beyond-compliance behavior exhibited by facilities entering the Green Tier Program. The permit should also drive technical innovation, since its flexible nature will allow a facility to experiment with ink formulations, control equipment, printing techniques, etc., without first requiring a permit revision or modification, as long as it meets conditions of the permits. Although facilities of any size may qualify for a performance-based permit, it is assumed that large-sized printers will be more likely to have the resources and interest in developing an EMS and meeting the other Green Tier entrance requirements.

State Innovation Grant Program funding for the pilot project's development will continue through the end of 2008.

Connection to EPA's Goals

This program directly supports EPA's Strategic Goal #5, focused on compliance and environmental stewardship, by promoting an innovative approach to improve environmental performance through pollution prevention measures. It also supports Strategic Goal #1 to protect and improve air quality, as well as EPA's Cross-Goal Strategy of promoting innovation and collaboration with states.

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