

US EPA ARCHIVE DOCUMENT

## Quarterly Report to USEPA April 1, 2008 – June 30, 2008

### State Innovation Grant – Improved Environmental Results and Increased Regulatory Flexibility in Air Permitting for the Printing Sector Using EMS and ERP Cooperative Agreement No. PI 965809-01

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Through this cooperative agreement the Wisconsin Department of Natural Resources (WDNR) will be piloting two alternative approaches for Wisconsin's printing industry. For larger printing facilities, a performance-based EMS combined with a Title V permit will be developed with several pilot facilities. For the small printers, an Environmental Results Program (ERP) modeled after the work done with the industry in Massachusetts is being developed in collaboration with the Wisconsin Department of Commerce (WDCOMM). Included in this quarterly report is a summary of the progress achieved to date on milestones identified in the June 30, 2005, final project narrative and work plan. Changes to milestone dates are identified in the following table in **blue text**. Recent milestone changes are reflected in **green text**. Completed milestones are highlighted in **yellow**.

	Performance-based EMS permit Milestones	Environmental Results Program Milestones
September 2005	Select participating facilities Gather baseline data Establish interested parties group Establish multi-media team	Develop performance indicators Identify universe of sources Gather data on administrative effort for current compliance or permit activities
December 2005	Provide training on EMS to WDNR staff Provide training for interested parties group and facilities on roles and responsibilities	Develop workbook and inspection checklists Database development Develop statistical methodology
March 2006	For participating facilities establish environmental goals and measures	Conduct inspector training
June 2006	Evaluate and revise QAPP and work plan ( <b>Spring 2009</b> ) Establish compliance methodology	Evaluate and revise QAPP and work plan Perform baseline inspections
September 2006	Obtain data on satisfaction with new public participation process ( <b>Spring 2009</b> ) Initiate development of draft permits Identify multimedia impacts	Workbook and checklist to printer Analyze data and develop targeted materials for training based on inspections
December 2006	Complete draft performance Based Permit Issue performance-based permits ( <b>Fall 2008</b> )	Prepare and provide technical assistance workshops
January 2007	Evaluate the permit review process ( <b>2009</b> )	Facilities conduct inspections and submit self-certification Conduct State-to-state ERP Collaboration

April 2007	Collect first round of data for pilot and control facilities and complete an initial evaluation of the EMS permit approach (May 2009)	Evaluate self-certifications and implement targeted follow-up activities including response to RTC plans (December 2007 through February 2008)
July 2007		Perform post-certification inspections (November 2007 through November 2008)
October 2007		Prepare evaluation that compares data from post-inspections to pre-inspections and self-certifications concerning performance goals – make revisions to targeted issues and other materials as needed (November 2008)

### **Performance-Based Environmental Management System Permit**

During this quarter discussions continued with Serigraph Incorporated concerning their major source status. EPA Region 5 has concluded that any performance-based EMS permit issued to Serigraph Incorporated would have to be for a major source. Based on this understanding, four permit and Green Tier participation options were presented to Serigraph Incorporated for their consideration:

- 1) Continue participation in Green Tier I and proceed with synthetic minor operation permit renewal. If Green Tier II participation is pursued it could not include air management program incentives.
- 2) Discontinue participation in Green Tier I and proceed with synthetic minor operation permit renewal.
- 3) Discontinue participation in Green Tier I and proceed with renewal of the air operation permit as a major source.
- 4) Proceed with renewal of the facility's air operation permit as a major source and pursue performance-based air management incentives in a contract under Green Tier II.

We are waiting for the facility's response.

Arandell Corporation continues to enjoy the benefits of its Tier I status under Green Tier and has been working with a consultant to begin implementing their EMS. Completing a draft permit for Arandell Corporation will resume as they get closer to implementing their EMS and submitting a Tier II Letter of Intent.

Participants - Completed. Initial participants included four Wisconsin printers; Moore Wallace Response Marketing Services - an R.R. Donnelly Company, Serigraph Incorporated, Bemis Company Incorporated and Arandell Corporation. Currently, only Serigraph Incorporated and Arandell Corporation have pursued Green Tier. R.R. Donnelley and Bemis Company Incorporated are not working on EMS's or entrance into Green Tier at this time.

Baseline Data - On-going. Serigraph Incorporated has collected baseline data in a format developed with the assistance of Ross & Associates. Arandell Corporation continues making progress implementing an EMS and will be able to take advantage of this format for their data collection.

Interested Parties Group - No new progress. Discussions with CERES concerning their Facility Reporting Project have been put on hold for the time being. Facilities prefer to publish the availability of their EMS for public view in local media outlets. No further work in this area is planned at this time.

Multimedia Team - Completed. A Single Point of Contact (SPOC) for multimedia regulatory responsibilities has been designated for Arandell Corporation and for Serigraph Incorporated. Serigraph Incorporated requested multimedia requirements in its performance-based permit, but, as discussed earlier difficulties have been encountered. There are still plans to include a storm water non-contact

declaration in the permit. We will continue to work with waste water and spills protection to see if it is possible to keep the wastewater discharge thresholds in the permit preamble and to have the SPCC be part of the facility's EMS.

Staff EMS Training - Completed. Kristin Hart, EMS Permit Principal Investigator, successfully completed a 36-hour EMS Lead Auditor training course in August 2005.

Roles and Responsibilities Training - No new progress. At this time, the facilities have declined to form interested parties groups. Facilities prefer to publish the availability of their EMS for public view in local media outlets. Once Serigraph's Tier II letter of intent is finalized and noticed, there will be opportunity for interested parties to request involvement in the contract negotiations. The need for *Roles and Responsibilities Training* will be reevaluated prior to beginning contract negotiations under Green Tier.

Establish Environmental Goals and Measures - Completed. Ross & Associates assisted the Department with the establishment of environmental goals and measures for Serigraph Incorporated. Arandell Corporation has a table but has not filled in baseline data. The measures created in collaboration with Ross & Associates will be used to track progress as these respective projects proceed.

Evaluate and Revise QAPP and Work Plan - Delayed. QAPP and work plan will be revised after common measures activity is completed.

Establish Compliance Methodology - No new progress. EPA declined to review the draft permit and compliance methodology. We are currently working with the facility and EPA to figure out the best approach for moving forward with the permit conditions given EPA's assertion that the permit as written cannot be approved because DNR and EPA are currently in dispute over the major source status of the facility.

No matter what the determination on major source status, the compliance methods used in this permit will include the mass-balance formula approach to determining emissions from printing operations, approved replicable methodologies for determining emissions from fuel burning equipment, and future approvals of new fuel burning equipment; all flexible permitting techniques recommended for approval by EPA. In addition, a plant-wide applicability limit of some sort will also be established.

### ***Environmental Results Program***

Performance Indicators - Completed. Environmental Business Practice Indicators (EBPI) developed by working group.

Identify Universe of Sources - Completed. Universe of printing facilities to target has been determined. 3,000 facilities have been identified. We are ready to determine the target number of facilities to be surveyed to establish the baseline compliance level. *October 2007 update* – due to the number of drop outs during the baseline inspections and the number of returned items from other mailings, the universe has shrunk to 2080 facilities.

Gather Data on Permit and Compliance Administrative Effort - In progress. Some data was collected early on, but it has not been analyzed yet. Additional data from the baseline facility evaluations and self-certifications is also available with plans to begin an evaluation in January 2008.

Develop Workbook and Checklist - Complete.

Develop Database and Statistical Methodology - Ongoing. The database has been refined sufficiently to allow inspectors to conduct the baseline evaluations. A proposed statistical methodology was submitted to EPA Region 5 in March 2007. *October 2007 update* - no comments were received from EPA so we have moved forward under the methodology developed with the assistance of EPA's contractor for assistance on statistical analysis, Mike Crow.

Conduct Inspector Training - Completed. No formal lecture style training was conducted. Multiple sessions were held with WDNR program experts to walk through the baseline evaluation questions and discuss likely scenarios of what violations might be uncovered. The inspectors decided it would be important to include WDNR program experts on some of the trial inspections to improve their understanding program requirements.

Prior to initiating the post-certification round of inspections a conference call was held with inspectors. This approach was deemed appropriate since the majority of inspectors involved conducted baseline inspections.

Evaluate and Revise QAPP and Work Plan - Delayed. Statistical Methodology was under review early in this quarter. No one was available to conduct QAPP update as other elements of program took up all the time. *October 2007 update* – further discussion with EPA is desirable before a revision to the QAPP commences.

Perform Baseline Inspections - Completed on June 2007. Baseline evaluations started slowly during March 2007 following the training sessions with program experts. It was determined at the end of May 2007 that inspectors would be unable to reach more than the initial 250 contacted in the hopes of completing 190 inspections. Because many of the facilities turned out to be something other than a printing operation, in the end less than 100 valid inspections were completed. There were a few facilities that declined to have an inspection conducted. We have 28 facilities from our list that remain unknowns and are waiting for a final data submittal from one of the inspectors. We have a drop out rate of 75%, With just 55 baseline evaluations completed out of 222 attempted.

Analyze Data and Revise Workbook and Checklist - Omitted. We did not have time to wait for baseline evaluations to be completed. It was necessary to have the printing of the workbook move forward in order to have workshops in July 2007, have facilities perform self-certifications and conduct the second round of facility evaluations before the end of the year. *October 2007 update* - the workbook printing had to move forward before baseline inspections were completed. Printing a large job (750 workbooks with 218 pages) generally takes at least 4-6 weeks. The ERP Printers Workbook took 8 weeks because of bid changes and format issues. Our goal was to have the workbooks available when the training workshops were conducted in July. If training could not be conducted in July, we would have had to wait until November given that the printing industry holds major conferences in September and October. Our industry partners, who helped provide the training materials, would be involved in their respective national conferences and encouraged that the training be completed in advance of September and our interest was to avoid a 4-5 month delay between the baseline evaluations and the workbook training.

Prepare and Provide Technical Assistance Workshops - Completed. Two training workshops were held at technical colleges in the state often used by the printing association for training. Attendance was low, less than a dozen at each location. But that was to be expected given both the timing, just after July 4<sup>th</sup>, and the delay in the mailing announcing the sessions. A web cast was also conducted and after it was completed, the link was added to the ERP website for other users. The web cast condensed the 3 hour training session to less than 90 minutes. Through early November 2007, there were over 100 hits on that training web cast link.

Facilities Conduct Inspections and Submit Self-certification - Completed. Along with paper forms, we developed an online self-certification form. The majority of self-certification forms were received by September 21, 2007. Additional forms have been received and a few more are expected by mid-November. Almost 100 self-certifications were received by the end of October and of those, 35 were submitted online. The final tally was 88 completed self-certifications. Some online forms were started but never completed and others only submitted a signature page without a completed self-certification.

Conduct State-to-State ERP Collaboration - Completed. The Region 5 ERP/Area Source meeting was held in Chicago on May 7<sup>th</sup> including video conference links in Wisconsin, Michigan and Minnesota and teleconferencing in Ohio and EPA Headquarters. The focus of the discussion was geared towards how ERP might be used in implementation of one of the area source NESHAPs. A regional ERP concept was

proposed. A new workgroup was created to flesh out details on how a regional ERP approach could be implemented.

Evaluate self-certifications and implement targeted follow-up activities including response to Return-to-Compliance Plans (RTCP) - Mostly complete. The EBPIs within the self-certifications have been analyzed. The majority of RTCP were corrections completed on or before the date the self-certification was submitted.

Perform Post-certification Inspections - Ongoing. Through the spring and early summer, we continued to have issues with the workloads of inspectors that volunteered to do the ERP inspections. Each one had different inspection, enforcement, permitting and even health issues that came up and created gaps of six to eight weeks in which no additional inspections were completed.

Conduct Data Evaluation - Ongoing. Some analysis has been conducted on the baseline inspections and the self-certification results, but the full analysis will not begin until the second round of inspections is complete.