

US EPA ARCHIVE DOCUMENT

**Quarterly Report to USEPA
July 1, 2007 – September 30, 2007**

**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**

**Submitted by:
Jon Heinrich
Wisconsin Department of Natural Resources
Bureau of Air Management
608-267-7547
jon.heinrich@wisconsin.gov**

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**.

	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 (December 2006 through March 2007)
June 2006	Evaluate and revise QAPP and work plan (January 2007) Establish compliance methodology (January 2007)	Evaluate and revise QAPP and work plan (February 2007) Perform baseline inspections (April through June 2007)
September 2006	Obtain data on satisfaction with new public participation process (January 2007) (New date: Spring 2008) Initiate development of draft permits Identify multimedia impacts	Workbook and checklist to printer (May 2007) Analyze data and revise workbooks and inspection checklists develop targeted materials for training based on inspections (Late June 2007)
December 2006	Complete draft performance Based Permit (April 2007) Issue performance-based permits (April 2007) (New date: March 2008)	Prepare and provide technical assistance workshops (July 2007)
January 2007	Evaluate the permit review process (December 2007)	Facilities conduct inspections and submit self-certification (July through August 2007) Conduct State-to-state ERP Collaboration (Fall 2007 or Winter/Spring 2008)

April 2007	Collect first round of data for pilot and control facilities and complete an initial evaluation of the EMS permit approach	Evaluate self-certifications and implement targeted follow-up activities including response to RTC plans <i>(October/November 2007)</i>
July 2007		Perform post certification inspections <i>(November/December 2007)</i>

Performance-Based Environmental Management System Permit

This quarter was devoted to refining Serigraph’s draft performance-based permit in consultation with Region 5 representatives and WDNR staff. An initial meeting with staff from Region 5, Beth Termini from EPA Headquarters, and the head of WDNR air permitting occurred in mid-September. Since that time, biweekly conference calls with EPA have been conducted to review progress. It has become apparent that Serigraph is no longer a major source of air pollution which simplifies many issues that concerned EPA. However, an important issue that remains is existing synthetic minor emission limitations on several presses that were established to avoid LAER and offsets when the facility was a major source in a nonattainment area. Serigraph would like to remove these restrictions. This requires a plant wide applicability limit in the performance-based permit which EPA must review and approve as a source specific revision to Wisconsin’s SIP.

Serigraph submitted a draft Tier II letter of intent in September and is still making revisions. Receipt of a final letter of intent from Serigraph will pave the way for moving forward with the performance-based permit.

The ability to include cross media issues in Serigraph’s permit has been less encouraging. The first permit draft contained wastewater discharge thresholds established by the City of West Bend for the facility. However, because the wastewater permit program is delegated to the municipalities, there are enforcement issues. EPA has recommended removing these thresholds in order to expedite the permit process. The facility had also requested an equivalency under the SPCC rule dealing with transformer oil. Again, the ability to offer flexibility is limited and consideration is being given to refrain from including an equivalency provision in the permit. The only cross media provision still under consideration is a non-contact certification for storm water through this permit.

The draft permit should be ready for public comment by December 2007. The timing of publishing the public notice and making the draft available for public comment will coincide with the public comment on the proposed Green Tier contract. Issuance depends on Serigraph’s final status under Tier II of Green Tier.

Arandell was officially inducted into Green Tier at the end of September. They are now at Tier I status and are working on completing the requirements so that they can also move into Tier II. Arandell’s permit will be similar to Serigraph’s. No new work has been done on Arandell’s permit. Work will resume as they get closer to implementing their EMS and submitting their Tier II Letter of Intent.

Participants - Completed. Participants include four Wisconsin printers including Moore Wallace Response Marketing Services-an R.R. Donnelly Company, Serigraph Incorporated, Bemis Company Incorporated and Arandell Corporation. Serigraph has initiated EMS permit development and expects to obtain EMS initial certification by January 2007. Arandell Corporation is also looking at a January 2007 initial certification for their EMS. Currently, only Serigraph and Arandell have pursued Green Tier. RR Donnelley or Bemis are not working on EMS’s or entrance into Green Tier at this time.

Baseline Data - A conference call was held with Ross & Associates in September. EPA and Colorado participated and common measures were fleshed out in detail. Later that month, representatives from Serigraph and Arandell had a conference call with WDNR and Ross and Associates to assess the availability and feasibility of gathering baseline data and will finalize their report by the end of the year. We expect to gather baseline data in January and February 2008.

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 - A Single Point of Contact for multimedia regulatory responsibilities has been designated for Arandell and for Serigraph. Serigraph 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 - Kristin Hart, EMS Permit Principal Investigator, successfully completed a 36-hour EMS Lead Auditor training course in August 2005.

Roles and Responsibilities Training - This training would be available as part of the CERES Facility Reporting Project. This training has been delayed until a firm decision is made as to how to establish interested persons groups. If facilities do not use the Facility Reporting Project protocol, training for interested public participants will not need to be performed.

Establish Environmental Goals and Measures - Completed. Serigraph and Arandell included environmental goals and measures in their applications for Green Tier I. Draft performance-based permits contain performance goals and proposed measures. Serigraph submitted a Tier II Letter of Intent with more detailed performance goals. Their draft permit currently contains a performance goal and measure. Work with Ross Associates to establish measures is expected to be completed by January/February 08.

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

Establish Compliance Methodology - Ongoing. Draft permit compliance language completed and discussed within the Air Management Program. Further discussions have been happening with Region 5 of EPA. One area of flexibility involves moving from daily to monthly recordkeeping. EPA noted that this will need to be included in the variance requests and SIP revisions that are needed to make the performance based permit federally enforceable. Another area is in requiring the facility to maintain an inventory of emission units rather than listing specific emission units in the permit. The ability to use a formula based approach to calculating emissions is already allowed by EPA. This method will be used for demonstrating compliance with the emission caps and should not need to be included in a variance request.

Environmental Results Program

A significant delay occurred in the mail announcement to the universe of Wisconsin printers for the ERP workshops. This mailing did not happen until a week before the first training session was scheduled and likely resulted in a lower than expected attendance which may also have adversely affected participation in the self-certification phase of the pilot. Taking a tip from another state at the August States ERP Consortium meeting, a postcard was sent out just after Labor Day to remind printers of the September 21st "deadline" for self-certification submittals. We did extend the deadline for several weeks to accommodate and encourage self-certification participants.

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. Workbook materials were completed once the Printers' registration permit was finalized. Some early inspections indicated certain changes were necessary prior to a final printing. Printing bids would begin in April 2007.

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.

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 29, 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 4th, 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 - 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 trickling in, 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.

Conduct State-to-state ERP Collaboration - We have put together a small group of EPA Region 5 and state SIG recipients to discuss topics and a focus for a State-to-State ERP and EMS meeting to be held in late April or early May 2008. While EMS has not traditionally been a topic at these meetings, we do have a large number of states doing EMS projects in Region 5. Do the extent feasible, we will work to include states outside of Region 5 doing EMS projects.

Evaluate self-certifications and implement targeted follow-up activities including response to Return-to-Compliance Plans (RTCP) - A list has been developed for targeted inspections. There are few RTCP with long term corrective actions however the majority were resolved by submitting the necessary forms or making immediate corrections.