

US EPA ARCHIVE DOCUMENT

**State Innovation Grant Program  
GA DNR Project Narrative/Workplan**

**I. Project Title**

Joint Proposal to Explore the Role of an Environmental Management System (EMS) in Permitting Environmental Leaders

**II. Applicant Information**

Georgia Department of Natural Resources' (GADNR or DNR) Environmental Protection Division (EPD), lead agency, in partnership with DNR's Pollution Prevention Assistance Division (P<sup>2</sup>AD)

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**III. Funding Requested**

\$79,393

**IV. Project Period**

October 1, 2006 (pending date of approval) – September 30, 2009

**V. Narrative Elements**

**A. Project Overview**

GA DNR proposes to explore opportunities for streamlined permit conditions, better public participation and streamlined implementation of air permits for high performing carpet mills with EMSs around Dalton, Georgia. The ultimate goal of the project is reducing transaction costs for both the regulated community and state regulators, while achieving better environmental performance and public participation in the process. The Project Logic Model (Attachment A) details the many short-term, intermediate, and long-term outcomes that this project seeks to achieve.

EPD and P<sup>2</sup>AD (the project team) will collaborate on the project, with guidance from a stakeholder committee representing industry, government, community, NGO, and academic

interests. This stakeholder committee will be convened early in the project, trained on EMSs and will provide input into the project design and implementation through a facilitated process.

The project will focus on one manufacturing sector in order to streamline the experiment and deepen the learning experience, since the participating facilities are more likely to have similar regulatory requirements. The carpet sector was selected because of its major presence in Georgia and its sector-wide commitment to environmental excellence.

Three to five carpet facilities with EMSs in various phases of development will be selected as pilots, and will work with EPD to develop and test an alternate approach to the air permitting process. The carpet facilities will be either members of or applicants to the State of Georgia's Partnership Program (explained below). The pilots will be evaluated on measures such as investments (in time and dollars by both regulatee and regulator) and environmental indicators (to be finalized by stakeholder committee). Section E. of this document includes a more detailed discussion of possible performance measures for the project. These measures will be compared to baseline data captured through a survey of non-pilot, non-EMS facilities undergoing traditional permitting processes, in order to determine the efficacy of the alternate approach.

While air will be the primary focus of the permitting exploration, the project will seek to capture baseline and pilot facility data for environmental indicators (to be selected by the stakeholder committee) such as water consumption, wastewater quantity/quality, solid waste disposal, and energy consumption. It is anticipated that evaluation of this data will further support the increased environmental benefits of EMSs vs. traditional compliance approaches. As the opportunity presents itself, the project may expand in the future to work with local government in the water-permitting arena.

This project will be coordinated through the P<sup>2</sup>AD Partnership Program. The Partnership Program is the state of Georgia's environmental performance and leadership program, modeled on EPA's National Environmental Performance Track (NEPT). The program currently has 88 Partners, participating in four program levels: White (advocate), Yellow (on-ramp), Red (EMS, roughly NEPT equivalent) and Blue (NEPT plus). In addition to developing an EMS, Red and Blue Level Partners commit to conducting community outreach/volunteerism, and supply chain activities and Blue Level Partners also commit to conducting mentoring and sustainability activities.

By stipulating that all pilot facilities for this project must be members or applicants to this program, the project taps into an existing framework for technical assistance and training, tech transfer between Partners, and on-going efforts by Partners to work with their communities.

## **B. Current Situation and Need**

### ***Industry Overview***

Mills within a 65-mile radius of Dalton, Georgia supply 80 percent of the carpet manufactured in the U.S. The sector employs 43 percent of the state's industrial employment with a payroll exceeding \$4 billion annually. The scope and magnitude of operations at carpet mills in Georgia is wide, ranging from a few enormous facilities with fiber extrusion, spinning, dyeing, tufting and finishing operations under one roof, to almost 200 smaller plants, most focusing on one to three parts of this full manufacturing cycle. The industry as a whole has tremendous environmental impacts – it is responsible for significant consumption of water and energy, and generation of air emissions, solid wastes, and hazardous wastes (most are Small Quantity or Conditionally-Exempt Small Quantity Generators).

The industry is the largest industrial class consumer of electricity in the state – using an amount roughly equivalent to all electrical power consumed in the cities of Athens, Gainesville, Macon and Valdosta (Source: GA Textiles Mfg. Assoc.). Energy consumption in the carpet industry is largely spent heating and cooling chemical baths and drying yarns and tufted carpets.

In terms of waste generation and environmental impacts, those plants with dyeing and finishing (wet processing) operations are the most significant. Wet processing methods used vary greatly depending on end products and applications, site-specific manufacturing practices, and fiber type. Most Georgia carpet manufacturers currently process man made fibers (polyester, nylon, polypropylene) into tufted products.

Although the textile industry is a relatively minor source of air pollutants compared with many other industries, it emits a wide variety of air pollutants, making sampling, analysis, treatment, and prevention more complex. Textile operations involve numerous sources of air emissions. Operations that represent the greatest concern are coating, finishing, and dyeing. Textile mills usually generate nitrogen and sulfur oxides from boilers and are often classified as “major sources” under the Clean Air Act. Significant emission sources of volatile organic compounds (VOC) in textile operations include resin finishing and drying operations, and heat setting and dyeing processes (EPA Document # EPA/310-R-97-009, Profile of the Textile Industry).

According to the Carpet and Rug Institute’s (CRI) 2003 Sustainability Report (reporting on its carpet industry members), the industry has made great strides environmentally, reducing its environmental footprint by 80 percent since 1990. It has reduced NOx emissions while at the same time increasing production; worked with suppliers to eliminate methanol from raw materials; reduced Hazardous Air Pollutants (HAP), VOCs and SARA chemicals, and reduced chloroflourocarbons (CFC) consumption. CRI asserts that the carpet industry is one of the only industries that voluntarily meet the Kyoto Protocol for carbon dioxide emissions.

#### ***Opportunity for this Project***

The carpet industry has demonstrated a strong commitment to the development and implementation of EMSs, and is the largest sector participating in the P<sup>2</sup>AD Partnership Program (19 out of the 88 members in the program, note that many Georgia carpet facilities with EMS have not yet joined the program). The industry is investing tremendous resources into developing work practices and procedures to ensure that it evaluates and minimizes the environmental impacts of its operations. At the same time, it must continue “business as usual” in terms of compliance with environmental permitting requirements – incurring time and preparation costs as well as lost opportunity costs, while often waiting a year or more for regulatory approval to proceed.

While state regulators recognize that top performers need not be their highest priority concerns, the existing regulatory process and framework provides no alternative to the traditional permitting path, requiring the same resources for oversight of these facilities as the agency would expend for poor performers.

Of all environmental permits, air permits were identified by both the carpet industry and EPD as the most arduous and costly for both carpet mills and regulators. The air permitting process was also identified by EPD as the one most likely to allow for flexibility within current statutory requirements. Georgia EPD currently oversees the following active carpet facility air permits: 14 Title V sources (major), 17 SM sources (synthetic minor), and 42 B sources (minor). Estimated current time for Title V initial/renewal review ranges from one year to 18 months. Average review time for construction and/or modification permits for carpet plants is 5.5 months.

This project will therefore seek to identify the role of a facility EMS in allowing operational flexibility with air permit requirements, including opportunities to replace specific requirements within permits with EMS elements. The project will also explore other opportunities for flexibility in the inspection and reporting process, if the project stakeholder group recommends broadening the approach beyond the traditional permitting process.

P<sup>2</sup>AD has a history of building collaborative relationships between the regulated community and EPD. P<sup>2</sup>AD's main roles in this project will be to facilitate the process of exploration with the carpet sector, EPD, EPA, and community representatives, and to provide or arrange technical assistance and training. P<sup>2</sup>AD has a long-standing relationship with the carpet sector and its trade association, CRI, with previous efforts focused on identifying research needs to improve environmental performance, facilitating collaborative public-private voluntary partnerships to conduct research projects, and providing technical assistance to address the needs of the industry.

P<sup>2</sup>AD is also well positioned to leverage the extensive research and technical assistance capabilities of its partners to assist with this project, including Georgia Tech's Enterprise Innovation Institute and the University of Georgia's Engineering Outreach Service (EOS). The project team anticipates contracting with Georgia Tech to provide EMS training during Task 2 of the project.

### **C. Goals, Objectives and Public Benefit**

Properly implemented EMSs can help facilities achieve environmental performance that exceeds regulatory requirements, including aspects that are both regulated (such as pollutant discharges) and non-regulated (such as energy use and greenhouse gas emissions). Businesses understand the financial and environmental value of implementing an EMS. Regulatory agencies have had less experience with the benefits (administrative and environmental) they themselves could realize when regulated facilities implement EMSs.

The intent of the project is to investigate opportunities for streamlining the permitting process for both the regulated community and the regulators all while achieving better environmental performance; the intent is not to replace regulatory and enforcement programs. The project will seek to answer questions posed in EPA's EMS strategy including whether EMS elements, when incorporated into the permitting process, can:

- Improve performance and efficiency by substituting for overlapping administrative and information gathering requirements
- Achieve better and more efficient regulatory/permitting environmental results than prescriptive operational controls
- Assist regulators by redirecting regulatory oversight from lower to higher priority areas
- Yield better public involvement procedures and environmental results than traditional permit models.

Through the successful completion of this project, the team feels that the following long-term outcomes are achievable:

- EPD more efficiently regulates facilities with EMSs
- The carpet industry in Georgia emits fewer air pollutants
- All businesses operating with EMSs in Georgia emit fewer air pollutants
- The carpet industry in Georgia is better positioned to compete in a global marketplace and sustain itself through its improved efficiency and better relationships with its communities.

**D. Target Dates and Milestones**

This project’s major tasks and timeline are outlined in the table below. For the sake of space, quarterly progress reports were not included as line items in this table. These reports will be built into project team calendars for the length of the project.

**Schedule of Major Project Tasks**

Task Name	Task No.	Task Description	Milestones	Start Date	End Date
Recruitment	1	Identify and recruit pilot facilities and other stakeholders	List of stakeholders, QAPP	Oct 06	Dec 06
Training	2	Conduct EMS and air permitting training for all stakeholders	List of training participants, agendas	Dec 06	Dec 06
Implementation	6	Pilot facilities will continue to implement EMSs		Jan 07	Sept 08
Facilitated Stakeholder Meetings & Public Meeting	3	Convene project stakeholder group to discuss the overall goals of the project, determine which specific requirements to target for granting permitting flexibility, and set priorities for indicators to track in the project. The group will also explore other opportunities for flexibility, including inspection and reporting. Hold one public meeting to inform the larger community of project direction.	List of meeting participants, minutes	Feb 07	Apr 07
Permitting Opportunity Investigation	4	Begin to formalize permitting flexibility for the pilot participants. To expedite this step, the group will rely on the successes in Colorado and South Carolina and use the model agreements and legislative approaches as the starting point for discussion.	List of meeting participants, minutes	Apr 07	Aug 07
Evaluation & Verification	8	Survey stakeholders to determine effectiveness of outreach, training and facilitation efforts and expand outreach if needed	Stakeholder survey	Apr 07	Jun 07
Evaluation & Verification	8	Refine performance measures and requirements of Partnership Program to ensure Partners’ EMSs will qualify for the permit/reporting flexibility	Recommendations document	Jul 07	Sept 07
Permitting Opportunity Investigation	4	Continue to formalize regulatory flexibility, determining how specific air permit requirements that can be met through EMS elements	Reports on flexibilities desired by industry, and formalizing permitting flexibility	Sept 07	Sept 08
Establishing Baseline	5	Gather baseline data on carpet industry for participants in project as well as non-participants for comparison. <sup>1</sup> Baseline data will be gathered and aggregated by a contractor for CRI to encourage non-pilot facilities to provide sensitive data that they might not provide to the state/EPA.	Contract scope, baseline report	Oct 07	Dec 07
Data Collection	7	Collect year one progress data on compliance, administrative costs, environmental performance, and production for comparison and reporting through the Annual Performance Reporting mechanism of the P <sup>2</sup> AD Partnership Program	Annual Performance Reports, Data analysis	Apr 08	Apr 08
Evaluation & Verification	8	Conduct site visits/EMS audits to verify progress on EMS implementation and performance	Site visit reports	Sept 08	Sept 08
Implementation	6	Continue to work with facilities on EMS implementation and integration with regulatory flexibility		Sept 08	Sept 09
Data Collection	7	Collect year two data on compliance, administrative costs, environmental performance, and production for comparison and reporting through the Annual Performance Reporting mechanism of the Partnership Program	Annual Performance Reports, Data analysis	Apr 09	Apr 09
Evaluation & Verification	8	Overall project evaluation, comparing baseline data to year one and two project data and determining if outcomes were met and the project was effective	Data analysis	Jul 09	Aug 09
Reporting	9	Report findings in Final Case Study Report	Final Case Study Report	Sept 09	Sept 09

<sup>1</sup> See Section E. Program Outcomes - Assumptions for rationale for delaying baseline data collection until the beginning of year two of the project

## E. Program Outcomes

Outputs and outcomes will be described in detail in the Quality Assurance Project Plan (QAPP), to be submitted no later than November 30, 2006. This section of the work plan summarizes the anticipated outputs and outcomes identified in the Project Logic Model (Attachment A). The actual measures and indicators to be used in this project will be determined after the stakeholder committee has identified its priority environmental aspects.

### *Assumptions, Drivers, Barriers & Contextual Factors*

The project team used *Module 1: Mapping the EMS Project* from EPA's *Modular Approach to Analyzing EMS Projects and Programs* to design the work plan and attempt to anticipate factors that may impact this project.

#### Assumptions

- At initiation, pilot facilities must either be member or applicants to the P2AD Partnership Program. Membership in the P2AD Partnership Program is required prior to year two of the project.
- The Partnership Program is a multi-tiered, performance-based program centered on the development and implementation of facility-level EMSs. The performance levels of the program increase in requirements and rewards as facilities progress from Yellow to Red to Blue (where requirements exceed NEPT). It is assumed that the basic structure of the program will remain the same during this project period.
- Work with Partners occurs in an atmosphere of "trust but verify."
- Independent party<sup>2</sup> audits provide accurate reflections of a facility's conformance with its EMS.
- Any permitting flexibility only will be granted when a pilot facility has met the criteria set by the stakeholder group, which will include, at a minimum, an independently audited EMS.
- Pilot facilities have robust EMSs that have buy-in at all levels (not corporate mandates)
- The P<sup>2</sup>AD Partnership Program encourages its Partners to develop robust EMSs, which focus on aspects relevant to core activities and/or state and regional priorities. The program also requires continual improvement and improved environmental performance from its Partners.
- EPD's Air Protection Branch is undertaking a redesign of the air permitting process in the coming months, which should result in improvements for all regulated entities within the first year of the grant cycle. Baseline data for time/cost required to complete a permit application or modification will be gathered subsequent to this redesign, to help isolate the impacts of this project (facilities with EMSs).

#### Drivers

- Need for consistency and predictability in permitting process
- Need for expediting environmental improvements
- Need to remove regulatory barriers to sector-wide pursuit of sustainability goals
- Opportunity costs of project delays from air permitting is high
- Need for Georgia carpet mills to stay competitive in a global market that has lost much of its traditional textile base to southeast Asia

#### Barriers

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<sup>2</sup> An independent party is defined by P<sup>2</sup>AD as one that is neither directly employed by the applying facility nor has played a substantive role in developing the facility's EMS

- Lack of facilities willing to share data for baseline
- Difficulty in motivating local community stakeholders to participate, with the project being perceived to lack urgency
- Limitations to EPD's range of flexibility due to statutory authority
- Limited numbers of facilities in the Partnership Program who need an air permit, air permit modification or air permit renewal.
- Limited time to implement EMS actions into permits

#### Contextual factors

- Staff changes at EPD/P<sup>2</sup>AD could cause project delays
- Compliance violation by pilot facility could force removal of the facility from the program and result in delays and data collection challenges
- Management change in a pilot facility could impact resources facility has committed to the project
- Stakeholder committee wants to shift direction or focus of project
- Negative press regarding environmental activities of any P<sup>2</sup>AD Partner or EMS facility could draw negative attention to project

#### ***Measures & Outcomes by Task***

The following narrative provides possible outcomes and measures for each task (also see the Program Logic Model found in Attachment 1). *Module 2: Assessing the Environmental Results of the EMS Project* from EPA's *Modular Approach to Analyzing EMS Projects and Programs* will be used to guide the process.

#### Task 1: Recruitment

Measures will reflect outputs such as the size and diversity of the proposed stakeholder group, and a list of facilities at different levels of EMS development with air permit modifications/renewals planned during '06-'08 (note that pilot facility recruitment will target Partners as well as carpet facilities with EMS that aren't yet Partners).

#### Task 2: Training

Measures will reflect outputs such as the number of trainings offered and the number of attendees attending trainings. Changes in attitudes, knowledge, and/or behavior (short-term, intermediate, and long-term outcomes) relating to stakeholder understanding of EMSs will be measured using surveys. All project surveys will be conducted subsequent to approval of the QAPP, and using state funds.

#### Task 3: Facilitated Stakeholder Meetings & Public Meeting

Measures will reflect outputs such as the number of meetings held and the number and diversity of meeting participants. Short-term outcomes relating to stakeholder acceptance of EMSs as a beneficial component of the regulatory process will be measured using surveys. Long-term, the project should result in a higher level of collaboration among the industry, regulators, and the surrounding community for economically effective means of ensuring compliance and achieving better environmental results than the traditional regulatory approach.

#### Task 4: Permitting Opportunity Investigation

Measures will reflect outputs such as a report on permit flexibilities desired by the industry, recommendations for refining performance measures/requirements for P<sup>2</sup>AD Partnership Program, and a report formalizing permitting flexibility.

#### Task 5: Establishing Baseline

Measures are proposed to include compliance history, administrative costs (for both the facilities and EPD), environmental performance measures (using indicators from NEPT's Environmental Performance Table and CRI's environmental footprint measures), and production data for normalization and comparison (environmental indicator per sales dollar or unit of production, such as tons of emissions per square yard of carpet produced). Data will be collected and screened (to remove facility-identifiers) by a contractor for CRI (costs included under Contract line item in budget summary).

#### Task 6: Implementation

Measures will reflect technical assistance outputs such as number of requests for technical assistance, number of site visits, and number of meetings attended.

#### Task 7: Data Collection

Measures are proposed to include compliance history, administrative costs (for both the facilities and EPD), environmental performance measures (using indicators from NEPT's Environmental Performance Table and CRI's environmental footprint measures), and production data for normalization and comparison (environmental indicator per sales dollar or unit of production, such as tons of emissions per square yard of carpet produced). Most data will be collected from pilot's Annual Performance Reports for the Partnership Program.

The project team will use *Module 3: Assessing the Costs and Cost Savings of the EMS Project* from EPA's *Modular Approach to Analyzing EMS Projects and Programs* to assist in accurately quantifying the efficiencies gained by regulators and regulated pilot facilities as a result of this project. Examples of measures may be:

- Reduction in compliance cost per ton of pollutant
- Reduction in Full Time Equivalents (FTEs) needed to permit EMS facilities
- Reduction in permit complexity and consulting costs
- Job creation
- Faster time to market
- Amount of permit backlog
- Number of low-priority inspections/permit modifications avoided
- Rate of errors and rework on permits
- Costs of EMS (training, implementation, auditing)
- Competitiveness
- Local community savings
- Other savings (insurance, workers comp)

More detail regarding the anticipated data sources, schedule for data collection, monitoring, reporting and record keeping requirements will be provided in the project QAPP. Also addressed in the QAPP will be responsibilities for the regulator, pilot facilities, and independent party auditors regarding enforcement and compliance assurance during the project period. The project team will use *Module 4: Enforcement and Compliance Assurance* from EPA's *Modular Approach to Analyzing EMS Projects and Programs* to assist in refining this portion of the project, including drafting a project agreement for pilot facilities.

#### Task 8: Evaluation & Verification

The project team will use *Module 2: Assessing the Environmental Results of the EMS Project* from EPA's *Modular Approach to Analyzing EMS Projects and Programs* as a tool to refine methodology for evaluation and verification of the project goals, results, and effectiveness.

Short-term outcomes relating to effectiveness of stakeholder outreach, training and meeting facilitation will be measured using surveys, and efforts will be revisited if needed to meet project goal of an informed, diverse stakeholder committee. Progress on EMS implementation and beyond-compliance performance at pilot facilities will be measured through site visits, using a set protocol. P<sup>2</sup>AD Partnership Program performance measures/ requirements will be assessed mid-project to determine if they need to be modified to better address permit flexibility, and will be refined if needed. A thorough evaluation of data collection methodology will be conducted subsequent to collecting year one data, and modified if needed to facilitate better collection of year two data.

#### Task 9: Reporting

Measures will include outputs such as number of quarterly reports and the final case study report submitted, number of outlets that advertise availability of reports, number of web hits to project report pages, number of presentations made regarding completion of the project, and number of audience members attending presentations.

#### ***Overall Project Measures & Outcomes***

While many short-term outcomes of the project can be measured subsequent to completion of individual tasks, many other outcomes relating to changes in attitudes and behaviors will be measured at the conclusion of the project. Examples of these outcomes may be:

- Carpet industry places higher value on EMS, measured by an increase in number of carpet industry Partners in P<sup>2</sup>AD Partnership Program and the National Environmental Performance Track (NEPT) and/or an increase in numbers of carpet sector Partners who move from lower levels of the program to higher levels.
- Industry contractors and EPD staff are more knowledgeable about clients' EMSs, measured by reduced consulting costs for permit completion.
- EPD allows EMS elements to fulfill air permit requirements, measured by number of permit requirements substituted, cost and time required to complete the permit process (See cost measures detailed under Task 7), and environmental performance indicators.
- EMS facilities exhibit improved compliance, measured by percentage reduction in notices of violation and consent orders vs. baseline
- EMS facilities reduce air emissions, measured by percentage reduction in air emissions vs. baseline
- EPD is able to focus its limited resources on other activities, including higher risk entities or on other innovative approaches to improved environmental performance, measured by time spent on oversight of EMS pilot facilities vs. baseline
- Carpet industry in Georgia is more financially competitive and able to sustain itself, measured by reduced cost to meet environmental requirements vs. baseline
- Reduced environmental impact of carpet industry in Georgia, measured by environmental performance indicators for pilots vs. baselines.

#### ***Meeting State Implementation Grant Criteria***

##### 5.2.1.1 Target National Priority Environmental Issues

The proposed project is expected to address many of the national priorities (smog, greenhouse gases, water quality, and water infrastructure). Since most carpet facilities have boilers and process dyes and adhesives, NO<sub>x</sub> and VOCs are of concern. Additionally, the carpet industry tracks greenhouse gases (GHG) as one of six environmental footprint indicators (post-consumer carpet to landfill, energy consumption, water use, hazardous air pollutants, post-industrial waste generation, and CO<sub>2</sub> emissions). Many carpet industry Partners in the P<sup>2</sup>AD Partnership Program

are already committing to reductions in GHG emissions; this project will provide a baseline upon which to compare progress on these commitments for pilot facilities.

#### 5.2.1.2 Building on Our Existing Knowledge of Innovative Approaches and Expanding the Testing of Priority Innovations

This project is intended to build on state efforts in Colorado, South Carolina, and Washington to look at the viability of using an EMS in the regulatory permitting process.

#### 5.2.1.3 Measured Improvement in Program Results from Project Implementation

Types of measures that will be tracked during this project include:

- Environmental performance of pilot facilities
- Environmental compliance of pilot facilities
- Financial benefits
- Public involvement

#### 5.2.2.1 Addressing Other EPA Regional-State Priorities

There are overlapping areas of interest between the national priorities (smog, GHG, water quality, and water infrastructure), the priorities of the CRI members (CO<sub>2</sub>, water, energy, waste, landfill, etc.) and the priorities of Georgia and EPA Region 4 as expressed in the Region 4 Challenge Commitment in the NEPT (improving regional water resources, resource conservation of targeted chemicals and energy use), which P<sup>2</sup>AD assisted in drafting. Additionally, P<sup>2</sup>AD recently conducted a research project to determine the environmental priorities on which the division should focus its resources. This yearlong process involving stakeholders concluded that several top environmental priorities are (in no particular order): greenhouse gases, urban toxics, impervious surfaces, Municipal Solid Waste (MSW) generation, Particulate Matter (PM) 2.5, and water withdrawals and consumption.

#### 5.2.2.2 Institutional Readiness and Commitment

P<sup>2</sup>AD has a long-standing relationship with the carpet sector, including a history of facilitating public-private partnerships to achieve environmental results. The P<sup>2</sup>AD Partnership Program is a partnership involving EPD, NGOs, and industry, which has been around since early 2004. Through the Partnership Program, P<sup>2</sup>AD and EPD have access to facility- and corporate-level environmental managers, who have responsibility for implementing EMSs. The Partnership Program has established a strong precedent for collaborative relationships between EPD and the regulated community as evidenced by the semi-annual roundtable networking meetings that bring together senior EPD leadership with Red and Blue Level Partners. Part of the basis for this collaborative relationship is the MOA signed by EPD, P<sup>2</sup>AD, and EPA in April 2004 wherein the parties agreed to support voluntary, EMS-based approaches to environmental performance and to seek opportunities to provide incentives for superior environmental performance, including regulatory flexibility. Bob Peoples, director of sustainability at CRI, is also supportive of this proposal.

### **F. Transferability**

The purpose of this project is to learn how EMS implementation can be integrated into the regulatory permitting process, resulting in a win-win for the regulated facilities, EPD, and the communities surrounding these facilities. Learning will take place for the facilities, regulators, and citizens involved in the project through EMS training and information sharing during the stakeholder process. This innovative approach could be a model in the state to promote the

operational efficiency and financial savings that can be realized by implementing an EMS at the facility-level.

### ***P<sup>2</sup>AD Partnership Program***

The sector-based approach used in this proposal provides a model to transfer lessons learned and flexible permitting to other sectors through the P<sup>2</sup>AD Partnership Program. One specific conduit of transfer is the networking events that bring Red and Blue Level Partners together with EPD senior staff to build collaborative relationships and discuss regulatory topics.

It is anticipated that Partnership Program members (Partners) who act as pilots in the project will play a role in transferring lessons learned from this project. The stakeholder engagement process that these pilots will participate in during this project is expected to identify numerous opportunities for Partners to address the critical needs and concerns of the Dalton community (where the majority of carpet mills in Georgia are located). These Partners will then be able to select activities to meet their Community Outreach & Volunteerism, Mentoring, Supply Chain/EPP, or Sustainability commitment requirements (of the program) that support innovation transfer. The following are examples of how this project might be expected to spur future collaborations and transfer of project knowledge:

- A pilot facility may learn of new opportunities to support a community organization, and select this activity to fulfill one of its Volunteerism commitments
- A pilot facility with an advanced EMS may develop a new relationship with another pilot with a less-developed EMS, and choose to work as a mentor with this facility, or conduct an independent audit for this facility to fulfill one of its Mentoring commitments
- A pilot facility that typically works with consultants to assist in preparation of its permit applications and modifications is expected to involve these consultants as stakeholders in this project. Incentivizing these consultants to participate and implement lessons learned with other clients may fulfill one of the facility's Supply Chain commitments.

To institutionalize the innovations resulting from this project, regulatory flexibility will be integrated into the Partnership Program, ensuring that future members are directed toward such innovative arrangements with EPD.

### ***Other Outlets***

The active involvement of CRI in this project provides another conduit for transfer of project learning. CRI's Sustainable Issues Management Team, that includes representatives of all of the major U.S. carpet manufacturers, meets regularly to discuss environmental management, regulatory, and sustainability issues. This committee can serve as an outlet for informing environmental managers and corporate heads in the carpet industry about this project. As a White Level Partner in the Partnership Program, CRI is committed to promoting the program and innovative approaches to environmental management.

The project team will also involve the Consortium on Competitiveness for the Apparel, Carpet, and Textile Industry (CCAFTI), a division of Georgia's Traditional Industries Program, in the project. P<sup>2</sup>AD sits on both CCAFTI's Research Advisory Committee and Carpet Committee, along with representatives of all of the major mills, which provide forums for sharing about innovative projects.

Finally, state-to-state (peer-to-peer) learning and transfer will take place through several venues, including the Multi-State Working Group and the Environmental Council of States, both of which include representatives from Georgia DNR. The project team will share the final report and

project findings online, through events such as the National Environmental Partnership Summit, and through NEPT outreach opportunities (including the Performance Track Participants Association). The project team will also present project findings to local/state meetings and conferences, such as the Air & Waste Management Association Annual Conference.

### **Methodology**

The project team will use *Module 6: Assessing the Potential Transferability of the EMS Project* from EPA's *Modular Approach to Analyzing EMS Projects and Programs* to aid in optimizing the diffusion of innovation gained through this project. Initial project stakeholder meetings will explore questions relating to relative advantage, compatibility, ease of adoption, trialability, and observability. The results of these discussions will shape the direction of the project (e.g., design of surveys, project evaluation, performance measures).

### **G. Public Involvement**

One of the goals of the project is to instill public confidence in the EMS as a viable component of the regulatory permitting process. In order to meet this goal, the project team has designed public involvement into the core of the project. Task 1 of the project will focus on identifying stakeholders and convening an engaged stakeholder committee. Subsequent tasks include:

- Educating the committee about issues relevant to the project
- Consulting with the committee in determining priority indicators and permitting concerns and providing feedback to them regarding the final decisions made
- Informing the public at large about the progress of the project
- Engaging the stakeholder committee in evaluating results of the project.

The concentration of much of the carpet sector in the Dalton area is conducive to a strong, sector-focused community involvement. P<sup>2</sup>AD will tap into its many industry contacts in the area and statewide contacts in the non-profit (NGO) community to identify primary stakeholders. It will ask all pilot facilities in the project to identify key stakeholders for its facility. From the primary contacts, the team will identify other stakeholders, including key individuals in the community.

Possible stakeholders are expected to include, but not be limited to: civic organizations; elected officials; faith-based organizations; health organizations; economic development interests; CRI; EPA and EPD permitting, policy, and enforcement personnel; and the mill workers.

Since there is a large Hispanic community among mill workers, the project team will be particularly sensitive to the inclusion of representatives of this population on the stakeholder committee. The industry is non-union, so these workers will need to be sought out through other community channels and organizations. Efforts will be made to find contacts through local Spanish-language radio stations and the Spanish-language newspaper *Mundo Hispanico*, and possibly through organizations for elder women in the community (typically a civically-active portion of the community). Once the stakeholder involvement activities have begun, the project team will investigate the need for training and publication of outreach materials in Spanish.

Dalton is a single industry town – carpet – and every family in town is impacted by the industry. As such, the project team anticipates some challenges in identifying local “watchdog” type organizations /citizens for the industry. If the team finds difficulty in finding community representatives interested in participating in the process, it will consider exploring the use of a paid consultant to represent this community in stakeholder meetings.

Once key stakeholders have been identified, the project team will provide (through a contract with Georgia Tech's Enterprise Innovation Institute) these stakeholders with training to allow them to have a basic understanding of some of the complexity of EMSs and air permitting. Subsequent to this training, the first stakeholder committee meeting will be convened, with the assistance of a trained facilitator. The project team has contacts in the university system with substantial experience in environmental dispute resolution, air quality issues, and community involvement processes. It anticipates contracting with such an individual to guide the conversations with stakeholders. Participants in all trainings and meetings will be surveyed for feedback into the efficacy of the approach.

In order to inform the larger community about the intent and outcomes of the project, the project team anticipates holding one public meeting during the second year of the project. Throughout the course of the project, the team will maintain an Internet site for the project, which will function as a portal to EMS and air permitting resources, as well links to all stakeholder organizations and quarterly project progress reports.

The Partnership Program strives for transparency and community involvement by requiring its Partners to make commitments to community outreach and volunteer activities as part of the Red and Blue Levels. Pilot facilities (who must be in the Partnership Program) will be encouraged to further support this project by selecting outreach and volunteer activities with other stakeholder community organizations.

Separate from this EMS project, the Partnership Program has also been working with Ceres, an NGO focused on corporate governance and stakeholder engagement, over the past year to explore the synergies of its Facility Reporting Project (FRP) with the Partnership Program. The current scope of the Ceres work will culminate in a stakeholder engagement-training workshop for Partners and potential Partners, to be held in November 2006. Pilot facilities for this State Innovation Grant EMS project will be able to participate in this training at no additional cost to EPA, and have a greater understanding of the benefits of a stakeholder engagement process at the onset of this project.

Finally, the Partnership Program's Advisory Panel includes representatives from NGOs, providing a constant link with community environmental concerns.

The project team will use *Module 5: Public Involvement and Stakeholder Feedback* from EPA's *Modular Approach to Analyzing EMS Projects and Programs* as a tool to guide the design, implementation and evaluation of the community involvement approach. It will also reference EPA's *Public Involvement Policy* and other public involvement tools and resources posted at EPA's website throughout the project.

## **H. Qualifications**

### ***Suzanne Burnes, P<sup>2</sup>AD***

The P<sup>2</sup>AD Project Manager, Suzanne Burnes, has been involved in Georgia's environmental performance leadership program, the P<sup>2</sup>AD Partnership Program, since its inception in 2004. As manager of the program, she acts as a representative for P<sup>2</sup>AD Partners; maintains program documents and Partner data; and provides assistance to Partners relating to EMSs. In her 14 years of environmental experience, Suzanne has served as a consultant for business, the U.S. EPA and the U.S. Army relating to solid waste reduction, water efficiency, enforcement litigation support and facility assessments, and multi-media compliance assessments. She holds a B.A. in environmental studies from Warren Wilson College, with an emphasis on environmental policy.

Suzanne will serve as the project lead for Tasks 1, 2, 3, 5, 6, 7, 8 and 9.

**James Capp, EPD**

The EPD Project Manager, James (“Jac”) Capp, has more than 13 years of experience in air permitting with EPD, and currently serves as program manager for the Stationary Source Permitting Program. His program is responsible for implementing all air quality related permitting requirements in the state, including New Source Review and all Operating Permit Programs. He recently managed the Industrial Source Monitoring Program, which is responsible for the review of all stack tests, Continuous Emission Monitor’s relative accuracy tests, the testing and monitoring sections of all Title V permits, emission inventories, and MS Access-based, electronic Title V applications. In his role as unit manager, NOx Permitting Unit, he assisted prospective new industries, existing industries, and the public in the assessment of applicable regulations; facilitated communication between community members and EPD through public hearings and public meetings; and led stakeholder meetings during the development of the previously mentioned regulations. Jac holds a M.S. in mechanical engineering from the Georgia Institute of Technology, and a B.S. in mechanical engineering from the University of Illinois.

Jac will participate in stakeholder meetings and serve as the project lead for Task 4.

**Mark Smith, EPD**

Mark Smith is chief of the Hazardous Waste Management Branch at EPD. Responsibilities of his branch include: regulating the facilities in Georgia that generate, treat, store or dispose of hazardous waste; administering the state’s Hazardous Waste Trust Fund, cleaning up abandoned sites; and implementing Georgia’s Brownfields Program, promoting environmental protection via economic development. Mark assumed direction of the Hazardous Waste Management Branch in October 2004, following seven years as chief of EPD’s Land Protection Branch, with responsibilities including solid waste, scrap tires, surface mines, underground storage tanks, and lead-based paint and asbestos abatement. During his 22 years with EPD, he has worked as a permit writer for RCRA hazardous waste facilities and as a manager in solid waste permitting, underground storage tank remediation, and the HSRA or State Superfund program. Mark has a B.S. in zoology and an M.S. in environmental engineering.

Mark will serve as project advisor for Tasks 4, 5, 7 and 8.

**I Summary Budget Information (for three-year project period):**

Category	Proposed EPA Funds	Proposed State Matching Funds	Total Project Costs
Personnel	\$50,693	\$47,735	\$98,428
Travel	\$3,700		\$3,700
Supplies			
Contract	\$25,000		\$25,000
<b>Total</b>	<b>\$79,393</b>	<b>\$47,735</b>	<b>\$127,128</b>

The proposed state matching funds listed represent non-federal, in-kind staff salaries and benefits which will be used to help carry out this project. Forms attached to this narrative show the proposed budget in greater detail. Personnel dollars will be used for P<sup>2</sup>AD staff to coordinate the stakeholder process and provide EMS technical assistance to pilot facilities; EPD staff will also

contribute time developing and implementing opportunities for permitting flexibility. Contract dollars will be used for training, facilitation and data collection (independent party to ensure protection of business-sensitive data).