

US EPA ARCHIVE DOCUMENT

**EPA 2007 State Innovation Grant Program  
Pre-Proposal Project Summary**

**Project Title**

New York State Small Business Sectors ERP Implementation Pilot Project

**State Agency Applicant**

New York State Department of Environmental Conservation (NYSDEC)

**State Project Manager**

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**Total Project Cost**

EPA Funding: *[\$[Budgetary Information Withheld by U.S. EPA]* State Leverage Funding: *[\$[Budgetary Information Withheld by U.S. EPA]*. Total project costs: *[\$[Budgetary Information Withheld by U.S. EPA]*. This does not include resources used for inspections which will be completed as part of normal work activities. Some of these inspections will be funded by STAG grants such as the RCRA-C Hazardous Waste Management Program Grant.

**Project Period**

October 1, 2007 – September 30, 2011

**Summary Statement**

NYSDEC is seeking EPA assistance through EPA's 2007 State Innovation Grant Program to conduct a project to investigate the effectiveness of the Environmental Results Program (ERP) model to provide compliance assistance and achieve measurable compliance improvement for small business sectors in New York State. In addition, the program will integrate and promote pollution prevention and energy efficiency as an additional aspect of the program.

**Project Partners**

The New York State Department of Economic Development (NYSDED)  
New York State Environmental Facilities Corporation (NYSEFC)  
New York State Energy Research and Development Authority (NYSERDA)  
New York State Office of Science, Technology and Academic Research (NYSTAR)

**Other Federal Program Assistance**

This project is not being executed in cooperation with or funded by another federal program. However, the project budget does not include resources used for inspections which will be completed as part of normal work activities. Some of these inspections will be funded by STAG grants such as the RCRA-C Hazardous Waste Management Program Grant.

**Regulatory Flexibility Needs**

This project will not require regulatory flexibility.

**Commissioner Support**

NYSDEC Assistant Commissioner Jack McKeon supports this project.

## **EPA 2007 State Innovation Grant Program**

### **Pre-Proposal Project Narrative**

#### **NYS Small Business Sectors ERP Implementation Pilot Project**

#### **Background**

The New York State Department of Environmental Conservation (NYSDEC) is seeking EPA assistance through EPA's 2007 State Innovation Grant Program to conduct a project to investigate the effectiveness of the Environmental Results Program (ERP) model to provide compliance assistance and achieve measurable compliance improvement for Small Business Sectors in New York State, and to promote pollution prevention and energy efficiency.

Recent New York State legislation (Chapter 654, Laws of 2005) created a new Article 28 of the Environmental Conservation Law (ECL). The main purpose of this legislation is to provide the NYSDEC with broad authority to promote pollution prevention as the preferred means for reducing energy and resource consumption, the use of hazardous substances, and the generation of hazardous substances, pollution and waste; and to increase pollution prevention and environmental compliance assistance, including on-site technical assistance, to small businesses.

Under this legislation, NYSDEC is directed to establish and implement a new Small Business Pollution Prevention and Environmental Compliance Assistance (P2/CA) Program. The purpose of the program is to assist small businesses to achieve pollution prevention and comply with environmental laws, and to support and enhance all environmental and regularly programs carried out by NYSDEC. This legislation also requires the establishment of a P2/CA Coordinating Council and multi-media Ombudsman Program.

Along with NYSDEC, the New York State Department of Economic Development (NYSDER) and the New York State Environmental Facilities Corporation (NYSEFC) are identified as having significant roles in the new program, both as members of the P2/CA Coordinating Council and in providing services to businesses eligible to receive assistance under the new program. In addition, the New York State Energy Research and Development Authority (NYSERDA) and the New York State Office of Science, Technology and Academic Research (NYSTAR) are also members of the Council.

This new law calls for a cultural shift in New York's approach to protecting public health and the environment which is both timely and important. While maintaining and continuing to enhance the State's crucially important existing regulatory programs, this law requires the development of program incentives that will foster innovation and adoption of the safest, most sustainable production methods, work practices, products and technologies. Becoming a leader in the development of such policies will also help New York businesses maintain their competitive advantage in an increasingly global marketplace.

#### **Project Description**

NYSDEC's mission is "to conserve, improve, and protect its natural resources and environment, and control water, land and air pollution, in order to enhance the health, safety and welfare of the people of the state and their overall economic and social well being." This mission has

historically been implemented primarily through its regulatory permit, inspection and enforcement programs; however, the adoption of ECL Article 28 finally places pollution prevention and compliance assistance at the heart of NYSDEC's core mission, along with its historic regulatory and stewardship responsibilities.

To carry out this mission, and fulfill the mandates of ECL Article 28, NYSDEC is seeking funding through the EPA 2007 State Innovation Grant Program for the development and implementation of an Environmental Results Program, including pollution prevention and compliance assistance, initially targeting the autobody and printers sectors. The proposed ERP will be modeled after the general ERP framework developed by the Massachusetts Department of Environmental Protection.

The ERP approach has been demonstrated in other states but has never been applied in New York State. ERP has been shown to be effective in bringing a greater number of regulated facilities within the regulatory purview, while helping sectors improve environmental performance in a more timely and cost-effective manner than conventional compliance monitoring efforts. New York is hoping to learn from experience gained in other states.

NYSDEC is proposing to implement a pilot ERP program for autobody shops and printers. NYSDEC has been compiling a database of autobody shops and printers in Regions 4 and 9, and has determined that there are approximately 2250 autobody shops, and 900 printers in these two Regions. NYSDEC estimates that the statewide totals for these sectors would be about 10,000 autobody shops and 4,500 printers.

Under this grant program, NYSDEC is proposing a four-year project. The project would begin immediately after the grant award, and will be rolled out in three phases. Phase I will consist of the implementation of an ERP for autobody shops located in NYSDEC Regions 4 and 9. Phase II will consist of the implementation of an ERP for printers located in NYSDEC Regions 4 and 9. During Phase III, NYSDEC will begin implementing ERP for these sectors in the remaining seven DEC Regions. Phase III will also include the development of an ERP for another small business sector to be determined by the P2/CA council. The council will review department compliance and enforcement records along with current TRI (Toxic Release Inventory) data to identify the additional ERP sectors to be included under this grant. The council will also reach out to Trade Associations to identify those that will actively and cooperatively participate in the ERP program.

The NYSDEC ERP approach will include the development of compliance assistance materials, environmental compliance self-certification documents, and baseline and post-certification compliance inspections to assess compliance and improvements in sector environmental performance. The compliance assistance workbooks and workshops being developed for this initiative will also include sector-focused pollution prevention and energy efficiency concepts and recommendations.

To publicize the ERP project, NYSDEC will work with stakeholders including sector trade associations, the New York State Environmental Facilities Corporation, and the New York State Department of Economic Development to ensure public knowledge and participation in the

project. Stakeholder feedback will be requested in the process of developing program materials such as the pollution prevention and compliance assistance workbooks and workshop materials. Meetings will be held with sector trade associations to promote and explain ERP and the self-certification program prior to ERP implementation. Also, brochures or other materials may be handed out during baseline inspections to familiarize facilities with ERP and to encourage participation in workshops and the self-certification process. Workshop announcements and self-certification packages will be mailed directly to regulated facilities in the target sectors as well as posted on the NYSDEC website. Outreach activities associated with this project will include targeting for facilities located within Environmental Justice (EJ) areas. Also, some ERP workshops will be specifically located and timed for easy access by interested stakeholders in EJ areas.

### **Environmental Outputs and Outcomes**

The goals of this project are to use ERP tools to help NYSDEC increase compliance assistance and pollution prevention outreach to the large universe of various small business sectors, and improve their environmental performance and pollution prevention practices in a more timely and cost effective manner than traditional compliance assistance and monitoring efforts.

The environmental outputs of the NYSDEC ERP approach will include sector-specific compliance assistance workbooks, workshops, and self-certification documents. Outputs will also include the development of Environmental Business Practice Indicators (EBPIs) and beyond compliance measures (including pollution prevention and energy efficiency metrics), and baseline and follow-up compliance inspections. The environmental outputs will be measured by the attendance at compliance assistance workshops, the response to self-certification requirements, statistical analysis of inspection data and EBPIs to determine compliance rates and pollution prevention practices, and the reporting of measurement data and findings to stakeholders, trade associations, other states, and EPA.

It is anticipated that the environmental outcomes of this project will include increased compliance rates, and overall improved environmental performance of autobody shops, printers, and other small business sectors. Environmental outcome measures will include the statistical analysis of EBPIs and beyond compliance indicators to assess compliance and improvements in sector environmental performance, as well as the measurement of reductions in toxic air pollutants, reductions in solid and hazardous waste generation, and reductions in hazardous waste releases. Finally, NYSDEC will provide a plain language report of our results in an easily accessible format for stakeholders and the public to understand the reporting and tracking of these environmental results measures.

### **Threshold Criteria**

**Threshold Criterion #1** - This project will investigate the effectiveness of implementing the ERP model to provide pollution prevention and compliance assistance as well as evaluate compliance rates and achieve measurable compliance improvement for various small business sectors in New York State. The implementation of the ERP process and tools will be the use of a new innovation within NYSDEC regulatory programs. This project will advance the state transfer of information since it will build on the innovative ERP models that have been implemented in other states such as and Massachusetts and Rhode Island.

**Threshold Criterion #2** - The Environmental Results Program (ERP) is being utilized by Massachusetts and other States to improve the environmental performance of several small business sectors. This project would demonstrate a broad innovative approach to ERP by implementing and testing ERP to achieve improved environmental performance and compliance for the large universe of various small business sectors in New York State. As required under EPA Order 5700.7, this project has a direct link to Goals 1, 3 and 5 of the 2003-2008 EPA Strategic Plan. Specifically, this project seeks to improve environmental performance through pollution prevention and innovation, and achieve measurably improved environmental performance through sector-based approaches, performance-based programs, and assistance to small business (Goal 5). It also seeks to reduce risks from toxic air pollutants by reducing (Objective 1.1) as well as reducing releases to the environment by managing hazardous wastes properly (Objective 3.1).

### **Program Criteria**

#### **Targeting National Priority Environmental Issues**

Consistent with EPA's Innovation Strategy, the focus of this project is to use the innovative tools (self-certifications and statistical assessment of environmental compliance rates) of the Environmental Results Program to develop results-based performance goals and measures for various small business sectors, and improve their overall environmental compliance rates. The use of these innovative tools will provide measurably better results sooner than could be obtained with conventional regulatory enforcement and monitoring tools and current resources. This project will build on other states' experiences with ERP, and promote larger scale models of innovative tools by applying the innovative tools of ERP to the large universe of various small business sectors. This project will also have high potential for transfer to other states.

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

NYSDEC is proposing the development of an ERP modeled after the general ERP framework developed by MA DEP as well as those developed by Rhode Island and Delaware and several other states. The experiences of these state programs have shown that the ERP approach can be effective in bringing a greater number of regulated facilities within the regulatory purview while helping sectors improve environmental performance in a more timely and cost-effective manner than conventional compliance assistance and monitoring efforts. ERP has been demonstrated in other states but has never been applied in New York State. NYSDEC is hoping to learn from experience gained in other states.

NYSDEC is committed to meeting with other states to share our experiences, successes and problems associated with this project. In our final project report, NYSDEC will document the pros and cons of the program, problems that had to be solved, costs involved, partners needed, and other information that may be helpful to implement a similar program. NYSDEC has been involved in NEWMOA and ECOS ERP activities.

**NYS Small Business Sectors ERP Implementation Pilot Project  
Project Schedule and Time Frame**

<b>Timeframe</b>	<b>Key Activities</b>	<b>Outputs</b>	<b>Outcomes</b>
Year 1 (10/2007-3/2008)	<ul style="list-style-type: none"> <li>Implement Autobody Shops ERP including: <ul style="list-style-type: none"> <li>Autobody shop database</li> <li>Meet with Autobody Trade Associations and other stakeholders</li> <li>Develop ERP and compliance assistance materials (inspection checklist, self-certification form, workbooks)</li> <li>Develop Environmental Business Practice Indicators (EBPIs) with Stakeholders</li> <li>Conduct Baseline Random Inspections</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Reg. 4 and 9 Autobody shop database</li> <li>Autobody shops checklists, self-certification forms, compliance assistance workbooks</li> <li>Autobody shop EBPIs and performance measures</li> </ul>	<ul style="list-style-type: none"> <li>Define auto body shop universe</li> <li>Increase outreach and stewardship to autobody trade associations and sector facilities</li> </ul>
Year 1 (04/2008-09/2008)	<ul style="list-style-type: none"> <li>Determine Baseline Compliance Rate</li> <li>Conduct Compliance Assistance Workshops</li> <li>Distribute Self-Certification forms and Compliance Assistance Material Receive and evaluate self -certification submittals</li> <li>Conduct Random Post-Certification Inspections</li> <li>Conduct Targeted Inspections</li> </ul>	<ul style="list-style-type: none"> <li>Autobody baseline compliance rate for Reg. 4 and 9</li> <li>Attendance of Autobody sector at workshops</li> </ul>	<ul style="list-style-type: none"> <li>Improve Autobody shop sector knowledge of compliance requirements</li> <li>Baseline environmental performance of autobody shops</li> </ul>
Year 2 (10/2008-03/2009)	<ul style="list-style-type: none"> <li>Receive and evaluate self –certification submittals</li> <li>Begin developing Printer ERP</li> </ul>	<ul style="list-style-type: none"> <li>Autobody post-certification compliance rate for Reg. 4 and 9</li> </ul>	<ul style="list-style-type: none"> <li>Improved environmental performance of autobody shops</li> </ul>
Year 2 (04/2009-09/2009)	<ul style="list-style-type: none"> <li>Printer database</li> <li>Meet with Printer Trade Associations and other stakeholders</li> <li>Develop ERP and compliance assistance materials</li> <li>Develop Printer EBPIs with Stakeholders</li> <li>Conduct printer baseline Random Inspections</li> <li>Expand Autobody database and ERP for additional NYSDEC regions</li> </ul>	<ul style="list-style-type: none"> <li>Reg. 4 and 9 printer database</li> <li>Printers checklists, self-certification forms</li> <li>Printers compliance assistance workbooks</li> <li>Printer EBPIs and performance measures</li> </ul>	<ul style="list-style-type: none"> <li>Define printer universe</li> <li>Increase outreach and stewardship to printer sector facilities and trade associations</li> </ul>
Year 3 (10/2009-03/2010)	<ul style="list-style-type: none"> <li>Determine printer baseline compliance rate</li> <li>Conduct Compliance Assistance Workshops</li> <li>Distribute Self-Certification forms and Compliance Assistance Material Receive and evaluate self -certification submittals</li> <li>Conduct Random Post-Certification Inspections</li> <li>Conduct Targeted Inspections</li> </ul>	<ul style="list-style-type: none"> <li>Printers baseline compliance rate for Reg. 4 and 9</li> <li>Attendance of Printer Sector at workshops</li> </ul>	<ul style="list-style-type: none"> <li>Improve Printers sector knowledge of compliance requirements</li> <li>Baseline environmental performance of printers</li> </ul>
Year 3 (04/2010-09/2010)	<ul style="list-style-type: none"> <li>Receive and evaluate self –certification submittals</li> <li>Develop ERP for other small business sector (TBD) including: database and compliance assistance materials</li> <li>Small business EBPIs</li> <li>Conduct baseline inspections</li> <li>Determine baseline compliance rate</li> <li>Conduct small business workshops</li> </ul>	<ul style="list-style-type: none"> <li>Printers post-certification compliance rate (reg.4&amp;9)</li> <li>Small business ERP database and materials and EBPIs <ul style="list-style-type: none"> <li>Small business baseline compliance rate</li> </ul> </li> <li>Small business compliance assistance workshops and attendance</li> </ul>	<ul style="list-style-type: none"> <li>Improved environmental performance of printers</li> <li>Increased outreach and small business stewardship</li> </ul>

Year 4 (10/2010-09/2011)	<ul style="list-style-type: none"> <li>• Distribute Self-Certification forms and Compliance Assistance Material Receive and evaluate self -certification submittals</li> <li>• Conduct Random Post-Certification and targeted inspections</li> <li>• Expand Autobody and Printer ERP to all NYSDEC Regions</li> <li>• Prepare Final Report of Project Results</li> </ul>	<ul style="list-style-type: none"> <li>• Small business post-certification compliance rates</li> <li>• Expanded Autobody and Printer ERPs</li> <li>• Final Project Report</li> </ul>	Measured Improvement in Environmental Performance of autobody shops and printer sectors; Reduction in toxic air pollutants, reduction in HW releases, increase in pollution prevention practices
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**EPA 2007 State Innovation Grant Program  
NYS Small Business Sectors ERP Implementation Pilot Project**

**Environmental Results Past Performance**

NYSDEC has no environmental results program past performance history.

**Programmatic Capability**

NYSDEC is not aware of any federally funded agreements similar in size, scope and relevance to the proposed project that has been performed within the last three years. Therefore, NYSDEC has no relevant or available past performance or reporting history regarding programmatic capability.



**EPA 2007 State Innovation Grant Program**  
**NYS Small Business Sectors ERP Implementation Pilot Project**  
**Pre-Proposal Project Budget Summary:**

*[Budgetary Information Withheld by U.S. EPA]*