

US EPA ARCHIVE DOCUMENT

Pre-Proposal Application for 2007 EPA State Innovations Grant

Project Summary Information

Title: Sector-Specific, Cross-Media Permits for the Salvage Yard Sector
Project Location: State of Vermont
Project Period: October 1, 2007 – September 30, 2011
Recipient of Funds: State of Vermont, Department of Environmental Conservation

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Summary Statement: This proposal would develop a sector-specific, cross-media permitting initiative for salvage yards in the state of Vermont. The strategic innovation of this proposal lies in the vision of a holistic sector-based approach where all of the resources related to the management of that sector – regulation, inspection, permitting, technical assistance, compliance assistance, training, education, and compliance measurement – are all provided by one organizational unit for all environmental media and aspects. The permit document and the permit process would both incorporate innovations to improve the levels of environmental training and awareness among salvage yard operators. The permit document would incorporate compliance assistance to compliment a sector-specific workbook. The project would evaluate the feasibility of incorporating environmental and safety training into the permitting process. The project would also phase in a mechanism to recognize those salvage yards whose environmental performance goes “beyond compliance” by implementing pollution prevention and Best Management Practices (BMPs). The project would also explore a phase in of certain Environmental Results Program (ERP) elements, such as self-certifications of compliance and transferable metrics.

Regulatory flexibility from EPA **would not** be necessary to implement this project.

Budget summary:

[Budgetary Information Withheld by U.S. EPA]

Jeffrey Wennberg, the Commissioner of the Vermont Department of Environmental Conservation (VTDEC), has been briefed on this pre-proposal and endorses the project as envisioned.

Pre-Proposal Narrative

Sector-Specific, Cross-Media Permits for the Salvage Yard Sector

Summary

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Project Description - The Salvage Yard Sector in Vermont

Problem to be Addressed and Need for the Project

A 1999 study by the Vermont Department of Environmental Conservation (VTDEC) Waste Management Division found that around 42,000 automobiles are scrapped every year in Vermont alone. As of 2005, there were over 420,000 registered passenger cars in Vermont, with more than 100,000 over ten years old. It has been estimated that there are 200 – 250 automotive salvage yards in Vermont. These facilities have numerous environmental aspects, including: management of hazardous waste, used oil, and other automotive fluids; tires, scrap metal, and other solid waste; freon and mercury releases; burning of solid and hazardous waste; stormwater runoff; and releases of hazardous materials to the air, land, groundwater, and surface water. In addition, it is common for salvage yards to be located in floodplains near rivers and wetlands.

These businesses have historically operated very informally and with little oversight from state or local government. Vermont has documented environmental impacts at most salvage yards that have been inspected, and several are currently undergoing remediation for past releases. While some of the necessary rules are in place to regulate these facilities, these standards exist in many different programs and sets of rules and do not address existing BMPs and pollution prevention practices. This single media approach has hindered previous attempts to regulate the multi-media impacts of salvage yard operations. The VTDEC has a recognized need to develop an efficient mechanism for the oversight of salvage yards.

This project proposes the establishment of a sector-specific, cross-media, regulatory, permitting, recognition, and assistance initiative. The heart of the initiative would be a cross-media set of regulations that would establish the basis for both cross-media permits and assistance materials. This project also proposes the use of the permit, and the permit process, to provide compliance assistance and promote environmental awareness. To increase value in the permit itself, this project proposes the integration of compliance assistance into the permit document by both setting the regulatory standard and explaining how it can be met at a salvage yard. To increase value in the permit process, this project proposes mandatory environmental and safety training as a prerequisite to getting a permit. This training would go beyond mere compliance to include sector-specific Best Management Practices (BMPs). These requirements would be phased in after extensive education, outreach, and public involvement. An ERP-type self-certification process could follow from this work.

Links to EPA's Strategic Goals

This proposed project is directly connected to all five of EPA's strategic goals. EPA's Goal 1 is Clean Air and Global Climate Change. Salvage yards are frequently contributors to air pollution through activities such as illegal burning, freon and mercury releases, tire fires, and aluminum sweat furnaces. EPA's Goal 2 is Clean and Safe Water. Salvage yards frequently impact neighboring surface waters through discharges and stormwater run-off laden with hazardous materials. EPA's Goal 3 is Land Preservation and Restoration. Salvage yards routinely have releases requiring remediation (restoration). Land preservation can be achieved with proper management practices since these releases are preventable. EPA's Goal 4 is Healthy Communities and Ecosystems. Salvage yards operations frequently result in aesthetics complaints, can impact neighboring properties, and can impact local ecosystems through releases of hazardous materials and poor land management practices. EPA's Goal 5 is Compliance and Environmental Stewardship. Salvage yards are often unaware of environmental regulations and the concept of environmental stewardship. There is tremendous opportunity for this proposal to bring awareness and principles of stewardship to this sector.

Specific Innovative Measures

The specific areas of innovation of this proposal are:

- Comprehensive sector approach – cross-media regulation, permitting, and outreach – all regulatory and non-regulatory elements related to the sector would be combined in the same initiative
- Use of the permit and the permit process to enhance environmental awareness by using the permit as a compliance assistance document and requiring environmental training as a prerequisite to getting a permit
- Use of ERP-type sector outreach, compliance measurement, and self-certification of compliance
- Recognition of top performers – “beyond compliance” - to promote a “top-tier” of facilities where acceptance among other businesses, banks, insurance companies, and the local community can be enhanced

Demonstration of Broad, Strategic Innovation

The strategic innovation of this proposal lies in the vision of a holistic sector-based approach where all of the resources related to the management of that sector – regulation, inspection, permitting, technical assistance, compliance assistance, training, education, and compliance measurement – are all provided by one organizational unit for all environmental media and aspects.

Estimated Project Schedule

Year One:

- Involve stakeholders to both gather and disseminate information;
- Work with NEWMOA and other states to learn from their experiences with salvage yards;
- Develop regulations and a compliance workbook (simultaneously);
- Conduct informal, informational site visits to salvage yards;
- Begin identifying permanent sources of funding to address salvage yards

Year Two:

- Conduct workshops on the compliance workbook;
- Develop the permit itself and the permit process;
- Establish compliance measures;
- Develop training workshops

Year Three:

- Implement the permit process;
- Conduct training;
- Conduct inspections on those who do not seek and obtain a permit

Year Four:

- Follow-up on year three activities, including enforcement where necessary;
- Development of an inspection schedule for permitted facilities;
- Development of a self-certification process;
- Development of a recognition mechanism.

Organization's Experience

The VTDEC, as an experienced and successful state environmental organization, has the experience needed to successfully implement this project. In addition to having a great deal of expertise in each media program, the VTDEC has also developed expertise in the design and implementation of innovative programs through the “Cross-Media ERP for the Retail Gasoline Sales Sector” that was the subject of Vermont’s 2004 grant award in the SIG program. Vermont recently passed legislation requiring the removal of mercury switches from automobiles at salvage yards.

Staff’s Knowledge and Experience

There are experienced VTDEC staff in several programs who have knowledge of both salvage yard regulation and innovative projects. Staff to work on this project would be selected from this pool of experienced professionals. It is also expected that the project participants would rely on experts from the various media programs to assist in the development of the rules, the permit, and the assistance documents. VTDEC staff has been involved in both regional and national salvage yard workgroups.

How this Proposal Meets the Guidelines, Eligibility Requirements, and Selection Criteria

This proposal meets Threshold Criterion #1 as a demonstration of a novel approach to environmental *management* of a business sector. This proposal seeks to establish an entirely new framework for the *management* of the salvage yard sector, rather than the *regulation* of the sector, by creating a self-contained sector-based initiative for the regulation, inspection, permitting, technical assistance, compliance assistance, training, education, and compliance measurement of the sector.

This proposal meets Threshold Criterion #2 by its focus on the prevention, reduction, and control of pollution through an integrated, cross-media approach.

The proposed project would enhance compliance with federally delegated programs as follows: Clean Air Act – illegal burning of solid and hazardous waste, used oil burning, tire fires, and aluminum sweat furnaces; Clean Water Act – surface water discharges and stormwater run-off; RCRA – management of hazardous waste and used oil; and SDWA – floor drains.

This proposal is submitted as an innovative permitting proposal. This project could evolve into an ERP program in the future. The project would be designed with an ERP in mind, would contain compliance measures, and would be amenable to self-certifications. This proposal examines an innovative way to organize an environmental initiative for maximum effectiveness and efficiency for the benefit of the agency, the regulated community, and the environment. The VTDEC proposes to work with other states and the Northeast States Waste Management Officials Association (NEWMOA) to develop common metrics for the sector. This would enhance the transferability of the results of this project to other states.

This proposal seeks improvement in compliance within a sector and a recognition mechanism for those who go “beyond compliance.” The proposal would also explore ways to increase the financial competitiveness of those in the “recognition tier” with respect to investment, lending, insurance, and community perception.

Environmental Outputs

The following list identifies the anticipated environmental outputs for the proposed project:

- Establish a database of the universe of salvage yards – estimated at 200 – 250
- Issue cross-media permits containing integrated compliance assistance to approximately 200 - 250 facilities
- Conduct approximately 30 site visits per year (regulatory and non-regulatory)
- Respond to phone, email and written inquiries from the regulated community, cities and towns, stakeholders, and citizens
- Deliver technical and compliance assistance, both on-site and office-based to approximately 100 facilities
- Hold regional workshops and trainings, likely 5 – 10 per year
- Develop a compliance workbook
- Develop compliance measures and indicators

Measures for success for these environmental outputs would include:

- the number of facilities who apply for and receive permits
- the percentage of facilities from the known universe who apply for and receive permits
- the improvement in compliance between year two, three, and four inspections based on compliance measures developed in cooperation with other states and NEWMOA
- the number of operators trained
- attendance at information and compliance workshops
- reduction in the number of citizen’s complaints about this sector
- reduction in the number of newly identified contaminated sites in this sector
- web page traffic

Environmental Outcomes

Environmental outcomes for the proposed project include:

- Increased awareness of environmental issues among salvage yard operators – disseminate assistance materials and provide training for as many as 300 operators
- Improved compliance through better regulations (ease of compliance), inspections, permits, assistance and education – prevents pollution and protects public health
- Establishment of a level playing field where salvage yards must either comply or close
- Identify facilities in need of clean-up and initiate assessment and investigation process

Measures for success for these environmental outcomes include:

- Surveys of salvage yard operators and stakeholders to identify increased awareness
- Compliance measures based on inspections and the percentage of the known universe who obtain a permit
- Number of non-compliant but still operating facilities at the end of the project term
- Percentage of facilities with releases that have been referred to remedial programs

Collaboration

Within Vermont, the VTDEC proposes to work with the Vermont League of Cities and Towns, individual municipalities, the Fire Prevention Division of the Department of Public Safety, and VOSHA (Vermont's safety program). Beyond Vermont, the VTDEC proposes to work with other New England states and across the country, to develop a project that learns from previous efforts to regulate this sector. The VTDEC is currently aware of recently developed or revised salvage yard programs in Maine, New Hampshire, and Rhode Island in New England, and Florida and Indiana outside of New England. Vermont has been an active participant in NEWMOA efforts to share information on salvage yards between the New England states, New York, and New Jersey. VTDEC has also participated on the EPA's national salvage yard workgroup. The VTDEC would also seek the Automotive Recyclers Association as a key stakeholder.

Public Involvement

To ensure maximum public involvement, the VTDEC would hold a number of stakeholder meetings during the first year of the project. Involvement of trade groups such as the Automotive Recyclers Association would be sought. The VTDEC would also send several mailings and develop a fact sheet for local and web-based distribution. The VTDEC would build on existing web pages, and develop new web pages for the project. This effort would establish a virtual clearinghouse for news, assistance information, regulatory information and helpful links.

Pre-Proposal Budget Summary
Sector-Specific, Cross-Media Permits for the Salvage Yard Sector

Contact Information:

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Applicant:

State of Vermont
Department of Environmental Conservation

Project Title: Sector-Specific, Cross-Media Permits for the Salvage Yard Sector

[Budgetary Information Withheld by U.S. EPA]

Environmental Results Past Performance

The Vermont Department of Environmental Conservation (VTDEC) has had a Performance Partnership Grant with EPA Region I since the late 1990s (grant # BG 98160604). The VTDEC grant contact is Winslow Ladue, and the EPA Region I grant contact is Gerald Potamis. Vermont reports its progress and accomplishments at the mid-point and end of each year of the three year agreement. A quantitative table of goals and outputs is maintained and updated twice a year. This grant has been successfully implemented by the VTDEC.

The VTDEC was awarded a State Implementation Grant in 2004 for its proposal titled "A Cross-Media Environmental Results Project for the Retail Gasoline Sales Sector" (grant # PI 83193701). This grant is now in its third year. Vermont reports its progress towards achieving the grant's goals on a quarterly basis to EPA Region I. The VTDEC grant contact is Marc Roy, and the EPA Region I contact is Josh Secunda. Vermont has made considerable

progress towards achieving the goals of this grant, and is on track to successfully complete the project outlined by the grant.

The VTDEC was awarded a [Budgetary Information Withheld by U.S. EPA] grant in 2003 to explore the possibility of implementing an automotive salvage yard environmental results program (ERP). This grant, the “Auto Salvage Yard Environmental Results Project” (grant # X-981977-01) was successfully completed in 2005. VTDEC reported progress on this grant semi-annually. The scope of this grant changed from the specific sector of auto salvage to looking more broadly at implementing an ERP in VT. The grant was very helpful in preparing Vermont for further innovative projects. The VTDEC grant contact was Skip Flanders, and the EPA Region I contact was Chris Rascher.

Programmatic Capability

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Although this project is specifically designed to be sector-based rather than by media or statute, it would initially be co-located with the Waste Management Division. This would allow for efficient sharing of office space, administrative support, supplies, equipment, and other overhead. The Waste Management Division is centrally located in the main VTDEC offices in Waterbury, Vermont. The Waste Management Division has a number of staff members with experience working with salvage yard complaints in the areas of hazardous waste, solid waste, and contaminated sites. The existing ERP program for the Retail Gasoline Sector is being implemented in the Waste Management Division. Staff from this division would provide key project support.