

**Comprehensive Environmental Compliance Assistance Programs
Background Document**

October 29, 2008

**Prepared by:
Multimedia Subcommittee
SBO/SBEAP National Steering Committee**

INTRODUCTION

Mr. Steven Chester, Director of the Michigan Department of Environmental Quality, sponsored an initiative that was brought before the Cross-Media Committee of the Environmental Council of the States (ECOS) at the Spring ECOS Meeting on March 19, 2007. The Committee approved sending a letter to Mr. Steven Johnson, U.S. Environmental Protection Agency (EPA) Administrator, and Mr. Ken Legler, previous Chair of the National Compliance Advisory Panel, (NCAP), requesting a dialogue to develop a comprehensive small business environmental assistance initiative for the states. Talks would include representatives from ECOS' Cross-Media Committee, Small Business Ombudsman (SBO)/ Small Business Environmental Assistance Program (SBEAP) National Steering Committee, NCAP, and the EPA. See Appendix A for a copy of the April 17, 2007, letter.

In response to the ECOS letter, Ms. Jeanette Brown, Director of the EPA's Office of Small Business Programs (OSBP) sent a letter dated June 11, 2007, to Mr. Steven Brown, ECOS Director, notifying him that her office will serve as the point of contact for coordinating this effort. The EPA Small Business Ombudsman is located within the OSBP. See Appendix B for a copy of this letter.

The purpose of this document is to provide background on the programs created by Section 507 of the Clean Air Act Amendments (CAAA) of 1990, explain why small businesses need assistance with all environmental regulations, define comprehensive environmental compliance assistance, explain the benefits associated with Section 507 programs evolving into comprehensive environmental compliance assistance programs, and provide success stories. It serves as an excellent starting point for dialog between ECOS, EPA and state SBEAPs as requested in the ECOS letter dated April 17, 2007.

SECTION 507 PROGRAMS

Congress, in anticipation of the regulatory burden that would be placed on small business as a result of the passage of the CAAA, added Section 507 to Title V of the CAAA requiring each state to establish a Small Business Stationary Source Technical and Environmental Compliance Assistance Program (Program) The Program, which had to be incorporated into each state's Air Quality State Implementation Plan (SIP), consists of three components: 1) a small business environmental assistance program (SBEAP); 2) a small business ombudsman (SBO); and 3) a compliance advisory panel (CAP).

The EPA developed a document dated January 1992, entitled "*Guidelines for Implementation of Section 507 of the 1990 Clean Air Amendments*" to help the states in submitting an acceptable SIP. The guidelines recognized that the states and associated local agencies are the best sources of information to small business and can provide the most efficient services to the regulated community. To encourage innovation, the guidelines gave states latitude and flexibility in the design and implementations of their program.

Over the years the Section 507 programs have been very successful in helping small business understand and comply with the numerous National Emission Standards for Hazardous Air Pollutants (NESHAPs), air permitting requirements, and other state and federal air regulations. The Section 507 programs have also been an advocate for small business and have continually improved through oversight provided by an independent panel consisting of small business representatives.

State Small Business Environmental Assistance Programs (SBEAPs)

SBEAPs are the core of the 507 Program. They help small businesses achieve compliance with state and federal air quality regulations by offering a variety of technical assistance and tools such as publications, onsite visits, training, and phone consultations.

Most SBEAPs have been in operation since 1993. Nearly 90% of the SBEAP technical assistance programs are housed within their respective state's environmental agency. While providing small business services to those impacted by the Clean Air Act, it has become clear to the SBEAPs that their clients need assistance with waste management and wastewater discharges as well as air regulations. Many SBEAPs have struggled with providing assistance on non-air environmental regulations and some have been able to craft together additional resources to try to address those needs.

The funding mechanism for most SBEAPs is a portion of the Title V permit fees collected by the state's air pollution control agency. Facilities that are subject to a state's Title V permit program, typically defined as "major sources" of air pollution, are required to pay annual fees to administer the programs. Some states are using other funding sources to provide the air and non-air compliance assistance services.

Small Business Ombudsman (SBO)

The SBO acts as a liaison between small businesses and the state air quality regulatory agency. The majority of the SBOs are located either in the state's environmental agency or commerce/economic development agency. SBOs advocate on behalf of businesses to resolve conflicts with state air quality regulatory agencies. They review, comment and provide recommendations to the EPA and state agencies regarding the development and implementation of regulations impacting small businesses. They refer small businesses to the appropriate technical staff in the SBEAP to obtain information and assistance, and work with trade associations and small businesses to bring about voluntary compliance.

Compliance Advisory Panel (CAP)

The CAPs are comprised of small business owners and/or representatives of small businesses and the general public. Members are appointed by the legislature, governor, and the head of the state's air pollution control agency. The responsibilities of the CAP are to consult and advise the SBEAP on program content.

For a complete listing of the SBOs and SBEAPs, visit www.smallbiz-enviroweb.org/sba/sbap.html. For information about and a listing of state CAPs, go to www.smallbiz-enviroweb.org/cap/CAP_State_home.html.

National Steering Committee (NSC)

The SBO/SBEAP National Steering Committee (NSC) was created in 1995 to represent the interests of the Section 507 programs and to provide a networking and communications tool between the programs and the EPA's Small Business Ombudsman (SBO) and Office of Air Quality Planning and Standards (OAQPS). One state representative from each EPA region serves on the NSC, along with an alternate from that region. The NSC representative participates in monthly conference calls, serves as a conduit to other assistance providers in the region for information, and disseminates information to and from the SBO/SBEAP service providers. The NSC identifies and resolves problems faced by the SBO/SBEAP service providers and, through partnership with the SBO and OAQPS, works toward mutually effective solutions.

For more information about the NSC and its six subcommittees, one of which pertains to multimedia compliance assistance, go to www.smallbiz-enviroweb.org/sba/steering_committee.html.

National Compliance Advisory Panel (NCAP)

The CAAA required the creation of CAPs in all U.S. states and territories as part of the three-tiered national program to help small business comply with Clean Air Act requirements. Each CAP is responsible for determining the overall effectiveness of its own state's SBO and SBEAP and to provide guidance on priorities and approaches to help small businesses.

During the 2001 annual national conference of state SBO/SBEAP programs, state CAP representatives voted to create a national "steering" committee. Thus, the National Compliance Advisory Panel (NCAP) was created in 2001 to represent the interests of state CAPs and also to provide a networking and communications tool between the NSC of state programs and the EPA SBO. The NCAP is supported by the EPA SBO.

For more information about the NCAP, visit www.smallbiz-enviroweb.org/cap/CAP_Natl_home.html.

EPA Small Business Ombudsman (EPA SBO)

The EPA SBO is a liaison between small businesses and the EPA and facilitates communication between the small business assistance community and the Agency. EPA SBO reviews and resolves disputes with the EPA and works with EPA personnel to increase their understanding of small businesses as they develop and issue environmental regulations that impact them. The SBO function was established in 1982 and is housed in the EPA's Office of Small Business Programs located within the Office of the Administrator.

EPA SBO staff work closely with the state SBOs, SBEAPs, and CAPs. Specifically, they oversee and prepare the Report to Congress on the status and effectiveness of the state programs, provide support to strengthen SBEAPs, and sponsor the annual SBO/SBEAP National Conference along with EPA's Office of Air and Radiation.

The EPA SBO Web site is www.epa.gov/sbo/.

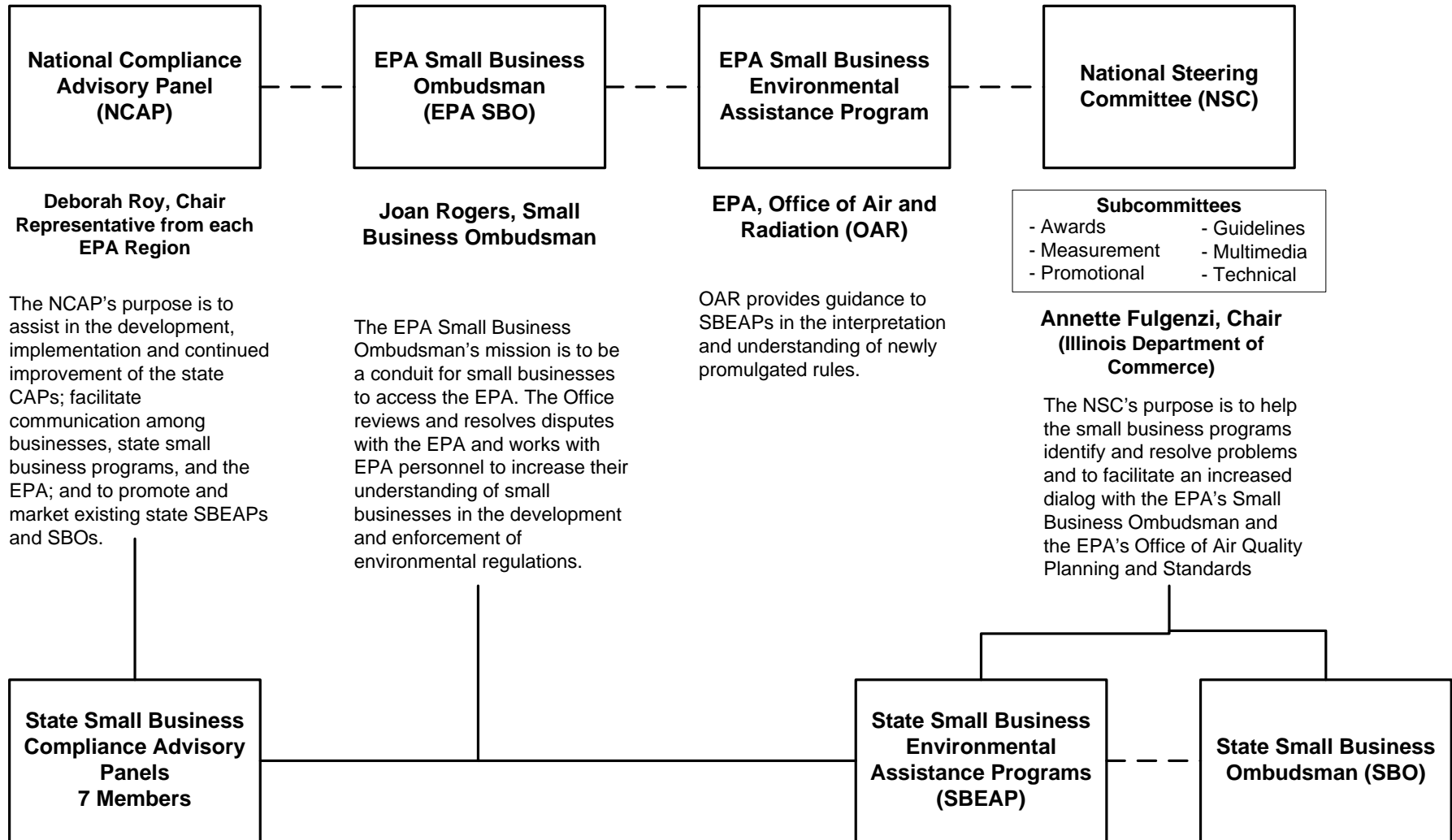
EPA Small Business Environmental Assistance Program

Section 507 of the Clean Air Act Amendments directs the EPA to establish a compliance assistance program to provide guidance to the states in the development and implementation of their programs. The EPA's Office of Air Quality Planning and Standards (OAQPS) works with the state programs on the development of air regulations that impact small businesses.

The Small Business Environmental Home Page (Home Page) (www.smallbiz-enviroweb.org)

The Small Business Environmental Home Page (Home Page) provides environmental compliance and pollution prevention information focused on small business. It serves as a central point for information exchange and discussions between SBEAPs and SBOs across the country. Resources found on the Home Page include searchable databases for publications, upcoming events, promotional success stories, performance measurement tools, and regulatory updates. A Multimedia Peer Center matches those who want to expand their air-only assistance programs to include multimedia or comprehensive environmental compliance assistance programs with programs that can help. Other topics of interest include the NSC and subcommittees, NCAP and state CAPs, environmental compliance, pollution prevention, industry sectors, funding help, and key contacts. The site also maintains a SBO/SBEAP Listserve, which is an efficient mechanism for sharing information and ideas among SBEAPs, SBOs, CAPs, small businesses, trade associations, technical assistance programs, and others interested in environmental compliance and pollution prevention issues affecting the small business community. Finally, the Home Page hosts the national SBO/SBEAP conference Web site (www.sbeapconference.com). The EPA SBO is responsible for supporting and providing the funding for this valuable resource.

National Organization of the State Small Business Stationary Source Technical and Environmental Compliance Assistance Programs



Measurements

The SBO/SBEAPs are required to complete an annual report that is submitted to the EPA SBO . Programs report on measures of their resources, outputs, and customers. In 2007, the Measurement Subcommittee of the SBO/SBEAP National Steering Committee expanded the annual report to include the reporting of outcome and work quality measures. This report includes the SBO/SBEAPs that provide only air assistance as well as the programs that offer assistance on air and other environmental programs, such as waste and water. The Measurement Subcommittee is waiting for the approval of these new measurements from the U.S. Office of Management and Budget (OMB).

The core measures are not designed to replace any existing state or program level measurement system, but to augment and normalize compliance assistance activities nationwide, thereby increasing SBEAP capacity to communicate and acquire additional support at the federal, state, and local level.

The EPA SBO is responsible for issuing periodic reports to Congress and other stakeholders summarizing the progress made in the states and territories in fulfilling responsibilities under Section 507 of the CAAA. The reports include information on program effectiveness, compliance issues, and EPA conclusions and recommendations.

SMALL BUSINESS ENVIRONMENTAL ASSISTANCE NEEDS

Small businesses need help in dealing with environmental regulations because of the time and costs associated with complying, as well as the liability they incur if they don't comply.

- Small business owners, a vital economic engine, consistently rank regulatory issues among their highest concerns as they try to grow their business and remain competitive.
- Small business represents 99.7 percent of the nation's employers. U.S. Small Business Administration (SBA) data from 2005 also show that small businesses employed 57.4 million Americans, or 50.6 percent of the non-farm private sector workforce.
- Studies have shown that small businesses (<20 employees) pay a disproportionate amount for regulatory compliance and expend an average of \$3,296 per employee per year to meet just their federal environmental regulatory burdens. Large businesses (500+) expend an average of \$710 per employee per year.¹
- According to a 2005 SBA study, environmental and tax compliance regulations appear to be the main cost drivers in determining the severity of the disproportionate impact on small firms. ***Compliance with environmental regulations costs 364 percent more in small firms than in large firms.***
- Small businesses cannot afford to invest limited resources to hire environmental staff or teams of environmental consultants and attorneys to assist them in understanding their environmental regulatory burdens.
- Brownfield sites are a constant challenge for communities of all sizes. Typical Brownfield sites affecting most people are not the remnants of large corporations with sprawling grounds of contaminated properties. Many Brownfield sites are the small abandoned gasoline stations dotting corners around the country, the empty store fronts that once contained the local dry cleaner or printing operation of the past, and small manufacturing sites. These abandoned

¹ W. Mark Crain, *The Impact of Regulatory Costs on Small Firms*, September 2005, Lafayette College, Easton, PA, for SBA Office of Advocacy

businesses do not garner the attention of the larger manufacturing sites, but they have great impact on the communities and landscape of our country.

- Small businesses do not compartmentalize their environmental regulatory requirements into the bureaucratic structure or division of air, land, and water. They must meet obligations in all these areas, and the need for assistance with each one is equally important in reaching and maintaining compliance with these complex regulations.

COMPREHENSIVE ENVIRONMENTAL COMPLIANCE ASSISTANCE

It was very apparent at the inception of the Section 507 programs that small businesses needed help not just with air regulations but all environmental regulations. Many small business sectors use or work with solvents and therefore are subject to complex hazardous waste regulations. Often air regulations are just a small portion of their total regulatory burden.

To address the need, some states have been able to expand their services to help small business understand all of their environmental responsibilities. These include state and federal regulations pertaining to air, waste, water, land, storage tanks, and emergency response. It may only consist of referrals to the regulatory agency; nonetheless, it is a form of assistance. Services being offered in these areas range from simple referrals to appropriate regulatory contacts to more robust programs providing onsite environmental audits or workshops in these additional regulatory areas. These compliance tools are innovative, comprehensive, and effective. Some of these tools include the following:

Fact Sheets / Calendars

Innovation is the driving force behind the various documents developed by SBEAPs to help small business understand and comply with the environmental regulations. An easy-to-read fact sheet or guide can take the mystery out of the storage requirements for hazardous waste or calculating the air emissions from an emergency generator. Compliance calendars have been created for many small business sectors. They help small businesses satisfy their weekly or monthly recordkeeping requirements by allowing them to enter the data right into the calendar. Directories of equipment manufacturers, distributors, and consulting services also are valuable resources to businesses needing additional assistance.

Mentoring Programs

For small businesses that need assistance from licensed professionals, some SBEAPs are offering environmental mentor programs. The mentors include attorneys, engineers, consultants, and licensed wastewater operators that donate their time to give hands-on compliance assistance to small businesses and local governments that may not otherwise be able to afford consultant services.

Onsite Compliance Visits

SBEAPs are providing free and confidential onsite compliance visits to small businesses that can't afford to hire a consultant or don't have the time and resources to monitor environmental regulatory changes that directly affect their business operations and practices. The purpose of these walk-through visits is to identify and help a business understand all of their air, water, and waste regulatory obligations. SBEAP professionals can help a business with a particular concern they have, such as filing an environmental permit or completing a report, or they can assess the environmental compliance of the entire facility.

The SBEAPs' follow-up reports will include compliance options and pollution prevention opportunities that increase the efficiency of the businesses and save them money. The information obtained by the SBEAP is not shared with the regulatory agency's enforcement staff. The benefits to a small business participating in such a visit can include: being better prepared for inspections by regulatory staff, reducing the potential of future environmental liability and related noncompliance penalties, reducing raw material wastes, and savings of time and money.

Permit Coordination Meetings

New businesses coming into a state need to know what environmental permits are required before they break ground. SBEAPs often facilitate meetings between the businesses and representatives from the various regulatory programs. The meetings are valuable to both the businesses and agencies. As a result of the meetings, businesses will avoid violating rules and submit more complete applications, thus streamlining the agency's permit review process.

Phone Center / Hotline

By dialing a toll free number, businesses receive one-on-one assistance from compliance assistance staff or are referred to a network of technical staff within the environmental regulatory agency. In addition to answering incoming questions, phone centers provide information to the customer on agency-sponsored environmental education events, as well as recommend guidebooks, fact sheets, and other publications on a wide array of environmental topics.

Commercial software used by compliance assistance staff easily assigns and tracks calls through to resolution. Use of the software also creates a database of responses to frequently asked questions, and the ability to extract performance metrics for reporting purposes. It is an effective business management tool that directs customers to the appropriate staff and provides consistent and correct information on all regulatory programs administered by the agency.

Self Audit Guidebooks and Checklists

Many SBEAPs participate in their states' Environmental Result Program (ERP). The ERP, an innovative idea that originated in the Massachusetts Department of Environmental Protection, is now spreading across the country. It is a three-part compliance assistance plan that enables businesses to conduct their own environmental self audits.

The first part of the plan is the development and distribution of a simple but comprehensive workbook that business owners use to educate themselves on the regulatory requirements as well as pollution prevention techniques. The workbook includes a self-audit checklist that cross-references the standards. Second, the facility either certifies compliance with the standards on the checklist or if problems are found, develops a return-to-compliance plan. This self certification covers all air, water, and waste standards. Performance measurement is the third and final component of the ERP. Prior to the beginning of an ERP, randomly selected facilities within a particular sector are inspected in order to establish a baseline of performance. Following the subsequent use of the self-audit and certification by these facilities, another set of inspections are conducted and the results are compared for a statistically valid look at performance improvement.

Workshops / Training

Another effective way to improve small businesses' understanding of their environmental obligations is through low-cost, high-quality workshops and conferences. These training events can be custom-tailored to provide the optimum learning environment and outcome. For instance, a workshop can focus on a specific regulatory program such as air permitting; or combine an overview of the air, water, and waste requirements of a particular industry sector.

SBEAPs often work closely with the state environmental regulatory programs in developing the agenda, producing training materials, and selecting presenters. Many SBEAPs have had a great response to training events consisting of concurrent sessions on a variety of environmental topics.

The variety and effectiveness of training methods continues to grow. SBEAPs often conduct training at small business sites or at a conference center targeting a business sector or specific regulatory program. Some SBEAPs invite businesses to attend satellite training offered through the EPA. Training videos created by SBEAPs and posted on their compliance assistance web sites allow the business owner to learn about regulations in the privacy of their office or home any time during the day.

Discussion

Making the transition from air-only or nearly air-only SBEAPs to comprehensive environmental assistance programs should not be difficult because the infrastructure is in place, and partnerships with industry and trade associations have already been established. A “one-size-fits-all” strategy does not work when designing an environmental compliance assistance program because there are many factors that will affect what services a SBEAP chooses to offer. These factors include operating budget and number of FTEs, geography and population density of the state, prominent industry sectors needing assistance in the state, whether the program will be centralized or decentralized, and availability of support staff possessing certain skills such as graphics design and event planning.

Lack of a dedicated funding mechanism for non-air compliance assistance activities is a major roadblock for states to expand their Section 507 program to comprehensive environmental compliance assistance. Funding for Section 507 programs comes from Title V fees but each state is free to determine the level of funding and staffing the program receives. However no federal dollars are provided to support these assistance programs. Section 507 program annual budgets are in a major decline. In 2003, the total annual budgets of all 50 states and territories was \$18,607,431. In 2007, it fell to \$12,270,650 (a 34% decrease).² Several states no longer operate a Section 507 program. The SBEAPs have been able to achieve great results with extremely limited budgets and staff but could achieve so much more if funded and staffed adequately.

HOW SMALL BUSINESS BENEFITS FROM COMPREHENSIVE ASSISTANCE

Small businesses benefit in many ways when utilizing the services of a one-stop shop for all of their environmental regulatory needs. Comprehensive assistance means greater success for small business environmental performance in the following ways:

- A small business saves time by not having to read and interpret all of the environmental regulations to determine if they are applicable to their operation and if so, what they need to do to comply. An environmental assistance program can do that for them. Most small businesses are not opposed to complying with rules once they understand specifically what they need to do.
- Compliance assistance outreach provides a tremendous opportunity to educate businesses on pollution prevention (P2) methods, technologies, and techniques. A convincing argument to practice P2 is that it will lessen a business’s regulatory burden, in addition to saving money.
- Comprehensive assistance on environmental regulations can, and often does, include referrals or information related to other agency’s requirements such as OSHA and local fire and building code requirements. Small businesses receive a more holistic view of agencies, their missions, and regulations.

² SBO/SBEAP National Steering Committee, Multimedia Subcommittee, 2008 Survey of SBO/SBEAP Budgets.

- Technical assistance encourages businesses to take a proactive approach to compliance. In the long run, obtaining the necessary permits, keeping appropriate records, providing employee training, and taking measures to prevent spills of chemicals is less costly to a business than addressing groundwater contamination, attending hearings, and paying fines and attorney fees.
- SBEAPs serve as the voice of small business during the development of new regulations. Most small business owners cannot take the time to attend technical advisory group meetings or other rule development meetings to provide input, but they can work through the SBEAP to make sure their concerns are addressed. Input from the SBEAPs makes it easier to truly assess the impact of new environmental regulations on small businesses.

HOW GOVERNMENT BENEFITS FROM COMPREHENSIVE ASSISTANCE

The benefits of a comprehensive environmental assistance program are realized by the state environmental regulatory programs and other agencies.

- Environmental regulatory staff have more time to issue permits and conduct inspections because permit applications are more complete and requests for general information can be handled by the SBEAPs in an efficient and coordinated manner.
- Outreach is a proactive approach to compliance. It reduces enforcement activity and the amount of staff time and resources required to resolve violations when they do occur.
- Outreach strengthens the enforcement position of regulatory programs. When businesses are given the opportunity to attend training or receive information/publications notifying and explaining the rule requirements, it eliminates the excuse they were not aware of the regulation.
- Businesses can self disclose compliance problems and seek help from the SBEAPs to remedy the violations.
- SBEAPs often provide outreach to, and improve compliance of, businesses not traditionally seen by the regulators. For example, auto body and printing shops are often quite low on the priority list for inspections but do have the potential to impact public health and the environment.
- Vibrant and innovative SBEAPs improve the public's perception, which, in turn, builds trust between the agency and the business community. Assistance programs forge lasting relationships with trade associations, which can have a positive effect when it comes to budget issues, new rule making, and general support for agencies' regulatory programs.

“Very impressed with the DEQ’s attitude and approach. They want to work with us and want us to succeed. They are willing to go the extra mile.”

--Attendee of a Michigan Department of Environmental Quality Workshop

- Compliance assistance is a cost effective approach to compliance with the regulations. One study of a state SBEAP showed that the benefits received by its clients on air regulations were on average three times the cost of administering the program: a 3 to 1 return on the investment.
- Many states are realizing the benefits of Environmental Results Programs (ERPs), which provide specific business sectors with the necessary tools to conduct internal audits on their own environmental activities. This is a proactive approach that doesn't rely on traditional state inspections to determine compliance. A vital component of the ERP is the development and availability of a user-friendly compliance guide that walks each business through a self-audit process that will determine compliance status. These guidance documents can be developed by the SBEAPs.

- The Occupational Safety and Health Administration (OSHA) has been providing assistance to small businesses through its popular On-Site Safety and Health Consultation Program for over 30 years. The OSHA FY 2008 requested budget provides *\$54.5 million* of its *\$490.3 million* agency budget to support small business assistance through the state consultation programs. Thirty years of success have shown that assistance and education work, proving that a strong enforcement program is built on an effective outreach program.
- Economic development agencies use environmental assistance programs to attract new business or retain existing ones. The programs cut through the red tape and make starting up a business easier by helping to identify and complete the necessary environmental permits. Compliance assistance is a key component of a state's economic innovation development package.

COMPREHENSIVE ENVIRONMENTAL ASSISTANCE SUCCESS STORIES

Provided below are some examples of how providing comprehensive environmental compliance assistance works.

American Bronze Craft, Inc.

American Bronze Craft, Inc. employs approximately 30 people in Judsonia, Arkansas manufacturing bronze memorials and plaques. Like many small Arkansas businesses, American Bronze Craft employed the services of the Arkansas Department of Environmental Quality's (ADEQ's) Business Assistance Program staff to help them understand and stay in compliance with the many environmental regulations that apply to their businesses.

Recently, ADEQ's business assistance staff helped American Bronze Craft eliminate the landfill disposal costs associated with the disposal of 192,000 pounds of casting sand, provided assistance in completing their Form R reports, performed an air emissions inventory, and assisted in avoiding a hazardous waste compliance problem.

-- Arkansas SBEAP

Construction Industry Initiative

The Illinois Environmental Protection Agency had identified compliance with open burning and the Asbestos NESHAP as a chronic problem among the construction industry. In 2001, the Illinois Small Business Environmental Assistance Program (SBEAP) brought together representatives of the IL Department of Public Health, Illinois Environmental Protection Agency, and industry trade associations to produce eight 3-hour workshops throughout the state to educate both the industry and the local officials who have regular contact with them. The idea was if we can educate building and zoning offices regarding these issues it would filter down to an industry that is diverse and hard to identify on the state level. The first year we trained approximately 400 people.

Given this great success, we have built on the first workshops and now have over 30 industry cosponsors, and 6 state agencies participating. The agenda has been expanded to a full day including mold, radon, storm water, asbestos, lead, disposal and recycling of C & D debris, and even clean up and demolition of past methamphetamine labs. From 2002-2004 this successful partnership has trained a total of nearly 1500 participants.

-- Illinois SBEAP

Vehicle Maintenance – State Motor Pool

After years of being housed in an antiquated building in Indianapolis, the State-owned Motor Pool moved into a brand new facility. Equipped with all new service bays and waste collection areas, the new construction seemed to be progressing perfectly. But upon closer inspection, there were some improvements to be made. Indiana Department of Environmental Management's (IDEM's) Compliance & Technical Assistance Program (CTAP) staff advised the Motor Pool staff that they were required to provide secondary containment in their oil storage areas. Builders upgraded the storage room to include berms rather than drains.

The Motor Pool was in the process of applying for IDEM's 5-Star Program for Vehicle Maintenance Shops. CTAP staff advised them to switch from chlorinated solvents to aqueous-based solvents in order to come into this program. CTAP staff also provided information regarding properly labeling containers for both new and used oil.

The facility also has a new above ground storage tank, which is required to have the Spill Prevention Control and Countermeasure (SPCC) regulation in place, as the tank has a 10,000 gallon capacity and is located only 200 ft. from navigable water. CTAP staff assisted Motor Pool staff with the development of their written plan.

-- Indiana SBEAP

Animal Feed Mill

A Compliance & Technical Assistance Program (CTAP) staff member was invited to an animal feed mill that had concerns about storm water regulations and whether they were applicable. The feed mill thought that they had no exposure. Upon visiting the site, CTAP determined that Rule 6 was applicable due to build up of corn husks from the dryer.

The CTAP staff member also thought that they should have an air permit. After calculating potential to emit, it was determined that they were a Title V source. CTAP staff went on to calculate actual emissions, which were less than 20% of major source threshold, so the feed mill was able to get into the permit by rule category. CTAP and the feed mill worked on the application together, and the feed mill was approved as permit by rule with no enforcement action taken and only \$100 filing fee. The feed mill also submitted their notice of intent form for their storm water exposure.

-- Indiana SBEAP

Graf Brothers Flooring Business

The Graf Brothers worked for their family-owned business in Ohio when they decided to build their own flooring business. Kentucky's Economic Development Cabinet lured the brothers to move across the Ohio border. Their goal was to establish a lumber production center specializing in cutting Rift & Quarter sawn boards up to 20" wide for use in quality flooring.

Rift & Quartered lumber results from a unique way of sawing that maximizes the yield of lumber with vertical grain. Vertical grain is preferred because of its excellent technical properties. Lumber that has been sawed using this method expands evenly and vertically. Vertical grain increases the structural integrity of the wood.

Since they were establishing a new facility, the Graf Brothers wanted to install the most up-to-date wood drying equipment available. From previous experience, they knew there were environmental questions the company needed to address from the start. Since the company had less than 100 employees, a representative of the Economic Development Cabinet recommended the owners call the Kentucky Business Environmental Assistance Program (KBEAP).

As a start up business, the company faced a number of environmental issues at the same time they were dealing with other time consuming long range decisions. Aspects of the lumber business that raised air quality concerns included:

- Boiler emissions
- Dry kilns – heating and venting
- Energy system to recycle sawdust
- Haul road dust.

With the services provided by KBEAP and Eric's expertise, GBF was able to hand over the permitting and regulatory compliance work to them. Greg Graf is eager to show off his plant and the different portions of the production process that were permitted and in operation due to KBEAP's assistance.

Not only is Graf Brothers' Flooring an environmental success, but their small business is continuing to grow. Currently, the brothers are building a 25,000 square feet warehouse and they have purchased additional acreage at their location to continue the expansion efforts.

-- Kentucky SBEAP

Assistance with Reducing Styrene Emissions at a Small Fiberglass Pool Manufacturer

Royal Fiberglass Pools, Inc. a manufacturer of swimming pools was founded in Breaux Bridge in 1982 and operated by two generations of the Hebert family. The company has grown steadily through the years and has turned to the Louisiana Department of Environmental Quality (DEQ) Small Businesses Assistance Program (SBAP) many times for assistance with environmental issues.

The SBAP provided assistance on quantifying and reducing styrene, which is a toxic air pollutant emitted during the fiberglass process. Other types of assistance provided to them through the past eight years includes: air permit application and subsequent modifications; annual air Emission Inventory Submittal; Toxic Release Inventory; Toxic Emission Data Inventory; Tier II; Title V Certification; water discharge permit application; hazardous waste generation notification; and a pollution prevention audit.

Tony Hebert, general manager of Royal Pools, has implemented and patented several pollution reduction practices at their Breaux Bridge facility including a specially designed bulk storage tank that when first implemented, allowed 50 more pools to be built with 40,000 pounds less resin, and new technology gel coat applicators which reduced styrene emissions. All their waste is recycled and reused in the pool manufacturing process. In addition, goats are used for grounds maintenance.

-- Louisiana SBEAP

Cultured Marble Company

Jeff and Kathy Thibodaux wanted to open a cultured marble fabrication shop in Walker, Louisiana. The resin supplier suggested they call the Small Business Assistance Program for environmental compliance advice because he had successfully referred other clients to SBAP staff before - many in the New Orleans area. SBAP Technical Advisor, Pat Devillier, who lives in Walker, helped the Thibodauxs register their hazardous material inventory (for Tier II annual reporting to the State Police, via internet), understand hazardous waste management responsibilities, and secure an air permit exemption from the DEQ.

-- Louisiana SBEAP

TRI Workshops: A State and Federal Collaboration

The Toxic Release Inventory (TRI) is an annual report required under Section 313 of SARA Title III. Since 2003, Michigan's SBEAP partners with EPA Region 5 each year to train Michigan businesses on how to accurately complete their reports. This is a highly efficient and effective strategy. The Michigan SBEAP has extensive experience in conducting quality training events and oversees site selection, marketing, registration, and fee collection services. Ms. Thelma Codina, EPA Region 5 TRI Coordinator, administers a contract with the consulting firm who performs the majority of hands-on training. The workshop is customized with regional and local components provided directly by Ms. Codina and Michigan staff. The average attendance each year is 100.

--Michigan SBEAP

A Comprehensive Guide and Workshop on All Environmental, Health, and Safety Regulations

The Michigan Department of Environmental Quality (MDEQ) believes in the power of multimedia communication. In 2000, the DEQ introduced the first ever *"Michigan Manufacturers' Guide to Environmental and Safety and Health Regulations."* The book was written and designed in a "plain-English" format to help small business owners more easily understand and comply with complex regulations. Along with chapters explaining regulations from all DEQ regulatory divisions, the book also included explanations of Michigan Occupational Safety and Health Administration (MIOSHA) standards.

The initial distribution of the Guidebook was rolled out with a series of workshops held statewide in 2000. Since that time, the Guidebook has been updated biennially, with each new edition being distributed in a similar workshop fashion. Technical experts from all regulatory areas present their portions of the Guidebook, and explain how to best use it.

Workshops held for the first 3 editions attracted over 500 attendees each. The two most recent series were attended by 800+ (2006) and 900+ (2008). Reaction to the Guidebook and the training events has remained consistent over the years. Attendee evaluations rate the overall usefulness of the book at 4.6 (based on a 5.0 scale) and the average overall rating for the workshop is 4.3, based on the same scale. Furthermore, almost 80% of respondents indicate they will make changes at their facilities as a result of information obtained.

Most important to note, are comments received from those who benefit from our services. To paraphrase, our attendees **want** to be educated versus regulated; they **want** the chance to meet face-to-face with inspectors in a non-adversarial environment; and, they **want** the right tools and information to achieve and maintain compliance with environmental, health, and safety regulations. It is our responsibility as state regulators to acknowledge the value of streamlined education and outreach across bureaucratic lines, and continue to move in a direction that best addresses the **wants and needs** of small business owners. After all, without them, we are nothing.

-- Michigan SBEAP

EnviroMentor Program

Through the EnviroMentor program, small businesses and local governments needing detailed "hands on" compliance assistance are matched with dedicated environmental professionals who volunteer their time. In 2007, EnviroMentors volunteered on 59 projects where they provided assistance on air permit authorizations, petroleum storage tank compliance, storm water pollution prevention plans, spill prevention control and countermeasure plans, public water supply compliance issues, and wastewater treatment plant operations.

-- Texas SBEAP

APPENDIX A



THE
ENVIRONMENTAL
COUNCIL OF
THE STATES

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Washington, D.C. 20001

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Robert W. King, Jr.
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Director, Virginia Department of
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VICE PRESIDENT

Stephen A. Owens
Director, Arizona Department of
Environmental Quality
SECRETARY-TREASURER

Stephanie Hallock
Director, Oregon Department
of Environmental Quality
PAST PRESIDENT

R. Steven Brown
Executive Director

April 17, 2007

The Honorable Steven L. Johnson, Administrator
U.S. Environmental Protection Agency
Ariel Rios Building (1101A)
1200 Pennsylvania Avenue, NW
Washington D.C. 20460

Ken Legler, Chair
National Compliance Advisory Panel
President,
Houston Wire Works
514 Michigan
South Houston, TX 77587

Dear Mr. Johnson and Mr. Legler:

The Environmental Council of the States (ECOS) supports beginning a constructive dialogue with the U.S. Environmental Protection Agency (EPA) and the National Compliance Advisory Panel (NCAP) on development of a comprehensive small business environmental assistance initiative for the states. Elements that drive this support are as follows:

- A need to get beyond restrictions for Small Business Environmental Assistance and Ombudsman Programs and Compliance Advisory Panels that limit actions to the development of air compliance assistance tools.
- Small businesses' environmental regulatory requirements that span land, water, air and waste and present complexity beyond the capabilities of many small operations.
- The continuing trend of environmental requirements extending to more small business sectors and more requirements for small businesses that are already part of the regulated community.
- The need for education and assistance that is framed for small business to both achieve greater compliance and secure better environmental outcomes.
- Creating a coordinated comprehensive small business environmental assistance initiative responsive to EPA, states and Compliance Advisory Panels.

We are proposing that the NCAP's Comprehensive Small Business Environmental Assistance Legislative Initiative (copy attached) be the starting point for our discussions.

The best interests of small business owners, state environmental programs and EPA can be met with stable, comprehensive environmental compliance assistance programs operating in the states. We propose that the dialogue include representatives from the following groups: ECOS Cross-Media Committee, National Steering Committee of State Small Business Environmental Assistance and Ombudsman Programs, NCAP and EPA. We look forward to working with the both of you in addressing the environmental assistance needs of small businesses while maintaining the integrity of our core environmental regulatory programs.

Sincerely,

R. Steven Brown,
Executive Director

CC:

Renee Bashell	Wisconsin Department of Commerce
Jeannette Brown	EPA
Steve Chester	Michigan Department of Environmental Quality
Jim Edward	EPA
David Fiedler	Michigan Department of Environmental Quality
Annette Fulgenzi	Illinois Department of Commerce and Economic Opportunity
Michelle Hiller-Purvis	ECOS
Mike Linder	Nebraska Department of Environmental Quality
Mark McDermid	Wisconsin Department of Natural Resources
Arleen O'Donnell	Massachusetts Department of Environmental Protection
Angela Suber	EPA



Comprehensive Small Business Environmental Assistance Legislative Initiative An Initiative of the National Compliance Advisory Panel of Small Business Owners

Background:

Assistance with Air requirements was mandated by Congress via the 1990 Clean Air Act Amendments through the creation of the *Small Business Environmental Assistance Programs (SBEAP)* under section 507 of the Act.

Three Federally Mandated Program Components Include:

Small Business Stationary Source Technical Compliance Assistance Program, Compliance Advisory Panel and Ombudsman

State Small Business Environmental Assistance Programs: Small Programs with Big Impacts

- Small Business Environmental Assistance Programs (SBEAP's) have been providing air-only compliance assistance to small businesses for over 10 years.
- Using average budgets of \$300,000 and average staffs of 4 full-time employees, the SBEAP's helped over 5.7 million small businesses in 2004-2005.
- Workshops, educational materials, guidebooks, fact sheets, websites, helplines, newsletters, record keeping tools, one-on-one permitting assistance, and on-site visits are some of the tools utilized by these programs.
- Programs currently receive *zero* federal funding

The Need: Authorization and Funding of the State SBEAP's for Comprehensive Environmental Assistance

- Legislation authorizing the Small Business Environmental Assistance Programs to assist small businesses with their comprehensive environmental needs: air, land and water regulations. Millions of small businesses are reaching out to these programs for assistance with their air issues. Air is only one of three major environmental impacts on their business. By expanding these existing programs businesses will have more resources and time to concentrate on building their business and our economy.
- Funding to be dispersed by the USEPA Small Business Ombudsman's Office to the state Small Business Environmental Assistance Programs in the amount of \$55 million.
- Full funding of the USEPA Small Business Ombudsman's Office's budget at \$3 million dollars and 10 full time employees.

The Problem: Air Assistance is not "Environmental" Assistance:

- Small businesses do not compartmentalize their environmental regulatory requirements into the bureaucratic structure or division of air, land, and water. Small businesses must meet obligations under each of these programs and the need for assistance with each is equally important in reaching and maintaining compliance with these complex regulations.
- Current Title V funding mechanisms preclude the programs from providing assistance with land and water issues; major components of small business environmental compliance.
- No minimum funding levels are required and funding is not consistent from state to state. Programs are currently operating with shoestring budgets/staffing and often are the first program to be cut by regulatory agencies.
- State regulatory agencies choose to invest their limited resources in enforcement of rules after a violation has occurred rather than providing the necessary training and education to small businesses who want to comply. By this practice, regulatory agencies are investing in measuring their failures to protect the environment rather than actively protecting the environment and preventing noncompliance.

- Federal mandates to provide assistance & educate companies in meeting compliance requirements should be viewed equally as important as mandates to enforce regulations and insure compliance. Adequate funding for assistance mandates should not be optional.

Making the Case for Comprehensive Small Business "Environmental" Assistance:

- Small business owners, a vital economic engine, consistently rank regulatory issues among their highest concerns as they try to grow their business and remain competitive.
- Small Business represents 99.7 percent of all the nation's employer businesses. 2005 SBA data also show that small businesses employed 57.4 million Americans or 50.6 percent of the non- farm private sector workforce.
- Studies have shown that small businesses pay a disproportionate amount for regulatory compliance and expend an average of \$3296 per employee per year to meet just their federal environmental regulatory burdens.
- According to a 2005 SBA study, environmental and tax compliance regulations appear to be the main cost drivers in determining the severity of the disproportionate impact on small firms. *Compliance with environmental regulations costs 364 percent more in small firms than in large firms.*
- Small businesses cannot afford to invest limited resources to hire environmental staff or teams of environmental consultants and attorneys to assist them in understanding their environmental regulatory burdens.
- One study of a state Small Business Environmental Assistance Program showed that the benefits received by its clients on air regulations were on average three times the cost of administering the program. A 3 to 1 return on the investment.
- USEPA is under court order to promulgate 50 new area source rules potentially impacting small businesses by June 2009. Some states have already refused delegation of enforcement of these new rules due to lack of funding and staff to effectively administer the program. The need for assistance will be great.
- Brownfield sites are a constant challenge for communities of all sizes and typical Brownfield sites affecting most people are not the remnants of large corporations with sprawling grounds of contaminated properties. Many Brownfield sites are the small abandoned gasoline station dotting corners around the country, the empty store fronts that once contained the local dry cleaner or printing operation of the past as well small manufacturer. These types of businesses do not garner the attention of the larger manufacturing sites but they have great impact on communities and the landscape of our country.
- Similar assistance with OSHA regulations has been provided to small businesses by the popular On-Site Safety and Health Consultation Program for over 30 years. The Occupational Safety and Health Administration FY 2007 budget provides over \$53 million of its \$772 million agency budget to support small business assistance through the state consultation programs. Thirty years of success have shown that assistance and education work.
- *Zero* dollars of the requested \$7.3 billion USEPA FY2007 Budget is directed to the Small Business Environmental Assistance Programs.

Contacts:

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APPENDIX B



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUN 11 2007

OFFICE OF
SMALL AND DISADVANTAGED
BUSINESS UTILIZATION

Mr. R. Steven Brown
Executive Director
The Environmental Council of States
444 North Capitol Street, N.W.
Washington, D.C. 20001

Dear Mr. Brown:

Thank you for your April 17, 2007, letter conveying the Environmental Council of the States' support for beginning a constructive dialogue with the Agency on the development of a comprehensive small business environmental assistance initiative for the states. We understand the needs you expressed for such an initiative and are open to dialogue geared toward strengthening the Agency's efforts to provide more effective small business compliance assistance to the states.

This type of dialogue will require the coordination and input of several EPA offices. The EPA Small Business Ombudsman, within the Office of Small and Disadvantaged Business Utilization, will serve as the point of contact for coordinating this effort. Please contact me or Angela Suber, Acting Small Business Ombudsman, to initiate this dialogue. I can be reached on 202-566-2075, and Angela on 202-566-2827.

We look forward to hearing your concerns in detail, and working with you to make sure our efforts to provide compliance assistance to small businesses are efficient, substantive, and effective.

Sincerely yours,

JLB Cassandra R. Speer
for Jeanette L. Brown
Director

cc: Steve Johnson, Administrator, EPA
Ray Spears, Chief of Staff, EPA