

Comments to:
2004 SBO/SBAP National Conference

By

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I would like to sincerely thank you for inviting me to your meeting this morning. I am Dusty Findley, and I am the Executive Director and CEO of the Southeastern Cotton Ginners Association. We are a regional trade association for the (rather obviously) cotton ginning industry in the region. We represent cotton gins in the six Southeastern states of AL, FL, GA, NC, SC, and VA, so most of our territory is in Region 4.

Our organization was formed in 1969 from merging several very small state associations and was run for nearly 30 years as a joint organization with the Southern Cotton Growers Association which represents cotton farmers in our region. The Southeastern US has grown cotton as a cash crop longer than any other part of the country. In the 60s 70s we saw a sharp decline in cotton acreage (read polyester) and cotton didn't make a comeback until the mid 90s. This turnaround came as a result of the success of the Boll weevil eradication program. A program that cut the amount of pesticides sprayed on cotton to almost nothing. Our region now consistently produces between 3.5 and 5 million bales of cotton annually. That is up from a low point of about 1 million bales in the mid 80s.

Cotton gins are essentially the same machines that Ely Whitney invented in the late 1700s near Savannah. They have become bigger and faster but are still an essential part of the cotton harvest. The gin

separates the lint from the seed. Unginned cotton is basically worthless. Seedcotton (cotton that hasn't been ginned) is a perishable commodity that must be ginned and packaged in a timely manner or significant quality degradation can occur. Therefore we are necessarily a seasonal operation typically running 6 to 12 weeks a year in the Fall and early Winter.

Many Universities and USDA have been working on air quality issues for a very long time. The technology that is the most appropriate for our industry right now is the cyclone. There literally hundreds of studies on particulate control technology for gins and some revision in cyclone design has taken place over the years. Rest assured our industry will continue to work on the best technology for our industry and work hard to get that technology adopted quickly. Enough for the advertisement on who we are.

As I mentioned, the turnaround in production came in the mid 90s. Big jumps in production came in North Carolina and Georgia. As a consequence we saw most of the gins in the region go through major overhauls and we saw new gins built in record numbers. As those changes took place, it became painfully obvious that we were seeing problems in the air quality arena. Particularly when it came to permitting issues. There were other problems as well: safety, trucking, labor to name a few but permitting quickly came to the fore as a serious hurdle that we needed to cross. Cyclone technology isn't horribly complicated as far as engineering is concerned but the typical state air permitting process can be a daunting experience for someone who has no idea what needs to go on what form or even what AP42 is. The vendors that work in our industry are very talented in design, manufacture and installation of air systems and cyclones but don't do many permits. Many gins also do a lot of the work themselves and know less than the sheet metal vendor about emissions factors or potential to emit. Ginner's Associations Across the country have for the past several years attempted to change these things by holding educational seminars and schools but it still is tough for a sheetmetal

shop in Lubbock Texas to fill out a permit application for a ginner in South Carolina without some help.

In the mid 90s, our organization, which was still a joint organization with Southern Cotton Growers tried to manage these technical permitting issues by calling in people from other ginner associations and from various departments of agriculture. That worked for a while but in 1996 and 7 the members of our association felt they needed their own staff and direction. Southeastern Cotton Ginners split from the growers and hired me as EVP in 1997. We are still closely affiliated with the Growers and even share office staff but are totally separate organizations in governance and focus. In these six and ½ years, we have changed completely from a regional Association with its eyes on Washington to a technically oriented organization that is willing to wade deeply in the state regulatory world and tackle those more technical issues that I mentioned earlier, most of which are state specific issues.

I came to the Southeast from Texas Cotton Ginners Association where we had been working with the permitting staff very closely for many years. Texas Ginners had the resources to put together a technical services department, of which I was the manager of safety services. The technical services director (my former boss) is an agricultural engineer and the air permitting staff that handled cotton gins were almost all Agricultural Engineers as well (you may want to look at these engineers when hiring staff) and were graduates of the same department at Texas A&M as my supervisor and me. We had built a relationship with the permitting group well before the formation of the SBAP there so I had no idea what a resource they were when I moved here. In Texas I helped gather technical data take air readings and prepare many air quality permits. This was to help take the load off of Kelley, the engineer.

Handling state specific issues in six states has been a much bigger job than we had anticipated partly because the number of issues that had been neglected for far too long. We needed some help.

So you may be asking how we got involved in the various SBAPs in our region. Following a meeting with the North Carolina Air quality staff, in 1999, on some issues that turned out to be farm related - not gin related (out of my arena), I began talking Tony Pendola with the Small Business Assistance Program. We discussed what they did and how they might help my members. Thus began a relationship with the SBAPs in three of our largest cotton states, NC, SC and GA.

This brings me to how these groups have helped our organization and ultimately our membership greatly in the past few years in each of those states.

In South Carolina, we have worked primarily on permitting issues. I have spent many hours on the phone and in meetings with Phyllis Copeland and her engineering staff. We have worked on several permits and a couple of enforcement conferences and I anticipate us working on several more permits (not enforcement I hope) in the near future. That staff has been a great help in putting permit packages together. We work directly with the SBAP staff on permitting by doing two things. The first is to gather specifics about the gin and the controls that are in place. Phyllis and her staff have put together a check list that we and our members use to get that information. The staff then puts it into a permitting package with all of the technical data in place. We then review the application with the member and make sure the application looks like the gin. Finally, we help the member secure an engineer for final review and stamping. (an unnecessary expense as far as I'm concerned given that SC is the only state except FL that requires PE approval for gin permits in the country)

The South Carolina SBAP has also met with some of our membership and discussed what they do and the permitting rules in the state, giving

our members a face, a name and a resource to call if they have questions on permitting or compliance issues. And as if this weren't enough, as a result of some recent activity, it appears that we will need to work on a rule change in South Carolina in the next year or so.

In North Carolina, we have a general permit. This means that permitting individual gins is not an issue. We have, though, gone through a MAJOR change in the way gins are regulated. We have moved from a process weight rule to an equipment-based standard for permitting. This was almost a three-year process. Tony and Edith were a big help to me and my leadership in sorting through the rules currently on the books and the process for getting the new rule crafted. They have also helped fill us in on how other industries are regulated therefore giving us the best possible outcome to the process. In the future we will likely be working on emissions inventory issues and getting those resolved. Tony has come to several meetings and has the trust and respect of our membership.

In Georgia, we have worked with Anita and her staff on all fronts. In the rules area, we worked on a two year project to raise the cap for the permit by rule in Georgia from 65,000 to 120,000 bales a much more reasonable number and still nowhere near the major source threshold. The engineering staff has helped a few permits go through the process and acted as an in house resource when the permit engineer didn't understand the idiosyncrasies of a cotton gin.

All of this has come about because our association staff and membership has worked with the SBAP staff in these states. We have worked to educate and rely the staff and they have taken the time to understand our businesses so that they could adequately help our industry when they are called.

None of these relationships could have come about without the independence that these programs possess. This allows the regulated

industry to feel much more comfortable discussing matters that they would not otherwise be comfortable with.

This brings us to the issue of partnering which is what this session is all about. How can partnering help Small Business Programs. I hope I have shown you some very specific areas that Small Business Programs can work with trade associations such as ours. I think this is just a part of where we can go as a partner with these programs. As a CAP member in Georgia we are always working to find better ways to reach out to the regulated community. *I guess Anita doesn't feel like Lee, Roy or Woody work hard enough.* Partnering with trade associations can be a huge benefit to both organizations. As an example, OSHA has recently begun a "Partnership" program with many trade Associations and large businesses to work together on issues in an non-adversarial way. They have many of these "partnership" programs across the country. Trade associations are typically voluntary organizations. This means that members typically listen to the advise of the Association. Associations are also looking for ways to find "benefit" in being a member to keep and attract new members. Add this to the fact Small Business programs need ways to get the word out as to what they do and how they can help the typical business owner. A tight relationship between Trade Associations and Small Business programs will help to accomplish both of these goals. Help and advice to the member and outreach for the Program.

In closing, Southeastern Cotton Ginners certainly supports these programs. We don't have the resources to hire engineering staff or the resources necessary to handle the air quality issues in all six of our states. I expect in coming years, as our permits renew, and our members make changes, we will be working with the SBOs and their staffs even more than we have. The key is competent and dedicated staff members that are willing to learn and take ownership in help they provide. We have found this to be the case in all of the programs that we have worked with so far and I expect it to continue into the future. I would heartily recommend to any industry that is made up of small

businesses and runs into technical issues regarding permitting and compliance to work with the SBAPs in their state before they are needed. It can pay big dividends in the future.

Thank you again for asking me to come and discuss our experiences with you and thank you for your attention.