

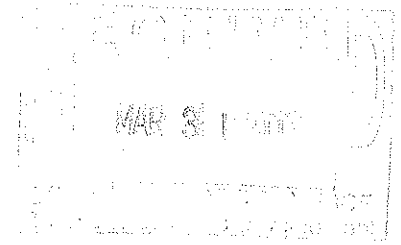


UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

MAR 24 2009

REPLY TO THE ATTENTION OF:
R-19J

Matthew J. Frank
Secretary
Wisconsin Department of Natural Resources
101 S. Webster Street
P.O. Box 7921
Madison, Wisconsin 53707



Dear Secretary Frank:

I am pleased to inform you that your project pre-proposal, *Region 5 States Environmental Results Program for Autobody Refinishing Shops*, has been selected in the U.S. Environmental Protection Agency (EPA) State Innovation Grant Program 2009 competition. The State Innovation Grant Program is operated by EPA's National Center for Environmental Innovation (NCEI) in cooperation with EPA Regions and National Program Offices to support state innovation practices through collaboration and partnership. Twenty-five applicants responded to this year's State Innovation Grant solicitation with project pre-proposals supporting the competition theme of "innovation in permitting." These pre-proposals totaled over \$6.21 million in funding requests. Due to extreme budget limitations this year, EPA was only able to select two pre-proposals, totaling \$565,000, to proceed to the next phase of the award process.

EPA anticipates awarding the full amount requested in your pre-proposal of \$340,000 for your three-year project under a cooperative agreement, contingent upon successful completion of a satisfactory final project proposal package and on the availability of funds. Please note that this letter is not a notification of the award. To support development of successful final project proposal packages, NCEI will host a State Innovation Grant workshop April 28-29, 2009 in Washington, DC for state and EPA project managers. To provide for full participation, EPA will pay the costs of travel and per diem for your agency's Project Manager. In prior years, participants found these workshops invaluable in facilitating the preparation of the final proposal packages, and in establishing networks for collaboration and learning.

Congratulations again on your agency's successful pre-proposal. We look forward to working with your staff in the preparation of your final project proposal package. We expect to receive final and complete submittals from selected states by mid-July and will move quickly thereafter toward making awards. I want to reiterate that EPA is ready to assist you in making this project a success, and anxious to help you evaluate and document results so that other states, U.S. territories, and tribes can benefit from your

experience. If you have any questions about the State Innovation Grant Program or this process, please have your staff contact Marilou Martin, Region 5 State Innovation Grant Program Manager at (312) 353-9660.

We are excited about this opportunity to support your work on innovative strategies for achieving environmental results.

Sincerely,

ORIGINAL SIGNED BY
BHARAT MATHUR

Bharat Mathur
Acting Regional Administrator

Enclosure

cc: Bill Baumann, State Project Manager
Renee Lesjak Bashel, State Project Partner

Enclosure 1

The two pre-proposals recommended to continue in the State Innovation Grant Program's 2009 competition are:

- **Washington (Lean)** – The Washington Department of Ecology, in partnership with Washington Manufacturing Services (NIST), Washington State University, Pollution Prevention Resource Center, and others will develop and implement a lean manufacturing and environmental technical assistance program (called “Lean and Green Assistance”) to improve environmental and operational performance for industrial and commercial entities. The goal is to build directly on three successful Lean and Environment Pilot Projects, Green Suppliers Network (GSN) “Lean and Clean” projects and other project experiences and create an on-going, self-sustaining “Lean and Green” service that produces measurable environmental and business-operational results. Integrated lean and environmental technical assistance offers a compelling way to deliver significant, sustainable environmental results, improve operational efficiency, and foster a continual improvement culture focused on eliminating waste. The project will use EPA-produced materials (such as Lean and Environment, and Lean and Energy Toolkits) and provide feedback on how to improve these documents. The project will include 3-4 projects per year, or 9-12 total.
- **Wisconsin (ERP)** - The Wisconsin Department of Natural Resources and the Wisconsin Small Business Clean Air Assistance Program (a SBEAP) will partner with other state SBEAPs in Region 5 and propose using ERP to implement the area source rule 40 CFR part 63 Subpart HHHHHH (subpart 6H) as it affects autobody refinishing shops and measure the changes in environmental performance that result. This project addresses a national program priority, air toxics, with a focus in community and urban areas, and specifically contains an environmental justice compliance assistance component. It supports a regional priority, and they have the endorsement and commitment to partner with five States. This project targets sources recently affected by new area source NESHAP rules, and the template could potentially be transferable to many states. While the primary focus of this project will be compliance with subpart 6H, the project will also provide education and collect data on best practices in energy efficiency and pollution prevention.