

## PROJECT SUMMARY

### Title:

Region 5 States Environmental Results Program for Autobody Refinishing Shops

### Applicant:

Wisconsin Department of Natural Resources  
Bureau of Air Management  
PO Box 7921  
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### Project Leads:

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### Total Project Cost:

Requested from EPA:	\$350,000
Leveraged, Non-Federally Funded Staff Time:	\$50,847
Total Budget:	\$400,847

**Project Period: October 1, 2009 – September 30, 2012**

**Statutory Authority and Flexibility:** None.

**Certification of State Agency Support:** The Region 5 multi-state project is fully supported by the following state agencies: WDNR, Indiana Department of Environmental Management, Minnesota Pollution Control Agency, Michigan Department of Environmental Quality and the Ohio Environmental Protection Agency. The Illinois Environmental Protection Agency has indicated support for participation of their SBEAP on the outreach and education phase of the project. Support letters are attached separately in Appendix A.

### Detailed Itemized Budget

The proposed budget includes funds to contract with the Wisconsin Department of Commerce (Commerce) and support the Small Business Clean Air Assistance Program (SBCAAP) as the project lead for this proposal in direct partnership with the Wisconsin Department of Natural Resources (WDNR) Bureau of Air Management. This contract would follow existing funding practices by which the SBCAAP is currently funded 100% through the WDNR Air Program Title V fees to conduct small business compliance assistance activities. The following table details how the Commerce Contractual funding will be dispersed.

State leverage is based on the following commitments: WDNR project lead will coordinate development and reporting with the SBCAAP project lead; SBCAAP will both lead the project and provide staff time for ERP development and site visits. Indirect rate for WDNR personnel is based on the WDNR memo in Attachment 1.

Category of funding	Total Project Costs	Proposed State Leverage Funds	EPA Funding
WDNR Personnel & Fringe	2,395	2,395	0
WDNR Indirect	327	327	
Contractual: WI Dept of Commerce Total (details in shaded table below)	398,125	48,125	350,000
Travel	0	0	0
Capital Equipment	0	0	0
Supplies	0	0	0
Others	0	0	0
<b>Total Direct Costs</b>	<b>400,520</b>	<b>50,520</b>	<b>350,000</b>
<b>Total Indirect Costs</b>	<b>327</b>	<b>327</b>	<b>0</b>
<b>TOTAL COSTS</b>	<b>400,847</b>	<b>50,847</b>	<b>350,000</b>

<i>Details on WI Dept of Commerce Contractual:</i>	Total Project Costs	Proposed State Leverage Funds	EPA Funding
• <i>Personnel</i>	48,125	48,125	0
• <i>LTE salary &amp; fringe</i>	52,700		52,700
• <i>LTE indirect (13.8%)</i>	7,300		7,300
• <i>Contractor for IL site visits</i>	25,000		25,000
• <i>Contractor for ERP Performance Analyzer upgrades</i>	20,000		20,000
• <i>Partner organizations (MOU)</i>	182,000		182,000
○ <i>provide data quality training; data compilation and management; data analysis and compile results for final report</i>	(150,000)		(150,000)
○ <i>coordinate Consortium meeting and other training logistics; reimbursement for travel and meeting costs</i>	(32,000)		(32,000)
• <i>Supplies</i>			
○ <i>JMP software</i>	2,000		2,000
○ <i>printing and mailing of materials</i>	60,000		60,000
○ <i>online self-cert development</i>	1,000		1,000

## **Project Narrative**

### Project Abstract

To reduce emissions of air toxics, state environmental agencies and EPA regional offices must work together to implement dozens of new area source NESHAPs. Thousands of sources previously under limited regulation are now affected by these regulations, but states have limited funding available for implementation. Therefore, a cost effective implementation solution is needed. The Environmental Results Program (ERP) approach offers such a solution. State small business environmental assistance programs (SBEAPs) are experts at providing effective compliance assistance on limited budgets. The Wisconsin Department of Natural Resources and the Wisconsin Small Business Clean Air Assistance Program (SBCAAP, one of the SBEAPs) 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. While the primary focus of this project will be compliance with subpart 6H, as feasible we also will provide education and collect data on compliance and best practices in other regulated environmental impact areas, energy efficiency and pollution prevention.

### Problem Statement

New federal rules to reduce air toxic emissions affect thousands of very small sources that previously had little or no formal regulation by state or federal environmental agencies. Needed emissions reductions will not be achieved without an effort to help small sources understand and comply with the requirements in the rule. States lack sufficient resources to implement and enforce the new rules. An Environmental Results Program is a more efficient and cost effective method than a traditional permitting and compliance system to reach small businesses and improve their compliance and environmental performance.

### Project Objectives

The objective of the Region 5 States ERP for Autobody Refinishing Shops project is to use the ERP structure to implement a portion of subpart 6H affecting autobody refinishing shops and in doing so, determine the impact of direct compliance assistance, self-assessment and certification, and random-sample site visits or inspections in lieu of traditional permitting and enforcement inspections. Use of plain-language materials to explain the requirements and how to determine if compliance was achieved, as a self-assessment checklist does, is believed by many to be more effective in achieving a positive change in the behavior of a small business than by solely providing them with a permit document written in legal terms with no further explanation until a compliance inspector shows up on their doorstep. Following the ERP design, conducting random sample baseline visits as well as compliance inspections following the compliance assistance phase will measure whether we have achieved the outcome of improving environmental performance of the shops affected by the new area source rule.

### Methodology or Technical Approach

The WDNR and SBCAAP will partner with Region 5 state SBEAPs, other assistance staff and EPA Region 5 Air Program staff to develop an ERP for the autobody refinishing sector affected by the subpart 6H area source NESHAP, which will include compliance assistance, self-certification, and statistical analysis of baseline and post-certification measurement of

performance. Four of the six Region 5 states have strong experience leading and/or participating in the development and implementation of an ERP, which greatly improves our chances of success on the proposed project. We will also partner with NEWMOA (Northeast Waste Management Officials Association) to gain access to their expertise in developing and conducting training on data collection, data management and analysis in a multistate project (Common Measures), and planning and managing logistics of multiple States ERP Consortium meetings.

The Region 5 ERP for autobody shops will develop in the following phases.

Phase One: The first step is to compile and refine the universe of sources in the project. State SBEAPs will compile their best autobody refinishing universe and decide which areas in their state will be selected for the urban focus; the regional urban universe will be used to select a random sample for the baseline visits to be conducted by SBEAPs in all but Illinois. As soon as possible, a university program that has historically conducted compliance assistance visits on behalf of the IL SBEAP will be brought on board through a contract to conduct the baseline visits in Illinois. WI Dept of Commerce will develop a memorandum of understanding between each state SBEAP as well as NEWMOA to outline expectations for each entity's role in the project and how expenses will be reimbursed.

EPA Region 5 has stated that urban areas will be their priority in implementation of the area source rules, since they are developed under the EPA Urban Air Toxics Strategy. In addition, an urban area focus will make the best use of time and travel expenses, as well as to achieve the biggest gains on public health impact from the environmental performance improvements and improve the chances of reduced air toxics and collateral emissions (e.g., VOCs) in environmental justice areas. Assessing impact on environmental justice areas is also a regional and USEPA priority.

At the same time as the universe is refined, the inspection checklist will be developed through discussions among state SBEAPs and EPA regional staff who are interested in participating. WDNR and other state regulatory programs may also participate in checklist development as they see fit or are able to given limited funding for area source work.

Upgrades to the ERP Performance Analyzer should be reviewed in this phase. SBCAAP, NEWMOA staff, and a software contractor should conduct an analysis to determine what upgrades are necessary to allow us to easily use the software in our future data analysis steps.

Phase Two: State SBEAPs and consultants will conduct the baseline site visits. Prior to beginning that effort, all project field staff (2 to 3 per participating state and Region 5) conducting the baseline site visits as well as follow-up compliance inspections will be trained together to ensure common understanding of the measures and statistical principles for data gathering are followed. NEWMOA will develop and conduct the training on data quality and collection techniques for the project field staff. State SBEAPs will assist in developing training on the environmental regulations for project field staff, depending on their program's expertise.

Phase Three: Following completion of the baseline site visits, the participating states will submit site visit data directly to SBCAAP in such a manner as to preserve confidentiality (as required within each state) for all facilities visited. Analysis of baseline site visit data will reveal strengths and weaknesses which will inform the outreach effort, including final material development. NEWMOA will assist SBCAAP in compiling and analyzing the data from baseline site visits to determine if there are particular areas where we should focus during the training and outreach phase. We will need to have upgrades to the ERP Performance Analyzer completed at this stage to take advantage of its utility and time savings for conducting this analysis.

SBEAPs along with EPA staff and other stakeholders will then develop common materials for the compliance assistance phase of the ERP. There are a number of tools previously created by a number of SBEAPs for the autobody sector that can be leveraged to help us create the ERP materials. Workshops will be conducted throughout the six Region 5 states to help the autobody refinishing shops understand the rule requirements and how to implement other efficiency and best management practices.

Phase Four: A self-certification checklist that also meets the needs of the Notification of Compliance Status for subpart 6H will be provided to all shops. These will be due on the compliance deadline in subpart 6H. Region 5 EPA staff will provide any necessary follow up on non-submittals of the Notification of Compliance Status, as needed.

Phase Five: The compliance program in the Air Branch at EPA Region 5 has agreed to conduct the compliance inspections following the self-certification phase. EPA commitment to this effort was outlined in a e-mail from Cheryl Newton, Acting Division Director, Air and Radiation, USEPA Region 5, to state air directors on September 24, 2008, stating “EPA's Air Enforcement and Compliance Assurance Branch has agreed to support the ERP pilot by conducting all post compliance inspections of the sampled facilities in the Region.” The same universe established for the baselines will be used for the EPA random sample for inspecting facilities.

Phase Six: Following completion of the compliance inspections, SBCAAP in concert with NEWMOA staff will compile all data, conduct a statistical analysis, and write the final report.

*Key Milestones*

Federal fiscal year 2010	
Fall 2009 (Oct-Dec)	<ol style="list-style-type: none"> <li>1. Develop and submit QAPP</li> <li>2. Identify universe of facilities</li> <li>3. Select contractor for IL baseline visits</li> <li>4. Complete MOU between WI Dept of Commerce and other state SBEAPs and NEWMOA</li> <li>5. Develop site visit checklist, protocol and training, data management process</li> <li>6. Conduct site visit training</li> <li>7. Begin baseline site visits</li> </ol>

Winter 2010 (Jan-Mar)	8. Quarterly Report 9. Finish baseline site visits (majority before JAN. 11, 2010: Initial notification for existing sources) 10. Data management and analysis for baseline 11. In partnership with associations, develop outreach materials to publicize the project
Spring 2010 (Apr-Jun)	12. Quarterly Report 13. Mail self-certification and workbook to urban universe 14. Respond to requests for assistance on phone or site
Summer 2010 (Jul-Sep)	15. Quarterly Report 16. Conduct workshops and other education
Federal fiscal year 2011	
Fall 2010 (Oct-Dec)	17. Quarterly Report 18. Help EPA develop post-certification inspection and data management protocol
Winter 2011 (Jan-Mar)	19. Quarterly Report 20. Finish development of post-certification inspection protocol and data routines; Begin processing cert data (certs due: MAR. 11, 2011: Compliance notification/date)
Spring 2011 (Apr-Jun)	21. Quarterly Report 22. Final cert data processing; Begin post-cert inspections; design transition to Region 5
Summer 2011 (Jul-Sept)	23. Quarterly Report 24. Finish post-cert inspections
Federal Fiscal Year 2012	
Fall 2011- Winter 2012 (Oct-Mar)	25. Quarterly Report 26. Finalize post-cert data and analysis 27. Create vehicle for annual (or other periodic) submittals and data management between state/fed
Spring – Summer 2012 (Apr – Sept)	28. Finalize project report.

*Addressing Evaluation Criteria*

This final proposal includes all content submitted with the pre-proposal that was accepted by USEPA. Additional information has been provided in sections on the Detailed Budget and Transferability to address gaps in the pre-proposal.

One very important piece to the regional project has been resolved in the last few months. All six states have committed to participate in the project (two states had still been in the process of gaining internal support at the time of pre-proposal).

This proposal will support the USEPA Strategic Goals in the following ways:

- Goal 1, Sub-Objective 1.1.2: *Healthier Outdoor Air, reducing emissions of air toxics.* By focusing on implementation of the NESHAP for Area Sources of Paint Stripping and Miscellaneous Surface Coating, 40 CFR part 63 subpart HHHHHH (subpart 6H), the project will assist in ensuring reduction of air toxics throughout the region as

opposed to the potential results without the project. Lacking additional funding, states are not planning to take delegation for the area source rules. Ordinarily the SBEAPs would provide some level of outreach on the requirements, as dictated by the individual states' program priorities. The proposed project will ensure widespread outreach concerning the requirements across the Region 5 states. Without outreach, there will be very limited and inconsistent application of the practices outlined in the rule among shops. Improved application of the practices will reduce air toxics throughout the six states.

- Goal 5, Sub-objective 5.1.1: *compliance assistance, reducing environmental risks in all areas including those with environmental justice concerns.* State SBEAPs have been providing compliance assistance to small businesses for over 15 years. Because they often have a measure of confidentiality, they have gained the trust and credibility that allows small business owners a level of comfort in accepting assistance from the programs even though they reside in state agencies. The SBEAPs provide their assistance throughout their respective states. In developing an early partnership with Region 5 EPA staff, they have agreed to focus the baseline and follow-up measurement in the larger urban areas. Compliance assistance will still be available state-wide, but by focusing the ERP presence of state and EPA staff in urban areas we hope to drive additional reduction of the environmental impact of the shops in the areas with the environmental justice (EJ) concerns. A preliminary review of the proposed urban samples from all states indicates that many of the urban counties identified as being included in the sample contain US EPA Environmental Justice areas of concern or areas of higher concern. Where possible, following the two data collection phases, the project will identify the number of shops sampled that were located in areas of concern.

Also related to Goal 5 above is the side benefit of reduced VOCs due to implementation of the NESHAP, and the ultimate effect of reducing ozone levels. US EPA, within its rule development documents has estimated a reduction of nearly 20,000 tons per year of VOCs across the nation. If these reductions are achieved, Region 5 states should see improved ozone levels given their own state as well as out-state transport contributions.

- Goal 5, sub-objective 5.2.1 and 5.2.2: *prevent pollution, promote environmental stewardship; promote improved environmental performance through project with sector-based and performance-based focus, conducted largely by providing direct assistance to small businesses.* In addition to the key indicators driven by the area source rule requirements, we also will consider as many indicators as possible that will address pollution prevention, energy and/or water efficiency measures and other best practices we may find and individual states may choose to include. Considering other best practices can help lead shops to improve their overall environmental performance and thereby achieve a higher level of environmental stewardship. Our ongoing collaboration with associations and firms representing the autobody refinishing industry will undoubtedly lead those groups to encourage wider environmental protection and stewardship approaches during and after the project.

We will convey pollution prevention, efficiency and best practices through the usual compliance assistance techniques SBEAPs are well known for: plain-language materials, comprehensive workshops, measurement of knowledge gained and overall usefulness of the assistance provided. Through ERP, we will focus on performance by producing data on performance changes and related environmental results.

### *Transferability*

The Commerce project lead and other state SBEAP and assistance staff expect to provide information on the results of this project through as many avenues as are made available to us. In addition to routine discussion on States ERP Consortium monthly and workgroup conference calls, we would propose sessions at the annual National SBO/SBEAP Conference, the Environmental Summit, the ECOS spring or fall meetings, EPA's Innovation Action Council, NACAA and other media programs' national conferences (where we include data collection beyond the NESHAP), and as many States ERP Consortium face-to-face meetings as can be arranged over the next few years. There may also be opportunities to visit ERP learning states, to introduce a multi-state concept to other states and regions considering a similar project.

There has been a mixed response from states accepting delegation authority for the area source NESHAPs. This project can demonstrate a potential tool for EPA Regional Offices to implement regulations affecting a large number of small sources located in one or more states in their region. The project will create a template of developed materials, process, and targeted outreach efforts that can be transferable to similar implementation scenarios.

In addition, the project may result in development of compliance assistance tools for the shops that differ from what is available in other states. We will follow our normal process of sharing tools from this project and look for other avenues as well.

- Any compliance assistance tools created by SBEAPs are shared nation-wide through the Small Business Environmental Home Page (<http://www.smallbiz-enviroweb.org/default.aspx>) through a variety of web pages within the site.
- Individual SBEAPs will share tools and information internally to help state regulatory agencies understand how they might use a similar process in other programs.

The States ERP Consortium has arranged a way to share ERP tools through EPA's Environmental Science Connector. Any ERP related tools developed under this project will be posted on the Environmental Science Connector so that other ERP states may borrow them. Another tool that may be of assistance to other ERP states would be a guide on how to develop a multi-state or multi-agency ERP. We will undertake development of a document (flowchart, timeline, etc.) that will assist other states or Regions attempting a similar project.

A number of ERP states have been unable to use the ERP Performance Analyzer (originally developed by MassDEP) because the system still had some gaps in usability – one primary reason it wasn't used for the Printer ERP was the need to hand enter all the questions and responses. A goal of this project is to enhance the ERP Performance Analyzer for easier data entry. The results of this enhancement will be designed for use by as many other states as possible. Contractor funding will be set aside to address these needs.



### *Collaboration or Partnerships*

This project will leverage the ERP Common Measures for autobody shops already developed in a previous multi-state/EPA partnership project, but results may differ slightly due to variations in regulations in Region 5 compared to the Common Measures states. The project will share ERP results data with the States ERP Consortium and EPA for national ERP results reporting. All six states in Region 5 are committed to participating in the project development and outreach; 5 of the states will provide staff for baseline site visits.

In contrast to previous and current multi-state ERP projects which have had states conducting independent state-by-state ERPs using a common core of topics and indicators, this project proposes to pool autobody facilities across several states into a single universe from which a random sample is chosen. In this way, the sector can be assessed using about 140 site visits total versus over 600 visits if an ERP were conducted by six individual states. This lowers the burden on individual states and on EPA during long-term implementation and is a revolutionary application of ERP, which is now emerging as a viable alternative to facility-by-facility conventional permitting/inspection routines. We have consulted ERP experts under EPA contract in preliminary design of the project, and they have supported our planned distribution of site visits to individual states in the region. Given the scope of data management a six state project implies, we plan to include NEWMOA as a partner in this project. NEWMOA's experience with the Common Measures data compilation and analysis is ideal for our project as the Common Measures project involved ten states as full participants as well as two or three others included as learning states.

### *Public Involvement*

To facilitate involvement by anyone interested in the ERP project, we plan to post all public information on the Department of Commerce SBCAAP website and other state SBEAP websites where possible. This is a simple avenue to distribute information and can be accessed at any time.

We also plan to work closely with the trade associations in each state to ensure that member shops are provided outreach materials in a timely manner and kept up-to-date on the status and goals of the project. Industry specific business licensing mailings can also be an avenue to get information out to all shops in states that have such licenses.

Other avenues for public involvement would be through the use of press releases and providing articles to media outlets to inform autobody shops that may not be reached through the trade associations. These venues would also inform the general public.

### Outcomes and Measures

While the primary focus will be compliance with subpart 6H, we also will provide education and collect data on best practices in energy efficiency and pollution prevention. To achieve that goal we will produce the following outputs and measure the following outcomes.

### *Environmental Outputs*

The expected environmental outputs from this project will include not only the standard products expected for a State Innovation Grant (progress reports, statistical methodology and quality

assurance plan) but will also include a number of other products. During development of the ERP a process for gaining stakeholder involvement and input will be laid out. The SBEAPs and Region 5 staff will coordinate outreach and developing the universe through a series of teleconferences.

For the ERP we will create the following documents: facility self-assessment checklist and accompanying detailed workbook, materials and documentation associated with workshops/training sessions to explain environmental requirements to the shops, and possible on-line tutorial to assist facilities with completion of self-assessment. To compare these compliance assistance tools and demonstrate their benefits over the traditional permitting and enforcement system for a small business sector such as autobody shops, we will review how this industry is approached in other states and/or regions and address the findings in our final report. We will also consider conducting an evaluation of the industry perception of our compliance assistance effort, through a survey or similar tool, at the end of the project to guide future use of ERP with not only this industry but also similar small business groups.

#### *Environmental Outcomes*

The project will use the following measures as a starting point for discussions of what is reasonable and achievable to measure in a shop visit. Beyond those measures directly related to the requirements in subpart 6H, additional measures may be included based on consensus of the partnering agencies. The measures listed are for the most part taken from the Common Measures project for autobody refinishing shops. We hope to retain as much similarity as possible, to be able to make correlations between our project and others using the Common Measures for autobody refinishing. Where possible, the measures are compared to the outcomes listed in the Logic Model by their number: ST=short term, I=intermediate, LT=long term. Where long-term outcomes are identified, we are uncertain whether the data collecting within just two to three years will be sufficient to show progress. Other outcomes in the Logic Model not identified here are considered side benefits to the project that cannot be directly measured through the ERP format.

Because many of the new requirements are not currently applied by states or are applied but only in non-attainment areas, we can expect to see definite improvements on the control and training measures. The extent of improvement will be hard to predict, since the rule has been effective for over a year at the time of this proposal and it is uncertain whether shops will learn about the rule through other means and implement the requirements prior to baseline measurements.

The partnering agencies have agreed to collect data on the elements of subpart 6H. Through discussions taking place in the summer of 2009, the group plans to have a complete list of additional measures that will be included in the baseline and post-certification data collection phases. The group plans to complete their negotiations and provide their list to EPA Region 5 compliance and enforcement chief by the end of July, 2009. Then the group will work with EPA Region 5 to come up with the final list by the end of August, 2009. The outcome measures will be finalized as part of the QAPP.

#### **Practices Associated with subpart 6H (ST-1, I-1)**

- % using HVLP or equivalent high transfer efficiency technology (I-2)

- % with high transfer efficiency painting training in place **(I-3)**
- % with different components of training **(I-3)**
- % using hands-on or classroom-only training **(I-3)**
- Rate of documentation of training
- % at which all spray-applied coatings used in enclosed booth or prep station
- % of booths/stations fitted with particle filters **(I-2)**
- % of booths/stations fitted with filter/system achieving 98% capture **(I-2)**
- % where spray gun cleaning is done with enclosed or non-atomizing washers
- % maintaining MSDS or formulation records for all solvents/coatings use
- % maintaining records of the amount/content of coatings containing Cr, Pb, Cd, Ni, Mn
- % using paint strippers containing Methylene Chloride **(I-4, I-5)**
- % keeping records to document annual MeCl usage
- Average and range of MeCL used **(I-4, I-5)**
- Percent of MeCL users with written MeCl minimization plan
- % maintaining records of the amount/content of coatings containing VOC and HAP

### **Other Practices Under Discussion**

#### **POSSIBLE AIR PRACTICES**

- Average throughput (vehicles painted) per year **(I-5)**
- Average and range of coatings used (and HAP content) **(I-4, I-5)**
- % using dustless vacuum or overhead capture equipment **(I-8)**
- % keeping shop doors closed to avoid releasing sanding dust **(I-8)**
- % meeting applicable state requirements **(ST-2)**

#### **POSSIBLE AIR RECORD KEEPING:**

- Average and range of VOC and HAP content (% by weight) **(I-4, I-5)**
- Average and range of listed metals content (% by weight) **(I-4, I-5)**

#### **POSSIBLE HAZARDOUS WASTE **(I-8)****

- Average and range of maximum amount of RCRA waste the facility generates in a month
- Numbers of facilities in generator classes (CESQG or VSQG, SQG, LQG)

#### **POSSIBLE INDUSTRIAL WASTERWATER INDICATORS **(I-8)****

- % of facilities discharging IWW to surface water
- % of facilities discharging IWW to a storm, sanitary or combined sewer system

#### **POSSIBLE POLLUTION PREVENTION-ENERGY EFFICIENCY INDICATORS **(I-8)****

- % of facilities taking one or more actions to conserve water the past three years (distribution across menu of possible actions)
- % of facilities taking one or more actions to conserve energy over the past three years (distribution across menu of possible actions)
- % of facilities taking one or more actions to reduce toxics the past three years (distribution across menu of possible actions)

### OTHE POSSIBLE OUTCOMES (from the States ERP Consortium's Core Measures)

In presenting data on baseline performance of the sector, post-ERP performance and changes between the two, WI will present the data in the format set forth in the "Template for Reporting Core ERP Measures", Appendix C to "The States ERP Consortium Guide to Reporting ERP Results," April 2009, to the extent possible given the measures included after final discussion between the states and Region 5 EPA. Many of those are included here:

#### **Self-Certification (ST-3)**

- Final certification rate
- Rate of "high-concern" discrepancies with regard to facility certifications on indicators
- Rate of self-disclosed noncompliance
- Rate of return-to-compliance (RTC) plan submission (if RTCs used)
- Rate of self-disclosing facilities submitting one or more return-to-compliance plans (if RTCs used)

#### **Performance/Compliance Rates (I-1, I-5, LT-1)**

- Summary of performance changes for each indicator (if follow-up inspection data is available from Region 5 before project's end)
- Aggregate achievement rate for all indicators
- Achievement rate across all compliance-related measures (commonly called a traditional compliance rate)
- Average facility score for all indicators
- Distribution of facility scores for all indicators
- Average facility score for compliance-related indicators
- Distribution of facility scores for compliance-related indicators
- Average facility score for all compliance-related measures
- Distribution of facility scores for all compliance-related measures

#### **Impact Changes (I-5, LT-2)**

- Rate of managing/controlling certain environmental aspects
- Level of group emissions/waste/discharges/chemical usage related to certain environmental aspects
- Relationship of project activity and typical impact (and changes if follow-up inspection data is available from Region 5 before project's end) on environmental justice areas

The outcomes under Impact Changes are probably the hardest to measure, and depend on the ability to capture accurate information about emissions/waste generation, etc. We will investigate the use of an emissions modeling approach to estimate reductions of VOCs and particulate matter, and possibly estimating reductions in materials usage and organic HAPs. One tool we will investigate is the DfE's Emissions Reductions Calculator for the Auto Refinishing Industry (May 2008). Another resource that is available is the baseline emissions and emissions reduction estimates prepared during rule development for the Motor Vehicle and Mobile Refinishing NESHAP. We need to investigate the pros and cons of each, and depending on which one best meets our needs we will then design questions to capture the necessary information.

### *Outcomes linked with Funding*

The project milestones (shown previously in the Key Milestones table) have been organized by calendar year quarters beginning from the projected start date of October 1, 2009. Quarterly reports will include expenses for that specific quarter, as seen in examples from New York and Narragansett Bay ERP projects.

### **Past Performance**

The WI Department of Natural Resources (WDNR) Bureau of Air Management was awarded a State Innovation Grant for a project titled "Improved Environmental Results and Increased Regulatory Flexibility in Air Permitting for the Printing Sector Using EMS and ERP." All quarterly reports required for that project are up to date. The final report deadline has been extended in order to allow data compilation to be completed.

The WDNR Bureau of Cooperative Environmental Assistance received a State Innovation Grant for a project titled "Use of Whole Farm EMS as a Supplement to CAFO Permits for the Dairy Sector." WDNR has submitted quarterly reports due to US EPA in a timely fashion. Feedback on the quarterly reports from US EPA has been positive in areas of content and structure. WDNR anticipates it will satisfy the timeline outlined in the reporting schedule by the end of 2009.

### **Logic Model**

See Attachment 2.

### **Reporting Requirements**

Quarterly progress reports and a detailed final project report will be submitted in a timely fashion according to the schedule/deadlines established by EPA after approval of the award. Quarterly reports will track completion of project milestones, expenditures of funds, important outcomes and unexpected problems or issues, and summarize technical progress. All data collected will be shared with EPA for the purpose of assessment on a regional and/or national level. Reports will be provided electronically to both the EPA designated grant Project Officer (PO) for the award and to NCEI simultaneously. The final report will be completed no later than ninety calendar days following the completion of the project period. The final report will include: a complete overview/summary of all of the activities conducted within the grant project period; any and all data and results; and an explanation of any impediments and how they were addressed.

The final report will include information provided in the format set forth in the "Template for Reporting Core ERP Descriptors," Appendix B to "The States ERP Consortium Guide to Reporting ERP Results," April 2009, to the extent possible given the data collected during the project.

### **Key Personnel**

William Baumann, at the WDNR, is the Compliance & Enforcement Section Chief within the Air Management Program. This section is responsible for programmatic implementation of EPA MACT standards, including promulgation of MACT standards into state administrative code. Staff in Mr. Baumann's section are responsible for leading the WDNR statewide MACT Team, and staff in his section also assisted with the baseline inspections for the printer ERP project. Mr.

Baumann has made presentations at several recent NACAA annual Enforcement and Compliance workshops on the topics of state funding impacts of GACT implementation, and Wisconsin's experience with the printer ERP.

Renee Lesjak Bashel, at the WI Department of Commerce Small Business Assistance Program, has been conducting compliance assistance activities for small businesses with a focus on air pollution regulations for nine years. Ms. Bashel was an Air Management Engineer for the WDNR Bureau of Air Management for eight years prior. As Chair of the Technical Subcommittee for the SBEAP's National Steering Committee, she has been working closely with USEPA OAQPS rule writers on multiple area source rules and in the process worked with members of the subcommittee to provide input and comment on three area source rules since 2007. In partnership with WDNR, Renee has led their SIG printer ERP project since 2004.

## Attachment 2

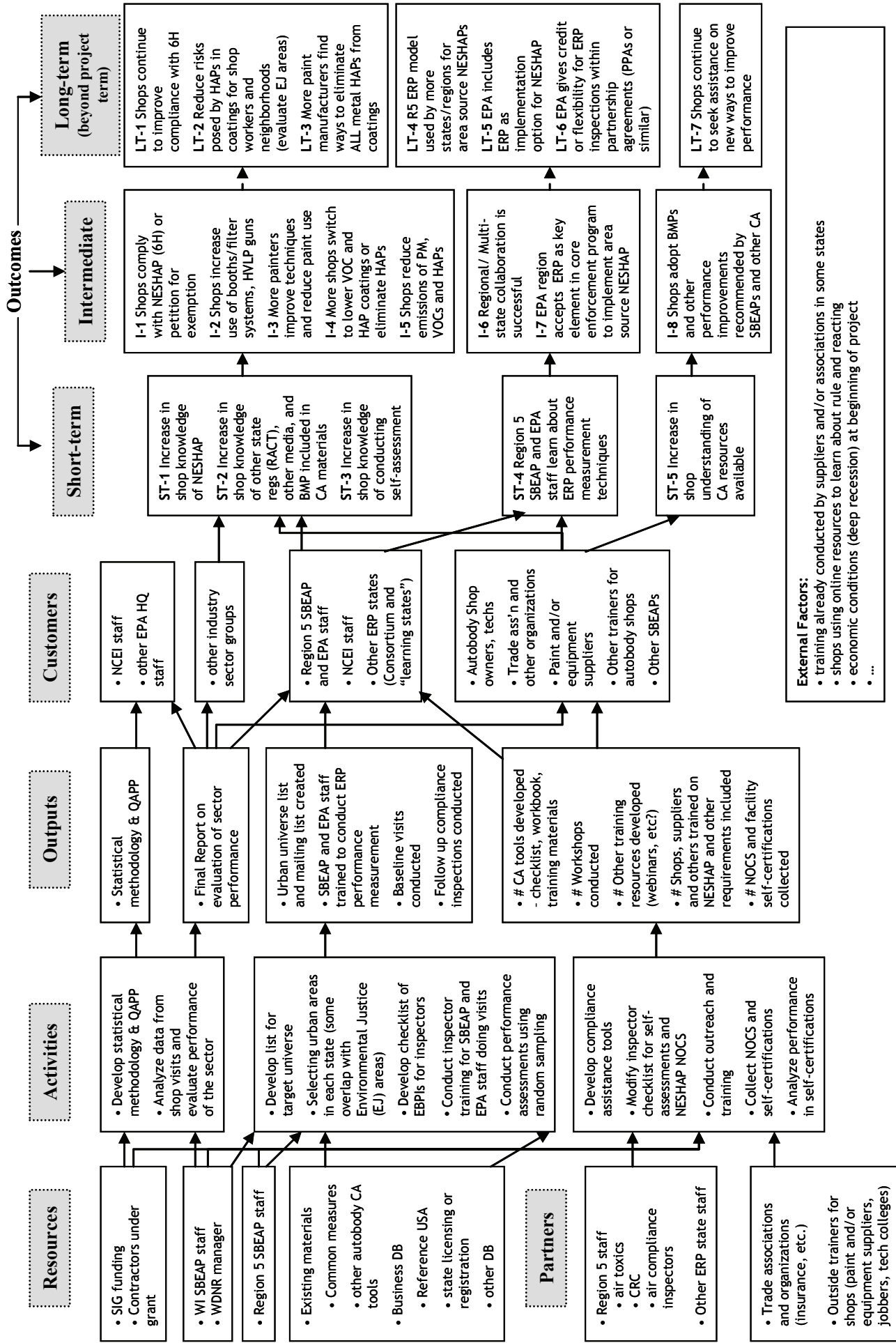
### Logic Model

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## Region 5 ERP for Autobody Refinishing Shops

**Program/Project Goal:** Use the ERP structure to implement a portion of subpart 6H affecting autobody refinishing shops and in doing so, determine the impact of direct compliance assistance, self-assessment and certification, and random-sample site visits or inspections in lieu of traditional permitting and enforcement inspections



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# Appendix A

## State Support Letters



STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING



JENNIFER M. GRANHOLM  
GOVERNOR

STEVEN E. CHESTER  
DIRECTOR

December 1, 2008

U.S. Environmental Protection Agency  
National Center for Environmental Innovation  
State Innovation Grant Program  
1200 Pennsylvania Avenue, Northwest  
Mail Code 1807T  
Washington, DC 20460

Dear Sir or Madam:

This letter is to confirm my support for the Michigan Department of Environmental Quality's (MDEQ's) involvement in the proposed Region 5 States' Environmental Results Program (ERP) project supporting the initial implementation phases for the Paint Stripping and Miscellaneous Surface Coating area source NESHAP (40 CFR Part 63, Subpart HHHHHH) within the autobody refinishing sector.

The MDEQ has a great deal of interest in adopting innovative tools such as the ERP, which offer cost-effective means of attaining environmental results. We believe the ERP's integration of compliance assistance, self-certification, and statistical analysis of baseline and post-certification measurement of performance will produce environmental improvement, as well as enhance data on the compliance and performance status of the autobody refinishing industry.

I have been briefed on the project and am in full support of the participation by the MDEQ's Environmental Assistance Program. Finally, I will support any necessary agreements among the participating states and the U.S. Environmental Protection Agency (U.S. EPA) Region 5 as long as they preserve any and all working relationships and agreements that are in place within our state government.

We appreciate the opportunity to participate in this State Innovation Grant, and look forward to a successful partnership with other states and the U.S. EPA through this proposed project.

Sincerely,

Steven E. Chester  
Director  
517-373-7917

cc: Mr. Jim Sygo, Deputy Director, MDEQ  
Ms. JoAnn Merrick, Chief of Staff, MDEQ  
Ms. Amy A. Butler, MDEQ  
Mr. James Ostrowski, MDEQ



# Minnesota Pollution Control Agency

520 Lafayette Road North | St. Paul, MN 55155-4194 | 651-296-6300 | 800-657-3864 | 651-282-5332 TTY | [www.pca.state.mn.us](http://www.pca.state.mn.us)

December 3, 2008

State Innovation Grant Program  
National Center for Environmental Innovation  
Office of the Administrator  
U.S. Environmental Protection Agency (MC 1807T)  
1200 Pennsylvania Avenue Northwest  
Washington, DC 20460

Dear Sir or Madam:

This letter is to confirm my support for the Minnesota Pollution Control Agency's (MPCA) involvement throughout the proposed Region 5 States Environmental Results Program (ERP) for auto body refinishing shops. The project is an innovative way to support the initial phases of implementing the Paint Stripping and Miscellaneous Surface Coating area source National Emission Standards for Hazardous Air Pollutant Sources (NESHAPS) (40 CFR pt. 63, subp. HHHHHH). Although the MPCA will not seek delegation of the NESHAP, we are happy to partner with our peer states and Region 5 to address this new federal regulation which will affect so many small facilities.

We have a great deal of interest in adopting new tools such as ERP which offer cost-effective means of attaining environmental results. The MPCA has been using ERP's integration of compliance assistance, self-certification, and statistical analysis of baseline and post-certification data with our dairy industry. That experience leads us to believe ERP will produce and document environmental compliance and performance improvement in the auto body refinishing industry.

I am in full support of the participation by our Prevention and Assistance Division in all aspects of the program. Finally, I will support any necessary agreements among the participating states and U.S. Environmental Protection Agency (EPA) Region 5 as long as they preserve any and all working relationships and agreements that are in place within our state government.

We appreciate the opportunity to participate in this State Innovation Grant Program proposal, and look forward to a successful partnership.

Sincerely,

A handwritten signature in black ink that reads "Paul Eger".

Paul Eger  
Deputy Commissioner

PE/AI:rlr



## INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

*We Protect Hoosiers and Our Environment.*

*Mitchell E. Daniels Jr.*  
Governor

*Thomas W. Easterly*  
Commissioner

100 North Senate Avenue  
Indianapolis, Indiana 46204  
(317) 232-8603  
Toll Free (800) 451-6027  
[www.idem.IN.gov](http://www.idem.IN.gov)

December 10, 2008

State Innovation Grant Program  
National Center for Environmental Innovation  
U.S. Environmental Protection Agency  
Washington, DC

Dear Sir or Madam:

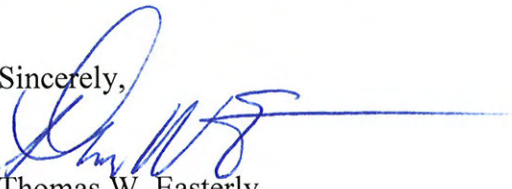
This letter is to confirm my support for the involvement of the Indiana Department of Environmental Management's Compliance & Technical Assistance Program (CTAP) throughout the proposed Region 5 States Environmental Results Program (ERP) project to support the initial phases of implementing the Paint Stripping and Miscellaneous Surface Coating area source NESHAP (40 CFR part 63 Subpart HHHHHH) with the autobody refinishing sector.

We have a great deal of interest in adopting innovative tools such as ERP which offer cost-effective means of attaining environmental results. We believe ERP's integration of compliance assistance, self-certification, and statistical analysis of baseline and post-certification measurement of performance will produce environmental improvement and enhanced data on the compliance and performance status of the autobody refinishing industry.

I have been briefed on the project and am in full support of the participation by CTAP in the following aspects: developing outreach materials including a self assessment checklist, participating in site visit training, conducting baseline site visits, and conducting workshops.

Finally, I will support any necessary agreements among the participating states and EPA Region 5 as long as they preserve any and all working relationships and agreements that are in place within our state government.

We appreciate the opportunity to participate in this State Innovation Grant, and look forward to a successful partnership with other states and EPA through this proposed project.

Sincerely,  
  
Thomas W. Easterly  
Commissioner



State of Ohio Environmental Protection Agency

STREET ADDRESS:

Lazarus Government Center  
50 W. Town St., Suite 700  
Columbus, Ohio 43215

TELE: (614) 644-3020 FAX: (614) 644-3184  
www.epa.state.oh.us

MAILING ADDRESS:

P.O. Box 1049  
Columbus, OH 43216-1049

March 24, 2009

Sherri Walker  
State Innovation Grants Program  
Office of Policy, Economics and Innovation  
National Center for Environmental Innovation (1807T)  
US Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

RE: Region 5 States ERP - State Innovation Grant: Number: GRANT10098318

Dear Ms. Walker:

This letter is written in response to Region V's interest in pursuing a State Innovation Grant for a proposed Environmental Results Program (ERP) project related to outreach and compliance with the Paint Stripping and Miscellaneous Surface Coating area source NESHAP (40 CFR part 63 Subpart HHHHHH) for the auto body refinishing sector.

Ohio EPA's Office of Compliance Assistance and Pollution Prevention supports the use of innovative, cost-effective approaches such as an ERP to achieve compliance-related goals. We believe ERP's integration of compliance assistance, self-certification and statistical analysis of baseline and post-certification measurement of performance can produce environmental improvement. In addition, such initiatives can yield important data on the compliance and performance status of the auto body refinishing industry.

I have been briefed by my staff here on the project and our Office of Compliance Assistance and Pollution Prevention intends to work in partnership with other Region V states on this project. The project team appreciates the opportunity for consideration of State Innovation Grant funding to support the objectives of the project. If you need any further information, feel free to contact me at (614) 644-2782.

Sincerely,

Laurie Stevenson, Ohio EPA  
Deputy Director, Business Relations

cc: Rick Carleski, OCAPP

Ted Strickland, Governor  
Lee Fisher, Lieutenant Governor  
Chris Korleski, Director



# ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 – (217) 782-3397  
JAMES R. THOMPSON CENTER, 100 WEST RANDOLPH, SUITE 11-300, CHICAGO, IL 60601 – (312) 814-6026

DOUGLAS P. SCOTT, DIRECTOR

217/782-3397  
217/782-9143 (TDD)

May 7, 2009

State Innovation Grant Program  
National Center for Environmental Innovation  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460

RE: Support for States Environmental Results Program Project

Dear Sir or Madam:

The Illinois Environmental Protection Agency (Illinois EPA) would like to confirm our support for the Region V States Environmental Results Program (ERP) project, in particular for the education and outreach activities. This project is designed to support the initial phases of implementing the Paint Stripping and Miscellaneous Surface Coating area source NESHAP (40 CFR part 63 Subpart HHHHHH) with the autobody refinishing sector.

The Illinois EPA currently funds and works with the Illinois Small Business Environmental Assistance Program (SBEAP) housed at the Illinois Department of Commerce and Economic Opportunity to provide substantial environmental assistance to Illinois' small business community. The Illinois EPA, in cooperation with the Illinois SBEAP, commits to work with Region V and other involved states in a coordinated manner on this project. The Illinois EPA believes that such projects are especially well-suited to provide valuable assistance to Illinois' small businesses in better understanding and meeting their compliance obligations.

Note that the Illinois EPA has concerns with any parties other than the Illinois EPA conducting compliance inspections and/or enforcement actions. We believe these activities are best accomplished by the State's through their existing air programs which are experienced in, and designed for, such tasks. In Illinois, inspection, compliance and enforcement actions are performed by the Illinois EPA's field operations staff, compliance section, and division of legal counsel. Federal funding to support compliance inspections and enforcement of the numerous existing and new Area Source NESHAPS should be considered for these existing state resources to compensate for the associated additional burden being placed on the states.

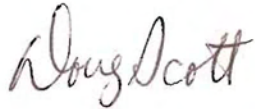
ROCKFORD – 4302 North Main Street, Rockford, IL 61103 – (815) 987-7760 • DES PLAINES – 9511 W. Harrison St., Des Plaines, IL 60016 – (847) 294-4000  
ELGIN – 595 South State, Elgin, IL 60123 – (847) 608-3131 • PEORIA – 5415 N. University St., Peoria, IL 61614 – (309) 693-5463  
BUREAU OF LAND - PEORIA – 7620 N. University St., Peoria, IL 61614 – (309) 693-5462 • CHAMPAIGN – 2125 South First Street, Champaign, IL 61820 – (217) 278-5800  
SPRINGFIELD – 4500 S. Sixth Street Rd., Springfield, IL 62706 – (217) 786-6892 • COLLINSVILLE – 2009 Mall Street, Collinsville, IL 62234 – (618) 346-5120  
MARION – 2309 W. Main St., Suite 116, Marion, IL 62959 – (618) 993-7200

PRINTED ON RECYCLED PAPER



The Illinois EPA commits to participating in innovative tools such as ERP, especially in regards to programs targeting outreach and educational efforts to the regulated community. We appreciate the opportunity to participate in this State Innovation Grant, and look forward to a successful partnership with other states and USEPA in this project.

Very truly yours,

A handwritten signature in cursive script that reads "Doug Scott".

Douglas P. Scott  
Director