

**Report**  
**Phase One Implementation Plan**  
**Bavaria-Wisconsin Regulatory Reform Working Partnership**

This report focuses on the accomplishments of Phase One of the Bavaria-Wisconsin Regulatory Reform Working Partnership. Dr. Werner Schnappauf, State Minister for State Development and Environmental Affairs, signed the Phase One Plan on 1 March 1999 and George E. Meyer, Secretary of the Wisconsin Department of Natural Resources added his signature on 14 March 1999.

Four themes provided the foundation for the plan and results are recorded under each:

1. Achievement of greater environmental protection: Staff in water quality, cross-sectoral environmental law, air management, solid waste management, brownfield reclamation, sustainable cities, forestry and policy development reported new ideas that were secured through document transfer, worldwide web, contacts and personal visits between Bavaria and Wisconsin.
2. Enhancement of business efficiency and profitability: Business leaders from Wisconsin visited Bavaria. They learned of innovation and new ideas for the energy and paper sectors and received a presentation from WSP Group on the use of environmental management systems and other innovative tools to achieve environmental protection and business efficiency goals.
3. Production of innovative public policies: Agency and ministerial leaders, university scholars and business leaders were informed on the potential of self-regulatory instruments and spoke to the need for new polices in a system of accountable self-responsibility. Major industry in Bavaria provided a consequential briefing of WI DNR top management on the corporate value of superior environmental performance and use of environmental management systems. The UW-Madison La Follette School of Public Affairs participated in a 1999 trip to Bavaria and became more mindful of the regulatory reform symbolized by the Bavaria-Wisconsin Agreement. Building on that experience and other examples, the School will dedicate considerable scholarly attention to the globalization of environmental protection through new forms of governance and self-responsible instruments. In DNR, four pilot EMSs have been launched: the future of waste management, operations of the Spooner regional headquarters and service center, operations of Lake Kegonsa State Park and a Benzene Reduction Action Team collaboration between DNR and the Wisconsin Foundry Industry. The Green Tier law was enacted, modeled in part after The Bavaria Pact.
4. Building of people-to people relationships: Exchanges of state government, academic, business and municipal government representatives and the effective use of electronic communications built relationships that will produce lasting benefits.

Specific topics of attention contained in Phase One were regulatory reform, general business sharing, university learning, sustainable community development, river restoration, pulp and paper industry sharing, energy utility sharing, food processing-environmental integration, auto supply chain integration and leadership exchange. Each topical area was given attention and some will be identified for continued attention in Phase Two.

These results are reported as highlights. Other results, too numerous to mention, have occurred through personal and organizational contacts between Bavarian and Wisconsin parties.

Regulatory reform: Wisconsin developed its Green Tier legislation, using ideas from the Bavaria Pact agreements between government and business, the general partnership approach to achieving state environmental goals and the independent auditing and verifying of performance under the Pact system. Several participants on the DNR's Green Tier citizen advisory committee visited Bavaria in 1999; George Meyer directed the discussion. Wisconsin and Bavaria participated in three environmental policy, innovation and trans-Atlantic state-to-state partnership conferences sponsored by Herbert Quandt Stiftung. George Meyer and State Minister Dr. Werner Schnappauf reported on the agreement at the first conference. Jonathan Lash, president of the World Resources Institute, called the partnership "remarkable" at the Washington HQS conference. Wisconsin and Bavaria made a joint presentation on regulatory substitution at the national environmental management system workshop in Milwaukee. DNR enforcement staff and Bavarian transmedial-law staff met with United States Environmental Protection Agency Region V enforcement officials on the subject of regulatory substitution. Bavarian Ministry authorities met with Wisconsin NGOs on river protection and other issues. On a national level, parties visiting Bavaria agreed to track and conceptually support congressional efforts at reforms that promote efficient and effective approaches to achieving and moving beyond minimal legal compliance with environmental rules.

From the experience with Wisconsin's Green Tier legislation and contacts with the United States Environmental Protection Agency, Bavaria gained important insights to be used in reforming German and Bavarian environmental laws. Both in the United States and in Germany, deregulation and substitution will be subject to voluntary environmental efforts based on entrepreneurial responsibility. In this context, Bavarian incentives have always emphasized the particular importance of environmental management systems (EMSs). The American MSWG (Multi-State Working Group on Environmental Performance), in which Wisconsin plays a major part, and the State of Wisconsin itself have taken up that idea, and developed it further to a very significant extent. With a new generation of environmental laws in mind, the international environmental management standard ISO 14001 is to be reformed, and to be established as ISO 14001 'plus', on the analogy of the European management standard EMAS. In other respects, the approximation of systems has brought about an amendment of the European EMAS Regulation (EMAS II) to include parts of the management descriptions contained in ISO 14001. In Bavaria, substitution as the result of the issuance of an ISO certificate has also become possible meanwhile in accordance with American considerations, on condition that certain prerequisites have been met. With other business, government, non-government and academic partners, Bavaria and Wisconsin are partners in an international best practices network for environmental performance and sustainable outcomes.

General business sharing: Environmental practices of two Bavarian metal finishers participating in the Umwelt Pact in Rosenheim and Graefelfing were documented for use in Wisconsin's sector-approach to cooperative environmental management as a part of the Cooperative Environmental Assistance Bureau. The environmental specialist of the Wisconsin Manufacturers and Commerce participated in a 1999 fact-finding trip to Bavaria to learn about environmental policies in government and government-business cooperation. He reported on the results to the WMC Environmental Committee. One of the consequences of his participation in the trip and the conversations of others on the trip was an increase in interest in environmental management systems. A change in personnel interceded in the implementation of a concrete assistance and self-help plan that was agreed upon by the business parties in the 1999 delegation. The entire 1999 delegation visited BMW AG to learn how corporate environmental policies can be designed for beyond-compliance performance within self-regulatory policy.

University learning: The University of Bayreuth and University of Wisconsin-Madison cooperated on a bi-continental project: “Ecosystem Management in Cultural Landscapes: Training a New Generation of Environmental Professionals.” The Center for German and European Studies provided a grant to the Engineering Professional Development program and cooperating faculties. The existence of the Bavaria-Wisconsin MOU and support of George Meyer helped produce a favorable funding result. The funding supported a graduate level course that focused on the cultural differences between the environmental regulation in Germany, other parts of Europe and the United States. The course was co-taught through the UW-Madison College of Engineering and Institute for Environmental Studies and the University of Minnesota Carlson School of Management, using distance learning technology. A paper describing the innovative nature of this course has been accepted at the International Journal of Sustainability in Higher Education. The UW-Madison Robert M. La Follette School of Public Affairs, which participated in the Bavaria trip, has refined the concept of environmental governance – a cooperative approach to achieving environmental results. Articles on “environmental governance” were published by the Follette School based, in part, on the Bavaria Pact. One article was a topic of lecture for Wisconsin legislators in a distinguished lecture series that attracted public officials, businesspersons and news media. Further progress will come through the Baldwin Fund Wisconsin Idea grant for a three-year regulatory innovation project. The UW-Madison Law School is offering a regulatory innovation course that includes Green Tier. The course is open to private and government practitioners.

Sustainable community development: Wisconsin Alliance of Cities and WI DNR representatives visited Munich, Nuremberg, Bamberg, Wuerzburg and Unterschleissheim, municipalities with environmental and economic policies that followed sustainability principles. Ideas from those visits helped frame a Wisconsin sustainable cities conference in Racine on July 26-28, 2000. Seventy people attended the conference. At least six Wisconsin cities are interested in exchanging sustainability information with Bavarian cities. A Bavarian ministry official in trans-medial law visited Milwaukee’s Menomonee River valley, which is being transformed from a cluster of brownfields into a sustainable valley to gain ideas. The person responsible for brownfield redevelopment at the old Munich airport also visited the valley. He has made presentations to the City of Milwaukee, the Green Building Alliance, Green Bay Wildlife Sanctuary and DNR headquarters staff in Madison.

River Restoration: UW-Madison engineering staff inspected restoration activities on the Isar River and made a presentation to DNR staff upon return. The information on Bavaria’s experience with the Isar River helped prepare WI DNR for Phase 2 discussions. Discussion took place in Munich between DNR and Ministry staff regarding the future basis for cooperation on river basin management and restoration issues in the context of the EU’s basin approach and Wisconsin’s utilization of geographic management units for basin management. Specific issues relating to river restoration are in common between the states. The Department of Engineering and Professional Development offered an urban channel design and rehabilitation course that included an instructor from the Bavarian ministry. One of the UW students who attended studied in Bavaria because of this contact. WI DNR, through the Division of Water, informed WI NGOs as to how to contact Bavaria Ministry authorities regarding a fact-finding visit on rivers and land use issues in fall 2004.

Pulp and Paper industry sharing: Officials from five paper companies, the Wisconsin Paper Council and its legal counsel visited Haindl mill in Bavaria to learn of techniques regarding wastewater treatment, power generation and recycling. Subsequent to their return, the pulp and paper industry became even more fully engaged in break-through thinking such as sector EMSs and innovative emission reduction approaches. The specific experiences reported by the Haindl

mill and information on market conditions that reward superior environmental performance provided delegation members an opportunity to see a possible scenario for the North American and larger world markets.

Energy utility sharing: George Meyer visited the Zolling fossil fuel generating facility in early 1999. Officials and technical staff from two utilities, an official of the Public Service (utility) commission and state energy office visited Bayernwerk coal combustion and nuclear facilities in late 1999. The delegation was impressed with the engineering involved in the facilities, superior maintenance and facilities' abilities to fit into the countryside. The need for a more integrated Wisconsin energy policy became evident in the context of bringing together parties with environmental, energy, regulatory and commercial interests. Contacts between the utilities in environmental and technical matters continued after the trip and a second trip took place in 2002, using the principle of cooperation, integration of efforts and use of new technology to achieve the superior environmental results that were seen in the 1999 trip. The 2002 trip considered energy generation policy and practice in the private and municipal sectors. It included representatives of business, the energy industry, state government regulators, local government, academic and non-government interests. The cultural and leadership exchange of utility officials and DNR staff helped produce innovative proposals under Wisconsin's Cooperative Environmental Agreement Law and EPA's Project X-L. The German emphasis on climate change contributed to the forming of legislation, enacted by the Wisconsin Legislature, to create a voluntary emission reduction registry; industries on the trip to Bavaria strongly supported this legislation. The Air Management Bureau and industry are exploring other voluntary, self-regulatory approaches.

Food processing-environmental integration: After consultation with industry officials in Bavaria and Wisconsin, this part of the agreement was not pursued.

Printing industry: In 2002, the Bavarian Ministry hosted a WI DNR air permit engineer who, at his own expense, studied regulatory and business policies and practices affecting the printing industry in German. The five-month project included gathering information from printers, regulators, law makers and trade associations.

Auto Supply Chain integration: BMW AG and DNR sponsored an orientation of Wisconsin suppliers to BMW in regard to environmental systems and superior environmental performance. The principles of supply chain environmental management advocated by BMW provided the seed of ideas for the supply chain coverage offered through Green Tier charters and contracts.

Leadership exchange: The DNR experienced direct benefit from what the 1999 delegation learned. Directors of Air Management, Solid Waste and Forestry participated in this trip. The Air Management Director and Solid Waste Management Director prepared and conducted presentations to a variety of management teams and staff members in DNR's central and regional offices. These presentations clearly compared the more collaborative approach toward environmental regulation that is used in Bavaria with the command and control approach used in the United States. They emphasized the important role that environmental management systems and third party audits can play in achieving improvements in environmental quality. This information also was presented to the Regional Administrator of the Environmental Protection Agency in Chicago. They also sponsored a DNR staff discussion with the Bavarian representative of trans-medial law on a visit to Wisconsin.

In addition, information about environmental management systems has induced Wisconsin to implement such systems, to a larger extent, within the state administration itself. The Department (DNR) is setting a good example, using as a guideline for internal organizational purposes the

optimized objectives of environmental protection that were studied in a pilot project. The Bavarian State Ministry for Environment, Health and Consumer Protection will be glad to make use of that experience in environmental management systems, both for itself and at its subordinate agencies.

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