

Green Tier Advisors Meeting
September 20, 2007
Room G09-Gef 2

Present: Rita Hayen, Art Harrington, John Imes, Rebecca power, David Stegeman, Mike Simpson, Peter McAvoy (for lunch)

Absent:Carolynn Leaman, Linda Bochert, Kristine Euclide, Peter Peschek, Lyman Wible, Margaret Krome, Marilou Martin

Staff: Mark McDermid, Carla Wright, John Shenot, Jeffrey Voltz

Guests: Dan Johnson, Office of Senator Neil Kedzie; Kevin Lehner, Environmental Compliance Systems, Inc.; Patrick Stevens, WI Builders Association

Greetings, Introductions, and Housekeeping

- Secretary Matt Frank met with the Advisors during lunch. His Deputy, Pat Henderson has a strong environmental background, but is currently working with the Governor on the budget. He explained that getting a state budget and re-authorization of Stewardship funding are priorities for the department. He is enthused with Green Tier and wants to see an expansion of the Green Tier program. Secretary Frank asked for suggestions on how best for him to work with the Advisors.
- Mark McDermid distributed an update of the numbers of Green Tier participants and Environmental Compliance Audit program. Since the last report, the public comment period for the Dairy Business Association charter has concluded. Work with the printing sector has also progressed, but not to the point of public hearing. All pending applications have been processed by the department, and there has been considerable activity planning celebration signing events. The department has received notification of one new Environmental Compliance Audit; this is for another facility of an organization already enrolled in the program.
- A list of names has been given to Secretary Frank for consideration as new Green Tier Advisors for the Academic and Local Government sectors. Terms of four Advisors (Imes, Hayen, Simpson, and McAvoy) conclude in 2007.
- The following Advisors signed on to work on September 28, 2007 with the department and *Good for Business* to develop a Communications Strategy for Green Tier: Hayen, Imes, Krome, Leaman, Power, Simpson, and Stegeman.
- Department's Cooperative Environmental Assistance (CEA) staff has begun work on the second "Working Session for participants of the Green Tier and Environmental Cooperation Pilot Programs". Advisors are very enthused about the next Working Session and made the following suggestions for the event:
 - Invite potential participants to the event as observers.
 - Construct the program to cover 1 ½ days—a full day for everyone including a celebratory reception, and a half day for nuts & bolts about Green Tier.
 - Develop a fact sheet that describes the value of the event to use in soliciting sponsorships
 - Consider working through another organization, i.e. WEI, for logistics

Proportionality: Report from the Advisors and Next Steps

A subgroup of the Advisors (Rita Hayen and Rebecca Power) had met with Mark McDermid to outline the process proposed to the Advisors for guiding the department and participants (applicants and stakeholders) in making decisions about proportionality, and ensuring that incentives or a package of incentives is credible and acceptable for the environmental performance commitments in Green Tier charters and Tier II participation contracts.

The Advisors reviewed the prepared lists of potential participants and facilitators for the 'Proportionality Working Group' and also discussed the process that the Working Group would use, including what questions would be most appropriate for the 'Working Group' to pose for Green Tier applicants to address proportionality. The Advisors agreed that the goal is a process that would guide a Green Tier applicant to ask itself about environmental performance. A list of categories of questions (i.e. business needs, environmental stakeholders, EMS, where the applicant is currently on the continuum of environmental improvement) to use was suggested.

Advisors were asked to share their comments with McDermid. A new document describing the process will be on the Advisors' December 6, 2007 meeting Agenda. Once the process is finalized it will be sent to the Secretary as a Recommendation.

Logo Use Pilot Parameters

A review of comments regarding logo use received during the public comment period for the Green Tier Charter with the Dairy Business Association were shared with the Advisors. Discussion about ways to collect information regarding the value of the Green Tier logo on retail products—as per the Advisors suggestion for a pilot inquiry- followed.

Staff consulted with Voltedge, a branding, marketing, communications firm for advice given expertise with the dairy sector and a current contract with the Dairy Business Innovation (DBIC) center to conduct market research for dairy entrepreneurs.

(The DBIC is a not-for-profit with a special relationship with the Department of Agriculture, Trade, & Consumer Protection—initially funded with a federal earmark grant—it provides an array of technical services: business planning, product development, facility assessment, packaging & label development, and marketplace development.)

Consultation with Voltedge suggests four possible evaluation methods:

1. concept test, typically done for a positioning statement
2. labeling terms test-what words are most effective to get purchase
3. label test-which of 2-3 labels best communicates
4. taste test

A focus group is the most reasonable technique for gauging perceptions of consumers, A focus group could be used to collect information about:

- whether the GT logo is sufficient to differentiate a product within the marketplace, and
- whether the GT logo on a retail product would influence consumers to select a product because they want to see changes in environmental practices AND help the economy.

The Advisors agreed that a focus group would be a reasonable approach for collecting the desired information. Advisors asked that selection criteria for a focus group include geographic diversity.

Legislation

The Advisors started to work through the remaining program expansion items that were included in the Issue Paper. The work of the group focused on the expansion elements for Charters. The following is a summary of the discussions:

Flexibility for other regulatory entities

A recommendation will be developed for the Draft Recommendations which would include the ability to grant flexibility to other regulatory entities through the use of the charter. The draft recommendation will include the conditions that were described in the Legislation Issue Paper 3.0 and, in addition, will have the following additional conditions that were developed by the Advisors at the meeting:

- limitation of the flexibility to that which is needed for a Tier 2 contract
- addition of a proportionality test i.e. the environmental performance (not necessarily by the party receiving the flexibility) that is gained supports the flexibility that is provided
- expectation that there will be a measurement system

Flexibility extended to parties in the supply chain of a Tier 2 Participant

While an initial draft recommendation will be developed, there were strong reservations expressed about this concept. This provision may not be included in the final recommendations but the Advisors wanted to see what this would look like with the additional constraints that were developed. In addition to the conditions stated in Legislation Issue Paper 3.0, the following were added:

- a process that would result in environmental performance commitments that would be made by the parties that receive the flexibility
- something that would move parties receiving flexibility toward more systematic management of environmental performance themselves\
- some form of measurement of performance even before the EMS is in place i.e. the parties receiving flexibility would measure their environmental performance.

Recognition, through the Charter, for organizations (e.g. trade associations, professional groups, communities, etc.) that develop systematic ways to manage environmental performance.

The focus of the discussion was on the need to have these provisions tied back in some way to the ISO 14000 standard and some recognition of the level of quality associated with the programs that are recognized. As a result, the Advisors requested that the draft recommendation include:

- An examination or recognition of the quality of the parts of the programs that were going to be included in the Green Tier program
- A recognition of the concepts included in the ISO standard as a part of the programs that are considered and that those elements be included in the Charter as it is developed, ideally with some part of the program recognized through the Charter actually achieving functional equivalency to ISO 14000.

Ability to use the charter to create a customized working relationship (including performance commitments and corresponding flexibility) for a specific environmental issue (e.g. climate change) in which the participants would systematically manage their performance on that issue.

After discussing several different ways that this concept might be used, the Advisors suggested some additions to the provisions that had been developed within the Issue Paper.

Those additions were:

- Require that the flexibility extended is related to the focus of the environmental problem being addressed
- Include the fundamental concepts for environmental management systems in the approach to the management of the environmental problem identified as the subject of the

charter. Advisors were interested in seeing participants get closer to formal environmental management systems.

- Assure that both performance and flexibility are measured and reported.

At the time that draft recommendations are finalized, the Advisors will decide whether to pursue the recommendations as “pilots” or as full scale expansion of the program. Those specific options were presented in section 1.2 of the Legislation Issue Paper 3.0.

Advisors agreed to tackle the remaining program expansion items via conference call and staff was directed to find a time when the most Advisors would be able to participate. The goal is to have gone through the expansion items in the Legislation Issue Paper 3.0 and have provided direction needed to draft recommendations for the December 3 Advisors meeting.

Next Meeting: December 3, 2007 - Noon-4:00

Location: 345 West Washington Avenue, Madison, WI

Agenda topics:

Proportionality

Legislation

Report on development of Communications Strategy

Report on Working Session

New Advisors

Performance Indicators Recommendation to the Secretary