

**Green Tier Advisors**  
December 5, 2008  
USEPA Engagement 1.0

**ISSUE SUMMARY:** How can Wisconsin more effectively engage USEPA in the development of both Green Tier and the Compliance Audit portions of Wisconsin's Law so that incentives are enhanced and participation increased and coordinated.

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**BACKGROUND:**

At the September 2008 meeting of the Green Tier Advisors, a request was made to have additional time on their December 5 meeting agenda to discuss the interface between USEPA and Wisconsin DNR in the development of performance and self reporting compliance programs at the state and national levels. Since that time staff have been working with USEPA in the development of our first joint application to both Green Tier and the USEPA Performance Track Program. Similarly, work has gotten underway on the Compliance Audit Memorandum of Agreement with the Association of Independent Colleges and Universities, USEPA and DNR. Each represents a next step to strengthening the relationship between USEPA and the Department.

In addition to the items above, the following developments have also occurred:

- At the 2008 annual state/federal Performance Track meeting in Seattle, state, local, business and federal representatives spent an entire day in open dialogue on ways to improve programs, enhance working relationships and address operational efficiencies and effectiveness. Results from a portion of those dialogues will be presented in the Discussion section below as a foundation for the Advisors' December 5 dialogue.
- Mark McDermid was nominated as one of four state representatives to a subcommittee of the National Advisory Council on Environmental Policy and Technology (NACEPT). The subcommittee is to advise USEPA on Performance Track and Other State Performance Programs. For those of you familiar with federal jargon, this is a FACA or in lay language an advisory panel meeting all of the numerous federal requirements for soliciting input and advice from outside.

We also expect that there will be opportunities to advance issues related to the development of the working relationship with USEPA:

- in the presentation of information during the transition process at the federal level. We fully anticipate that discussion about Performance Track will take place at some point and we expect that it will be a part of the Environmental Council of the States (ECOS) discussions.
- Work is just now getting underway on the Environmental Performance Partnership Agreement (EnPPA) that carries the working memorandum of agreement language between USEPA and DNR related to both Performance Track and Green Tier.

Discussions with the Advisors could inform both initiatives.

**DISCUSSION:**

At the meeting on December 5, we are suggesting two outcomes. First, a robust initial discussion with the Advisors on the incentives portion of the dialogue. Specifically, from the brainstorming that took place in Seattle, what would the Advisors like staff to pursue in earnest with USEPA. Second, an initial discussion of the more specific direction that the Advisors would like to explore in relation to the use of the USEPA Audit Policy and Compliance Audit portion of the law. In essence,

this would be to give the staff more direction about what Advisors would like to accomplish so that information can be developed for the March meeting and the proper parties invited to participate in the discussions.

EPA has very graciously shared draft information from the discussion sessions in Seattle. As this is unedited text, I would ask that this not be shared outside the Advisors as an outcome of the meeting in Seattle. It is only intended for our use to help with the discussion and it is important to remember that these are only brainstormed ideas not concepts explored in depth let alone consensus reach. The items are, however, quite useful as it provides a list of ideas, draws from multiple engaged parties and can serve as a catalyst for further, more in depth discussion.

In the interest of full disclosure, there were 16 topics discussed in simultaneous sessions at the Performance Track meeting. Below is a list of the items:

1. What do we need to do to Prepare for Transition? How to Position/ Communicate our Programs as Essential?
2. How Can Voluntary Programs add Value to Regulatory Programs?
3. How do we obtain buy-in and support for PBEPs from regulatory programs & administrators?
4. Applications, APRs, and State Data Needs
5. Identifying the Top Three Paradigm Shifts for Performance Track
6. What Incentives Work Best? How can Recognition be used as an Incentive?
7. What new Non-Regulatory and Regulatory Benefits and incentives can we offer Performance Track Members?
8. Developing a Process for Delivering Facility-Specific Incentives
9. How do we become Positivity Experts?
10. Ideas for Improving Member Recruitment
11. Preparing for Crisis Communication
12. EMS Systems Equivalence & Data Reporting Future Needs Discussion
13. Building Credibility between Business & Government, Government & Business
14. a) What in our Agencies Impedes the Work of Environmental Agencies & how do we fix it?  
b) How do we Encourage Better Ecosystem Outcomes?
15. Bundling Voluntary Programs:
  - a) Encouraging Corporate Leaders in the New Environmental Protection Paradigm
  - b) How to Merge Sustainability Programs to Create a Tier-based PBEP?
16. How Can we Better Support Business to be the Carriers/Catalysts of Sustainability?
17. Performance Track as Part of the Chemicals Policy Evolution
18. How do we Develop Fearless Leadership?

While several of these may be of interest to the Advisors, this issue paper focuses on the incentives piece of the work as that seems to be most aligned with the questions posed at the September Advisors meeting and the request for further discussion at the December 6 meeting.

For the Advisors' December 5 meeting, the objective is to take the brainstormed answers to three questions and decide what were the top items that struck the Advisors as warranting further follow-up and more specific conversations with USEPA. The three questions selected from the 16 were:

6. What Incentives Work Best? How can Recognition be used as an Incentive?
7. What new Non-Regulatory and Regulatory Benefits and incentives can we offer Performance Track Members?
8. Developing a Process for Delivering Facility-Specific Incentives

## 6. What incentives work best? How can recognition be used as an incentive?

### **Incentive ideas discussed:**

- Networking with states important to industry; regulatory incentives generally not being taken advantage of in most cases
- Access to regulators very valuable to regulators
- Expedited permitting included in Kentucky's top two tiers of their leadership program, also common in many state programs
- Flag ceremonies and include TV, radio and newspapers
- Program results recognition events for older members
- P2 awards ceremonies and notify EPA on their behalf
- Place add in a Chamber of Commerce magazine to alert their peers
- Members mentor other companies in a roundtable setting
- Ghost-write articles for trade magazines
- Governor's announcement or letter to company
- Need to poll members periodically to ask what incentives would motivate them
- PTPA-type organization at state level (e.g., VA organization)
- State case-by-case incentives
- Press release for recognition events
- Article on Web site about P-Track member
- Forum on regulatory changes; poll P-track members about they want to hear about
- Sector-specific conference calls
- Recognition symbol to display at facility
- Manufacturing Extension Partnerships (MEPs) help with small businesses
- Workshops through small business associations, however time and resources could be a problem for small businesses
- Leverage other benefits; look at insurance rate impact
- Investigate and publicize positive market and shareholder impacts and sustainability
- Employee involvement and corporate culture change
- Include P-Track awareness training in annual inspector training and for enforcement directors

## **7. What new non-regulatory and regulatory benefits and incentives can we offer PT members?**

- How to tier benefits to performance?
- Members' desire to be "special", in a "club"
  - Membership card (w/ discounts).
- Set up "chat room" or virtual bulletin board by which members would offer each other discounted services/products
- Preferred purchasing for members via GSA
- Look at benefits provided by VPP (OSHA)
- Single point of contact on membership card
  - Include a State single point of contact
  - Single point of contact for permits, inspection, compliance assistance, performance-based program, etc. (jack of all trades)
- Getting priority for permit applications and modifications (expedited permitting)
- Look at existing flexibility in the regs and make them available to members
- Fee reduction (i.e., haz waste) – existing examples are Georgia and Virginia
  - (title V fees?)
- Promote reductions in insurance premiums for members due to their reduced risk
- Expanding recognition/awareness of the PT brand to members' customer base
- New goal on application: put out carbon footprint label
- Make members aware of existing (energy) rebates, Green Suppliers network, tax breaks. Also, can we get utilities/DOE to increase rebates and tax credits to members?
- Put existing EPA cost calculators onto PT website, to help members estimate costs, savings, and payback periods associated with various environmental investments
- Offer technical assistance/trainings on calculating members' carbon footprint
- Collaborative governance: assisting members to set challenge goals or goals related to sector priorities
- Help members find new opportunities for environmental performance
- Promote site visits with more technical assistance
- Tele-seminar on members' best practices
- Make members aware of new compliance information
- Provide legal protection to facilities willing to clean up brownfields
- Give USGBC discount to members
- Give extra innovation point to members building LEED/green buildings
- Add precision to inspection frequency incentives
- Customize the inspection process for members, thereby optimizing their resources
- Write letters to members' congressional districts about members' performance (politically targeted recognition)
- Have joint State/EPA single point of contact
- Regulatory determination, technical assistance, and policy interpretation
- Provide a network of businesses and regulators that address member questions, thereby increasing business value
- Offer bundling of performance-based benefits and resources; OR and GA map of voluntary programs; build on existing efforts in EPA/NCEI
- Introduce social networking software to members

## 8. Developing a Process for Delivering Facility-Specific Incentives

### Key Ideas:

- Idaho sits down with facility and talks about what's available in terms of incentives and does this in tandem with inspector/media office program representative.
- Include examples of where incentives/flexibilities are being used/where they have worked.
- Need a match between what a state/EPA can offer and what they can deliver
- Need to explain benefits – what's available, who is using it, etc.
- Need to clarify process for delivering specific incentives (e.g., for 180-days who does the number notify? How does an inspector know?)
- Need to develop common tools for states to use in implementing incentives (e.g., forms, checklists)
- Need to be able to communicate between program office and PBEPs
- Need to investigate how EPA communicates new members to the states
- Improve internal (EPA and state) education on PT and PBEPs, use one-on-one communication
- Request needs to go to both PBEP and responsible program office, consider MOAs between PBEPs and program offices
- Need to manage incentive expectations. These incentives are delivered in conjunction with states and may be subject to bumps in the road
- Need to better educate members about better communication;
- Must be on-going conversations between PBEP and program offices due to personnel changes, etc. in the offices
- Try to institutionalize within the program offices, develop SOPs
- PT needs to meet with state directors face to face; need personal attention
- Need more flexibility when setting dates for site visits to accommodate state attendance; also use site visits as an opportunity to bring media program staff on board
- How do we address the “unfunded mandate” aspect of PBEPs/delivery of incentives
- Learning from each state – need to document how states are delivering incentives; can't add on to existing work without tradeoffs or funding
- Media program associations need educating
- Guidance document should be developed with basic steps in common among states, but at some point, the guidance will diverge for different states with different processes (state-specific)
- Group states in categories according to the process they use for delivering incentives.
- This topic should be cross referenced with the “state delegation” idea that came up in the paradigm shift session.