



# Green Tier Program

## A Proposal from the Green Tier Committee

Wisconsin has a strong record of complying with state and federal environmental regulations. Over the last 30 years pollution has been significantly reduced to benefit human health, welfare and the environment. Yet our laws do not cover all the environmental risks and impacts we face. Many sources of environmental harm are either largely or completely unregulated. Facilities that comply with laws still are permitted to release pollutants. Some facilities have yet to meet minimum environmental requirements. And many people want to improve the environment beyond what regulations require.

Given this situation today, how can more environmental gains be made? Regulation and enforcement will remain necessary. New regulations will be needed to address some environmental risks. But Wisconsin believes that even more environmental improvement can be achieved through innovative new programs that encourage businesses and communities to pursue superior environmental performance and share responsibility for protecting the environment.

The proposed **Green Tier Program** is a major innovation designed to achieve maximum levels of environmental protection. Green Tier offers a way for regulated and unregulated entities to go beyond compliance, address unregulated problems and restore natural resources in return for incentives that are in proportion to superior performance. The Green Tier concept was developed into a legislative proposal in 2000-01 by a committee of executives from business, agriculture, municipalities and environmental groups brought together by the Wisconsin Department of Natural Resources.

The **Green Tier Program** is designed to better focus environmental protection work with communities and industries and to provide legal standing for that work comparable to that of the current regulatory system. Under Green Tier, all organizations and sectors could enter into legally binding contracts that address multiple environmental goals. These entities would be able to set a series of commitments that go beyond the regulatory requirements set by local, state, and federal government agencies, and to put in place agreements that will make it easier for these entities to meet specified commitments while improving their operations. **Green Tier would use three major tools:**

- **Environmental Charters:** Environmental charters are granted to persons and define the scope of responsibility, activities, authorities and services to achieve superior environmental performance. They may be organized around land areas, watersheds, air-sheds, forests, political subdivisions, activities, trade or business sectors, products, occupations, supply chains, emission categories, species, biological concepts or on any other basis to achieve superior performance. Under Green Tier, the Charter is the empowering legal instrument that gives standing to a party to get things done.
- **Environmental Contracts:** Environmental contracts are enforceable contracts entered into by the state that specify the commitments to superior environmental performance on the part of the contracting parties. In some cases, the state or others might commit incentives or support that is proportional to the goals and accomplishments. Under Green Tier, the contract is the enabling and committing legal instrument used to trigger rewards for achievements or sanctions for shortfalls.
- **Environmental Management Systems:** Environmental management systems are business systems focused on achieving environmental results. They are organized sets of procedures that identify goals, commit resources to those goals, monitor progress and continuously improve performance. These systems will produce helpful performance data used to report progress toward Green Tier

environmental goals. Under Green Tier, the EMS would be a legally-viable due diligence tool that protects all parties and helps businesses compete in international markets.

**The existing regulatory system remains** for those who want it or do not qualify for Green Tier. A credible compliance system is essential to “push” entities toward Green Tier.

**Green Tier would be a two-level system.** Level One would be an entry level. Regulated entities must meet “fact-based” criteria that bar participants with certain criminal judgments in the last five years and civil judgments in the last three years. Requirements exist for public involvement, audits, environmental management systems and reporting. Level Two, the Green Star level, uses contracts and requires superior environmental performance. Removal for cause would be possible at both levels.

**Superior environmental performance** means measurable or notable improvements in air, water, land or natural resources quality or ecosystem protection. The proposed Green Tier legislation would provide a menu of options to meet the needs of multiple parties and communities. All goals should go beyond minimum legal standards. They may include but are not limited to biodiversity, reduced environmental risk, damage mitigation, biosphere protection, energy and water management, comprehensive resource management, resource conservation, technology transfer; mentoring; sustainable community development and promoting civil discourse.

**Green Tier’s incentives** include regulatory flexibility, streamlining, technical assistance, single point of DNR contact, recognition and use of Green Tier or Green Star logos for public relations and marketing purposes. In addition, Green Tier would align with the U.S. Environmental Protection Agency’s new Performance Track that will provide federal regulatory incentives. In the intermediate future, officials in the Administration and Congress indicate Green Tier may influence a new generation of environmental law now under discussion. With a greater interest in the states, Green Tier would position Wisconsin to influence the national debate.

### **The Green Tier Committee**

Committee members worked diligently to agree on the concepts used for drafting legislative language. The Committee will support the future law presuming two things:

1. That the statutory language accurately reflects their negotiated agreement;
2. That an appropriation accompanying the proposal enables businesses, environmentalists and agencies to credibly implement it and that resources are not inappropriately reassigned from other programs (which would unnecessarily invite the suggestion there was a relaxing of environmental protection).

**Fiscal and staff resources** needed to carry out the program include an increase of 5.0 FTE SEG positions in the Department of Natural Resources to implement the Green Tier Program as well as a \$300,000 grant program.

**Next Steps for Green Tier Program** - The Green Tier Committee’s proposal was transmitted to the Legislature on June 12, 2001 for consideration as a separate bill to be introduced in the current session of the Legislature.

**More Information** - Details about the Green Tier proposal, its legislative progress and the Committee’s work can be found on the DNR Web site at [www.dnr.state.wi.us/org/caer/cea/green\\_tier/index.htm](http://www.dnr.state.wi.us/org/caer/cea/green_tier/index.htm). Questions may be directed to the Bureau of Cooperative Environmental Assistance, 608/267-3125.

### **Green Tier Committee Members**

Atty. Linda Bochert  
Mayor John Antaramian, Kenosha  
Jim Haney, Wis. Manufacturers & Commerce  
Jane Hutterley, SC Johnson  
Jim Klauser, WI Energy  
Carl Komassa, Small Business Council  
Peter McAvoy, 16<sup>th</sup> Street Health Center  
Susan Mudd, Citizens for a Better Environment  
Dan Poulson, Farm Bureau  
Tom Schmidt, Paper Council  
Bill Harvey, Alliant Energy  
David Kluesner, International Paper  
Atty. Ray Taffora  
Tom Estock, Quad Graphics  
Caryl Terrell, Sierra Club.