

20 Years of Success in Helping Small Business

1990 Clean Air Act Amendments in Action

EPA's 507 Program



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"Thanks for all your help!

The work that you do is indispensable to business in this state. You have been a pillar and a wealth of knowledge to me since we have been working together. I don't know where I would be without your help!!"

–Small Business Owner



For more information on the 507 Program in your state, visit:

www.smallbiz-enviroweb.org/Compliance/stateweb.aspx

For 507 Program contacts, visit:

www.smallbiz-enviroweb.org/contacts/sbosbeap.aspx.

The material in this document has been subject to U.S. Environmental Protection Agency (EPA) technical and policy review, and approved for publication as an EPA report. The views expressed by individual authors, however, are their own and do not necessarily reflect those of EPA

TWENTY YEARS OF HELPING SMALL BUSINESS

Small businesses across the country have found a trusted friend in the environmental assistance programs mandated by the Clean Air Act (CAA). The success of these programs show how an effective government program can accomplish its mission—in this case to ensure compliance with laws designed to protect human health and the environment—and be good for business at the same time.

Congress included specific help for small businesses in Section 507 of the 1990 CAA amendments. This section requires the states and territories to set up programs to help small businesses comply with the new complex air requirements. Since that time, these state programs, often called the 507 Programs, have helped thousands of small businesses comply with air and other environmental regulations in a cost effective manner.

By helping small businesses stay in compliance with complex environmental laws, the 507 Programs protect the environment, save companies money, and reduce en-

forcement costs for state environmental agencies. The support provided by the 507 Programs is free, confidential, and effective.

The CAA made the U.S. Environmental Protection Agency (EPA) responsible for monitoring the 507 Programs and for providing advisory opinions on the programs. EPA also works to enhance the effectiveness of the 507 Programs.

The CAA 507 Programs consist of three parts: a Small Business Ombudsman (SBO) to act as an advocate for small business, a Small Business Environmental Assistance Program (SBEAP) to provide technical support, and a Compliance Advisory Panel (CAP) to provide feedback and help identify small business issues.

Small businesses employ about half of all private sector employees (59.7 million nonfarm private sector workers) and pay 43 percent of total U.S. private payroll. Between 1993 and 2009, small firms accounted for 65 percent (or 9.8 million) of the 15 million net new jobs created.

—Small Business Administration Office of Advocacy:
Frequently Asked Questions



The Clean Air Act (CAA)

The original 1970 CAA is a landmark environmental law passed to protect and restore the nation's air quality. In 1990, amendments to the Act significantly increased the federal government's authority to reduce air pollution. The CAA uses a variety of tools including permits, emissions control equipment requirements, air quality standards for specific pollutants, and motor vehicle emissions controls to reduce air pollution.

EPA estimates that pollution reductions from the CAA have saved millions of lives, eliminated millions of hospital visits and avoided hundreds of thousands of cases of pollution-related illnesses. The total benefits of the CAA between 1970 and 2010 exceeded total costs by as much as 40 to 1. The CAA, according to EPA Administrator Lisa Jackson is “a law that has proved to be one of the most important and beneficial pieces of legislation in our nation's history.”

(For more, visit www.epa.gov/air/caa/.)

STORY OF A RULE: MAKING THE PROCESS WORK FOR SMALL BUSINESS

The CAA requires EPA to develop regulations to control hazardous air pollutants (HAPs) in urban areas. Part of EPA's urban air toxics Program focused on "area sources," like gas stations and dry cleaners, that release HAPs. Although each area source only releases a small amount of HAPs, large numbers of small sources together can release enough to create a health concern. In developing rules to reduce HAPs, EPA studied each industry and tried to design an approach to control the pollution while minimizing impacts on individual businesses. As part of the typical rule-making process, EPA releases a rule for public comment and updates the rule based on the input. In general, it is harder for EPA to get information and comments from small sources, as small businesses rarely have the time or expertise to comment on regulations. This is where the state 507 Programs have made a big difference for small businesses.

One area source rule that the 507 Programs have influenced is the [Paint Stripping and Miscellaneous Surface Coating Operations Area Source Rule](#) (40 CFR Part 63, Subpart HHHHHH), in shorthand -- 6H. This rule affects several sectors, but perhaps the biggest impact is on auto body painters. The National Steering Committee (NSC), a national network of 507 Programs, became involved as EPA developed the rule—they invited EPA staff to brief the committee and, the SBOs and SBEAPs provided information about the industry. The Iowa Waste Reduction Center (the SBEAP in Iowa) even invited EPA to the Midwest to tour auto body shops in his area to see how they differed from shops on the East and West Coast where the air quality rule writers had made initial visits.

The NSC also provided comments on the draft rule to help ensure that it was written in a way that small businesses could follow. For example, the original rule required detailed calculations on VOCs that would have been difficult, if not impossible, for small shops to manage. EPA listened to many of the NSCs comments, making the rule more workable for small businesses.

Once the rule was passed in 2008, SBOs and SBEAPs across the country started working to notify businesses about the new requirements. In Region IV (EPA divides the country into ten regions), the Georgia SBEAP formed a stakeholder group of auto collision repair experts, and automotive paint manufacturers and distributors to design a strategy to reach collision repair shops. The group also worked with EPA on the development of an outreach campaign. Staff from the North Carolina SBEAP served on EPA's Collision Repair Campaign team and helped produce an award-winning training DVD featuring five-time NASCAR Sprint Cup Champion, Jeff Gordon. A Georgia CAP member noted that outreach on the rule had gone from the top to bottom, from technical schools down to individual painters.

The six states in Region V worked together to develop a checklist to help auto shops in all of their states with 6H (and also with state VOC rules, and waste and water requirements). As part of the project, Michigan has created a video training program to walk shops through the checklist. All the project material is posted in one place for shops to access at <http://bit.ly/autobodyproject>.



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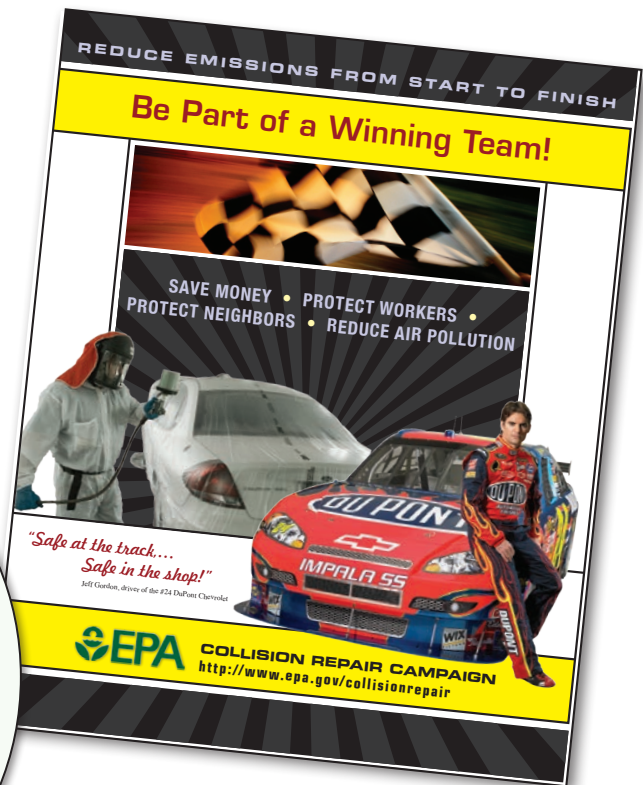
Mention of trade names, products, or services does not convey, and should not be interpreted as conveying official EPA approval, endorsement or recommendation.

Many programs also encourage companies to switch to non-HAP-containing paint so that the facility would be exempt from regulation, saving time and money for the company, while reducing pollution

Programs frequently share material and tools by posting them on the [Small Business Environmental Home Page](#) so that other programs can modify the material for their own state. These efforts are a cost-effective way to help small businesses comply, protect the businesses from violations, and the public from hazardous air pollution.



Communication Pieces from the Collision Repair Campaign



RESULTS: IMPROVED COMPLIANCE, MONEY SAVED, REDUCED POLLUTION

There is significant anecdotal evidence on the effectiveness of the 507 Programs. This includes repeat business, like companies that the Texas SBEAP calls their "groupies," who come back for help with new or changed regulations year after year. There are also the individual recognitions like the company that publicly thanked Vermont's SBO at the opening ceremony of their new facility. During the facility design phase, the company had invited the SBO to attend a wrap-up meeting. She quickly realized that the company's contractors had not included storm water requirements in the design and suggested a redesign that would reduce annual compliance costs by thousands of dollars and the risk of even larger

finances from non-compliance. And of course, there are the thank you notes: "Help from a Program like this isn't just about compliance... It can actually save your business money!" and "Thank you for all you did!"

The New Hampshire Small Business Technical Assistance Program determined that some of the state's businesses did not generate hazardous wastes, which helped these businesses eliminate hazardous waste fees.

According to a study in Kentucky, the benefit of the assistance provided by the Kentucky SBEAP to small businesses is worth \$3 million a year (estimated from 1995 to 2004)¹. These benefits include the value of assistance, cost of avoided CAA fines, savings from reduced disposal and emission fees, energy efficiency savings, and green productivity (savings from green practices that result in less absenteeism, safer work environment, and improved morale). The estimate does not include the benefits to society from reduced air and water pollution or the value to the company of a greener image. Since this study was conducted in 2005, the program was moved into the Department of Environmental Protection, which added assistance in other environmental areas and internal efficiency gains, resulting in significantly more businesses being assisted. If the study were repeated today, the value of the program would likely be even greater. Not a bad return on investment for a medium-sized program with an annual budget under \$300,000 and less than five staff.

Companies can save significant money and reduce regulatory liability with changes that exempt them from regulation. Some industries are required to get an Industrial Stormwater Permit, which includes requirements to develop a stormwater pollution prevention plan, obtain an industrial stormwater permit and pay an annual fee. However, if a facility can show that their industrial material is not exposed to stormwater, they can be classified as “No exposure” and no longer need a permit. The Minnesota SBEAP helped approximately 1,000 businesses qualify for the no exposure exclusion, which saved over \$400,000 a year in avoided permit fees.

SBEAPs also help improve understanding of regulation compliance. In a 2006 survey of companies that called the Kansas SBEAP hotline, 97 percent of companies stated they understood the regulations better after the call. The results from Kansas SBEAP surveys conducted after on-site visits were equally positive. Ninety-seven percent of companies reported that they changed their behavior and fully implemented compliance recommendations. One client estimated that the site visit protected them from \$10,000 in fines. When Minnesota Air Quality enforcement staff found a 98 percent compliance rate at facilities subject to the

¹ Measuring Environmental Compliance Assistance Outcomes: A Benefit Cost Analysis of the Kentucky Business Environmental Assistance Program, Kenya Stump, 2005

Real Results

In 2006, the Kansas SBEAP helped businesses achieve an annual reduction of 120 tons of Volatile Organic Compounds, 60 tons Hazardous Air Pollutants (a 90 percent reduction), and 25,900 pounds of hazardous waste. The program also helped businesses save money by reducing raw material use by 3,466 pounds a year.

Minnesota Air Quality enforcement staff attributed a compliance rate of 98 percent in inspected facilities subject to the chrome plating, halogenated solvent cleaning, and wood finishing emission standards to assistance from the Minnesota SBEAP.

The Minnesota SBEAP helped approximately 1,000 businesses save over \$400,000 a year in avoided permit fees by qualifying for the no exposure exclusion in the Industrial Stormwater permit.

From 1999 to 2001, over 34 percent of Minnesota fiber-reinforced plastics businesses received help from the Minnesota SBEAP resulting in annual reductions of 2,000,000 pounds of air pollution and 500,000 pounds of hazardous waste.

"It was a pleasure working with you and your colleagues. I'm so happy the workshops were so successful. Their success is definitely a tribute to the commitment of you and your Tennessee colleagues to make environmental assistance readily available for the small business community."

– EPA, Design for the Environment Program

chrome plating, halogenated solvent cleaning, and wood finishing hazardous air pollution regulations, they attributed the high compliance rate to proactive assistance from the Minnesota SBEAP.

507 Programs also help companies reduce waste and pollution. In the Kansas hotline survey, 35 percent of callers reported reducing waste as a result of hotline advice. Kansas site visits helped companies reduce pollution even more; 70 percent of companies reported implementing some or all of the pollution prevention recommendations made during these site visits. This assistance reduced tons of VOC and HAP emissions, eliminated over 25,000 pounds of hazardous waste and saved the companies over \$130,000.

This is a very small snapshot of the benefits that the 507 Programs provide to small businesses to help them stay in compliance, reduce emissions and waste, and save money.



NATIONAL NETWORK: WORKING TOGETHER TO HELP SMALL BUSINESSES

In 1995, the state 507 Programs created the SBO/SBEAP NSC to encourage communication between the state programs and EPA. The NSC functions through subcommittees to carry out activities such as commenting on rules that are under development, presenting awards to businesses and trade associations, and encouraging information sharing between programs.

Similarly, the state CAPs created the National CAP (NCAP). The NCAP works at the national level to strengthen state CAPs and to encourage the creation of CAPs in states without one. NCAP members come from CAPs in each of EPA regions.

At the federal level, EPA Asbestos and Small Business Ombudsman (ASBO) in the Office of Small Business Programs plays a critical role in enhancing the 507 Programs, and providing support for the NSC and NCAP. EPA ASBO helps to build the capacity of 507 Program staff and encourage communication between the states by sponsoring an [annual](#) meeting, providing training, and maintaining the [Small Business Environmental Home Page](#).



Early on in the partnership between EPA and the SBO/SBEAP program, discussions focused on the need for a self-policing audit policy for small businesses. EPA developed a policy shortly after these talks, which has since expanded and is available to all media and any sized business. The policies give businesses the chance to self report non-compliance and to correct deficiencies with reduced or no penalties.

EPA's Office of Air Quality Planning and Standards as well as EPA's air rule writing office coordinate with the state programs, usually through the NSC, to help disseminate information and get feedback in addition to reaching out to the small business community.

COMPLIANCE ASSISTANCE: HELP WHERE IT'S NEEDED

507 Programs conduct a wide range of activities to help small businesses comply with environmental requirements, such as disseminating information on regulations, developing tools to make compliance easier, and providing technical assistance on specific requirements. Many programs offer workshops, technical assistance via phone calls and site visits, and help with permit applications. Site visits can range from simple visits to answer specific questions, to a full assessment of compliance with air, water, and waste regulations. The confidential site visits help a company understand what they need to do to comply without risking expensive fines by bringing in an enforcement program. 507 Programs also develop tools such as plain-language guides and fact sheets to help small businesses understand the regulations.

The CAA originally set up the 507 Programs to provide assistance with air regulations. In the beginning, some states decided to provide multimedia assistance. (In the environmental regulatory context, “multimedia” refers to the environmental area—or media—of air, water, and land.) Other programs added multimedia assistance in response to requests from small businesses. One function of the programs, whether air-only or multimedia, is to help small businesses find the right information or refer them to the right contact in the agency. This customer service function makes it much easier for a small business to navigate the large and potentially unfriendly bureaucracy of a regulatory agency.

Programs also keep businesses informed about upcoming regulations, due dates for submitting required reports, and training opportunities through newsletters, web sites, and emails. These programs are often the only way that the small business community gets information on pending regulations or rule changes.

Who is Helped

The 507 Programs work with a wide variety of small businesses. Under the CAA, a small business is defined as a business with fewer than 100 employees and emissions less than 50 tons per year per pollutant or 75 tons per year of combined pollutants.

Business sectors include just about any business that has an environmental impact such as aluminum die castors, asphalt plants, auto repair shops, auto salvage, bio-fuel producers, chemical manufacturers, chrome plating, concrete plants, gas stations, dry cleaners, marinas, nail salons, metal recycling, printing, sand and gravel operations, sheet metal shops, scrap tire facilities, trucking, microbreweries, maple syrup manufacturers and woodworkers.

Common Approaches to Compliance Assistance

Compliance Calendars: Many programs publish compliance calendars with required record-keeping logs and key reporting dates marked to make burdensome recordkeeping easy. The most popular are calendars for dry cleaners because of the use of hazardous materials and related regulations in this industry. In addition, states have developed calendars for other sectors including chromium electroplaters, printers, fueling stations, hot mix asphalt, sand and gravel, above ground storage tanks, and vehicle repair. For example, Illinois sends out over 3,000 calendars a year to gas stations for Stage I/II Vapor Recovery requirements.

EnviroMentors: The Texas SBEAP manages the EnviroMentors program. This program “lends a helping hand” when a small business has an issue that is too time consuming for the small business program to resolve. Volunteer environmental professionals help small businesses solve a range of issues, from stormwater management planning to wastewater treatment plant record keeping to completing air

“As an industrial site, we have many regulations to comply with. This means we frequently have questions for which we don’t have clear answers. When this happens, the first phone call I make is to the Small Business Compliance Assistance Program (SBCAP). The SBCAP gets us the information we need to make the right decisions.”

“We appreciate the SBCAP services and use them on a regular basis.”

– Small Businesses



Minnesota Pollution Control Agency



Hazardous waste inspection log									
Date									
Initials									
Haz waste inspections									
Drums closed?	Y	N	Y	N	Y	N	Y	N	Y
Drums labeled correctly?	Y	N	Y	N	Y	N	Y	N	Y
Labels visible? Complete?	Y	N	Y	N	Y	N	Y	N	Y
Storage time limits okay?	Y	N	Y	N	Y	N	Y	N	Y
Accumulation limits okay?	Y	N	Y	N	Y	N	Y	N	Y
Spills or leaks?	N	Y	N	Y	N	Y	N	Y	N
Cracks in floor?	N	Y	N	Y	N	Y	N	Y	N
Outdoor area secure?	Y	N	Y	N	Y	N	Y	N	Y
Outdoor ignitables shaded?	Y	N	Y	N	Y	N	Y	N	Y
Separator water (gallons generated)									
Evaporator/mister+									
<small>(inspect for malfunctions, deterioration, operator errors, and discharges)</small>									
Monitoring equipment	Y	N	Y	N	Y	N	Y	N	Y
Safety & emergency equipment	Y	N	Y	N	Y	N	Y	N	Y
Overflow warning devices	Y	N	Y	N	Y	N	Y	N	Y
Tank walls	Y	N	Y	N	Y	N	Y	N	Y
Piping	Y	N	Y	N	Y	N	Y	N	Y
Fittings	Y	N	Y	N	Y	N	Y	N	Y
Associated systems	Y	N	Y	N	Y	N	Y	N	Y
Pumps	Y	N	Y	N	Y	N	Y	N	Y
Describe repairs or corrective actions:									
Date _____									
Initials _____									
Perc purchases: 12 month rolling sum									
Rolling sum from Dec 10	start								
Purchased Jan 10	subtract	-							
Purchased Jan 11	add								
date	+								
date	+								
Rolling sum	end	=							

January 2011							
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
						1	New Year's Day
<i>Centralize employee schedules and meeting announcements in a single location (bulletin board, white board, Email, etc.) to reduce printed copies.</i>							
2	3	4	5	6	7	Weekly record-keeping	<input type="checkbox"/>
9	10	11	12	13	14	Weekly record-keeping	<input type="checkbox"/>
16	17 Martin Luther King, Jr. Day	18	19	20	21	Weekly record-keeping	<input type="checkbox"/>
23	24	25	26	27	28	Weekly record-keeping	<input type="checkbox"/>
30					29		

2011 Compliance Calendar for Minnesota Dry Cleaners

Small Business Environmental Assistance Program

Keep this calendar with your records until at least 2016

permits. EnviroMentors fill an important role for small businesses that do not have the resources to hire expensive consultants, but still must meet stringent requirements.

Grants and Loans: Installing equipment or changing processes to meet environmental requirements can be expensive, and many small businesses just do not have the capital. To meet this need, several programs offer grants or loans. In Pennsylvania, the Small Business Advantage Grant awards matching grants of up to \$7,500 for energy efficient or pollution prevention equipment or processes. In Minnesota, small businesses can apply for low-interest loans to help install equipment to meet or exceed environmental regulations, or tap into a special loan fund to purchase power units to reduce truck idling.

Training: Since the first 507 Program event in 1994, SBEAPs have used workshops to effectively educate small businesses. SBEAPs provide training to a wide variety of small businesses via workshops and

increasingly webinars. The first 507 Program training was a 1994 video conference workshop on CAA requirements for dry cleaners that was a joint project of the Tennessee SBEAP, University of Tennessee, and EPA. Participants had to watch the training at special video locations, set up in 48 states and over 4,000 dry cleaners participated. Now small businesses in every state can participate in workshops, trainings, and webinars on subjects as varied as idling reduction, reducing solvent emissions, erosion and sediment control, pharmacy waste, and CAA permit requirements.

Partners

507 Programs leverage their resources by partnering with other organizations. Trade associations are often the Programs' biggest boosters and collaborate on outreach and training to ensure that their members are in compliance and avoid costly fines. In Tennessee, the Tennessee Concrete Association (TCA) teamed with the SBEAP to help their members come into compliance after EPA targeted ready mix

concrete facilities for hazardous materials reporting enforcement. TCA did not stop with these regulations, but worked with the SBEAP to provide training in other areas such as air and water. In New York, to reduce air emissions, the SBEAP worked with the Cremation Association of North America and a major crematory manufacturer on training and certification of operators in the state.

The 507 Programs also help their state environmental enforcement agencies to more cost-effectively reach the small business sector and improve compliance while avoiding enforcement, which is expensive for the agency and the business. In Colorado, the SBEAP worked with the Hazardous Materials Waste Management Division of the Colorado Department of Public Health to implement the Colorado Dry Cleaning Self-Certification Program, a framework that helps dry cleaners stay in compliance. In Indiana, the Compliance and Technical Assistance Program worked with the Office of Land Quality Compliance Branch of the Indiana Department of Environmental Management to implement an ERP for the Auto Salvage industry.

Many 507 Program staff consider the relationship that they have built with the regulatory agency as one of their most important successes. The agencies respond by referring small businesses to the programs for help rather than filing a violation. This recognizes that the goal is compliance and that the 507 Program is the most effective way to get there.



"... in my book those classes [on environmental compliance] were priceless."

– Class attendee

STATE 507 PROGRAMS: TARGETED, PRACTICAL, COST-EFFECTIVE

Every state implements their 507 Program differently. The programs differ in size, functions, location, and focus. Having a flexible implementation means that the 507 Programs can provide assistance tailored for the specific conditions in each state. This makes the programs more effective and cost efficient than a one-size fits all approach.

SBEAP programs in some states are very small. The Vermont SBEAP consists of one staff person who works to inform Vermont businesses about

regulations, sends out compliance resources, holds workshops, and conducts site visits. In contrast, the Texas assistance Program has 32 staff to provide technical assistance to small businesses and local governments, in addition to managing programs like EnviroMentors and a Compliance Commitment (C2) Program that rewards companies that commit to 100 percent compliance. In Florida, the Program only provides assistance with air, while Mississippi has helped with all regulatory areas—air, water, and waste, since the Program started.

In most states, the SBO and SBEAP are located in the state environmental regulatory agency. However, some states house their SBO and SBEAP in a different state agency or even another organization like their Small Business Development Center (administered by the U.S. Small Business Administration) or a university. In Iowa, the SBO is located in the Iowa Department of Economic Development and the SBEAP is in the Iowa Waste Reduction Center at the University of Northern Iowa. In Minnesota, the SBO and the SBEAP are both in the Minnesota Pollution Control Agency and in some states, the same individual serves as the SBO and the SBEAP.

No matter how different the implementation, one element is the same—a focus on compliance without using enforcement. According to the Florida SBEAP, the goal of their program is to make compliance with local, state, and federal air pollution regulations easier for small businesses. To achieve this, staff developed compliance tools by industry sector including a library so that companies from dry cleaners to printers to bulk gasoline plants can find easy-to-use guides and workbooks tailored to their industry. In Wisconsin, the SBO / SBEAP staff worked with the state enforcement agency to implement two separate Environmental Results Programs (ERP). ERPs are designed to help an agency encourage compliance in a sector that has many small facilities such as dry cleaners or gas stations. The ERP approach is to provide compliance assistance and then require facilities to self-certify that they are in compliance with the regulations. Many programs receive referrals from regulatory staff; who send a company to get help rather than issuing a violation, or will hold off on citing a violation if they know that the company is working with the SBEAP.

The third 507 component, the CAPs, are composed of at least seven members which include volunteers from the small business community and the general public, plus representatives from the state environmental agency. CAP members are appointed by the governor and state legislature. CAPs are independent from the SBOs and SBEAPs but often work closely with them to communicate the small business view to regulators and to disseminate information to small businesses.

Small Business: Partnering to Achieve Environmental Stewardship

Since 2001, the 507 Program National Steering Committee (NSC) has presented an annual environmental leadership award to a small business that worked with an SBEAP and has shown exemplary performance in environmental management. In 2009, the NSC selected two Oregon companies for the Small Business Environmental Stewardship award to recognize how the companies worked with the Oregon SBEAP and the Department of Environmental Quality to go beyond compliance and incorporate sustainability into their businesses. Woodfold Manufacturing, Inc. implemented innovative approaches to reduce their environmental footprint such as participating in the Employee Commute Options Program, switching to waterborne coatings to reduce toxic air emissions, and recycling 75 percent of their solid waste. Advanced Collision Repair received the award for innovations that earned the company an Ecobiz certification from the Oregon Ecological Business Program. The company was the first shop in Oregon to switch to waterborne paints, a move that reduced toxic air emissions by over 80 percent. These companies, and all the award winners, demonstrate what the SBEAP-small business partnership can achieve. To read about more winners visit www.smallbiz-enviroweb.org/AboutUs/awards.aspx.

Rather than issue a violation, in many states regulatory staff will refer a company to the SBEAP program or hold off on a violation if they know that the company is working with the SBEAP.

Funding and Staff

The 507 Programs provide huge benefits for a small investment. SBO and SBEAPs are primarily funded from state air permitting fees and do not receive dedicated federal funding. In some states, programs receive additional funds from other sources such as grants, fees, and state general funds. Budgets and staffing vary widely by state. In 2008, annual program budgets ranged from under \$10,000 to over \$1 million. Staffing also varies greatly from small programs with only one person to a staff of 40. These differences reflect the different needs and approaches in the states.

Compliance with environmental regulations costs over 3.5 times more for small firms than for large firms.

From the report, "The Impact of Regulatory Costs on Small Firms"

– SBA Office of Advocacy



SMALL BUSINESS OMBUDSMAN: ADVOCATE FOR SMALL BUSINESS

The Small Business Ombudsman is the second required element of the 507 Programs. The specific responsibilities of the SBO varies by state and may include involvement in the enforcement process, providing compliance assistance or helping with the permitting process much like the SBEAP. In general, the SBO is viewed as an advocate for small businesses.

Most SBOs act as advocates for small businesses within their regulatory agency. In South Carolina, the SBO accompanies small businesses to enforcement conferences and tries to make sure that companies have the opportunity to come into compliance without a fine. The Colorado SBO helps small businesses understand the enforcement process and be prepared to present their case. The SBO in Wisconsin is the go-to person on air permits if small businesses feel that the process is too slow or their questions are not getting answered. She feels that she is a translator for both sides, regulatory language for the small business and small business language for regulators.

SBOs do more than advocate. The South Carolina SBO helps put on workshops and conducts site visits. The Mississippi SBO is very close to compliance assistance as he also manages the SBEAP staff. In Colorado, the SBO reviews guidance documents that the agency creates to ensure that a layman can understand them and is responsible for ensuring that the state CAP membership is full. The West Virginia SBO may have summed up the SBO function best when he said that his objective is "to help folks, and to make the programs work better for everyone."

In Mississippi, the Small Business Ombudsman mediated between a small business and the agency to help reduce fines on the business from hundreds of thousands of dollars to under ten thousand.

COMPLIANCE ADVISORY PANELS: BRINGING IN THE VOICE OF SMALL BUSINESS

The CAA lays out responsibilities for the state CAPs which includes providing opinions on the effectiveness of the SBEAPs and the difficulties encountered with enforcement, as well as reviewing information for small businesses to ensure that it is understandable. These requirements have been implemented by volunteer CAPs across the country. The volunteer panels help make the regulatory process more effective by bringing in the voice of small business and providing state agencies access to a sector from whom they rarely hear.

CAPs are different in every state but generally hold periodic, often quarterly, meetings in order to be briefed by the state environmental agency on regulatory issues. Some CAPs only focus on air issues while others work on multiple environmental areas. A Maine CAP member from the Portland Maine Regional Chamber of Commerce, feels that the CAP provides a place where “DEP [Department of Environmental Protection] can get unvarnished input from a broad cross-section of small business.” He stresses that the CAP brings together the regulators and the regulated community, which has helped make the regulatory process less adversarial in Maine.

While regulatory agencies frequently hear from and are familiar with larger businesses, connecting with small businesses is more difficult. This is where an effective CAP can make a difference. In Georgia, the CAP helped identify small businesses when the state wanted to convene a stakeholder group on salvage and junkyards. The CAP also helped the state disseminate information on a new rule that affected autobody painters and attended training sessions on the rule to explain the role of the SBEAP.

Proving the small business point of view makes it possible to develop regulations that are more effective and fair. In Pennsylvania, when regulators were planning to require salvage yards to remove mercury filled switches from cars before shredding, a CAP member arranged for rule-writers to visit a facility with a state of the art auto shredder. They quickly realized that removing switches at this stage of the process would be difficult and as a result, changed their approach. In Texas, according to the CAP chair, when the CAP reviewed compliance

history regulations they found that the process was unfair to small businesses. Uninspected facilities were marked with a default of average to poor. Because small facilities were less likely to be inspected, this could lead to the appearance of worse compliance. The CAP wrote letters to the Texas Commission on Environmental Quality (TCEQ) and helped get the regulation changed.

In Colorado, CAP members review guidance material developed by the state to make sure that it is written in plain language that a small business can understand. In Pennsylvania, the CAP worked to help start the

A Matter of Trust

The SBEAP in Tennessee, likes to begin presentations with an attention-catching question. At the annual meeting of the Tennessee Concrete Association, an SBEAP staff member started her presentation by asking “Who am I?” and planned to explain, “I am from the government and I am here to help.” The response from the audience was more telling—a participant answered, “You are a friend.”

Trust is a basic element of the 507 Programs. Small businesses find that compliance issues are addressed, and that the SBO is a real advocate for their needs. The West Virginia SBO feels that small businesses not only trust that he is not from enforcement, but also that he will not laugh at rudimentary questions about the regulations. This trust is shown when businesses, trade associations, and even environmental attorneys refer businesses to the SBO/SBEAP.

SBO/SBEAP Programs have also earned the trust of inspectors and regulators in the environmental agency. Regulators know that when a small business is working with the SBO/SBEAP, the outcome is most likely to be compliance; they don't have to use the expensive violation stick to get the same result. The ability to earn the trust of both the regulated and the regulatory communities shows the unique and valuable nature of the SBO/SBEAP Programs.

Small Business Advantage Grant to provide funds for small businesses for energy efficient or pollution prevention equipment.

CAP members benefit from their participation; they are helped professionally by becoming more knowledgeable and learning the language of the regulators. A former long-time CAP member from Colorado believes that this knowledge gave her an edge professionally. Another CAP member has found that the relationships he developed on the CAP have been invaluable, for example he feels comfortable calling the head of permitting if a member of the association he heads has an issue.

"[Joining the Colorado CAP is] one of the best things I have ever done."

– Former CAP Member, Colorado

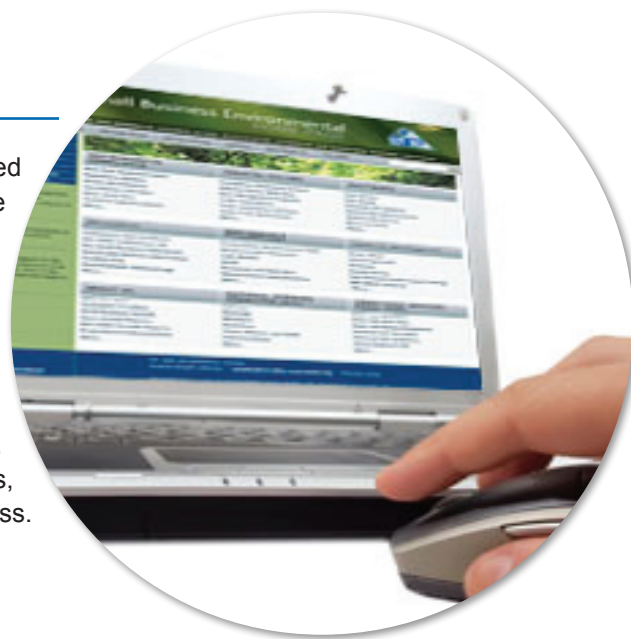
The value of CAP members is clear in the award of the 2008 Small Business Environmental Assistance Program Award to Frances Hartwell, long time CAP member in Oregon. The nomination noted that Frances had:

"committed herself to broadening the ODEQ's [Oregon Department of Environmental Quality's] knowledge of small business concerns by becoming a respected and valuable resource for ODEQ on rule implementation and permitting."

"She uses her knowledge and expertise of small business, her passion for the environment, and her understanding of human nature to move others to action."

SUMMARY

For twenty years, the small business community has counted on help from the 507 Programs. From providing guidance on permits, to offering hands-on technical assistance, to advocating for small business issues, the 507 Programs have demonstrated their value to small businesses and the community. As environmental laws continue to grow more complex and small businesses are expected to further reduce their environmental impacts, the 507 Programs will be needed more than ever. These programs are a cost effective way to reduce pollution and support small businesses, and are a model for how working cooperatively leads to success.



"The state 507 programs are an invaluable resource for the small business community and for EPA. These programs help small businesses comply with regulations that are designed to protect human health and the environment. They also bring small business issues and viewpoints back to EPA so that EPA can design regulations that are effective while minimizing the burden on small business. I am proud to support the state 507 programs and look forward to another 20 years of success."

– EPA Small Business Ombudsman



 EPA United States Environmental Protection Agency

