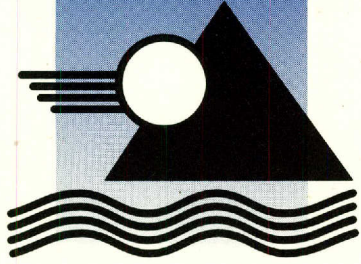


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Healthy Environment.
Strong Business.
Good Sense.

1996 Annual Report

Small Business
Assistance Program



SMALL BUSINESS ASSISTANCE PROGRAM

Mission:

To promote environmental quality and economic growth by providing free and confidential environmental assistance to small businesses.

FROM THE ADVOCATE...

This year marked a new beginning for this office. The Small Business Technical Assistance Program and the Small Business Advocate's Office were reborn September 1, 1995, as the Small Business Assistance Program (SBAP). Now, small businesses in need of assistance can go to one source and receive thorough, timely answers.

I'm happy to report that the merger has exceeded all our expectations. Though we have consolidated and reduced our resources by 17 percent, the SBAP is providing a higher level of service to more businesses than ever before.

Our organization may have changed, but our goals have not. Our commitment to small businesses is to do away with unnecessary regulations, cut red tape, create grassroots partnerships, and give small businesses a voice in the rule-making process.

This year, the SBAP reached 20,000 small businesses. The SBAP sought input from small-business owners and others on what works and what we can improve. Our technical experts made presentations and visited shops around the state to share their knowledge on means to reduce pollution, save money, and comply with environmental laws. We continued to provide common-sense solutions to difficult problems. In this report, you will read several detailed examples of small-business successes resulting from these efforts.

We are always searching for ways to make things easier and less expensive for businesses. During the past year, this office has made great strides towards those ends. Many businesses have saved money due to changes and suggestions made by the SBAP. Others have qualified for new exemptions from rules that never should have applied to them. Documents have been simplified and shortened, some by hundreds of pages.

As we build on the success of our first year as the Small Business Assistance Program, we will look for new, innovative ways to promote a healthy environment and strong economy. We pledge to continue doing all we can to point small businesses in the right direction.

My sincere gratitude goes to the businesses, trade associations, government organizations, Texas Natural Resource Conservation Commission (TNRCC) staff, and members of our many committees who have contributed so much to our efforts. We are proud of what we have accomplished together and excited about the opportunities ahead. As always, we invite your input on how to better serve the citizens, small businesses, and environment of our great state.

Sincerely,



Tamra-Shae Oatman
Small Business Advocate

1

"This is an impressive service for any agency—public or private."

Owner of a small machinery company

"The person I talked to solved the problems I was having. He was the only person who seemed sincerely interested in working on my behalf."

Customer in
Denton

OVERVIEW OF THE SMALL BUSINESS ASSISTANCE PROGRAM

The Small Business Assistance Program (SBAP) provides assistance to independently owned or operated Texas businesses with 100 or fewer employees.

Services include:

- Cutting red tape
- Rule and regulatory recommendations
- Complaint resolution
- Multimedia technical assistance
- Plain-language information
- Local advisory groups
- Financial-assistance information

The Small Business Assistance Program is an independent division, separate from enforcement, of the Texas Natural Resource Conservation Commission. All contact with the Small Business Assistance Program is confidential. The enforcement division of the TNRCC cannot seek information regarding these contacts.

2

Correcting Oversights

A screen printer in Fort Worth received a notice of violation for operating without a permit. The permit had nothing to do with high air emissions. It was required because the printer used a process with a temperature greater than 194°F to set the ink. Thousands of small businesses that print T-shirts, hats, and other items use this same process in Texas.

The SBAP worked with other divisions of the TNRCC to rewrite Standard Exemption 13 to allow these businesses to qualify.

Results: Thousands of T-shirt and hat printers will avoid a \$450 permit fee as well as consultant fees. Approximately 500 larger screen printers will save a total of between \$2.5 million and \$6 million in permits, consultants, modeling, and public notice costs.

SMALL BUSINESS ASSISTANCE PROGRAM CUSTOMER BILL OF RIGHTS

All small businesses have a right to expect:

- Free, confidential assistance
- Courteous service
- Complete, accurate information on air, water, and waste issues
- Prompt answers—an initial response to all inquiries in two business days or less
- Plain language on all materials
- A voice in the rule making process

"I pledge to all small businesses that this office will apply common-sense solutions to your problems. The SBAP will do everything in its power to ensure a healthy environment and a strong economy in which small businesses can thrive."

**- Tamra-Shae Oatman
Small Business Advocate**

HOT LINE (800) 447-2827

Our toll-free hot line is one of the most important links the SBAP has with small businesses. The SBAP received approximately 3,300 calls in 1996.

PROFILE OF CALLS

Which Businesses Call Most?

	Percentage of total calls
1. Auto body shops	13%
2. Manufacturers	8%
3. Dry cleaners	6%
4. Suppliers	5%
5. Plating/finishing	4%
Other	64%
	<hr/>
	100%

Reducing Penalties to Keep Businesses Open

A family-owned business that produces brass and aluminum parts had been spreading excess shavings on their property. An Environmental Protection Agency (EPA) investigation declared the property an illegal hazardous-waste landfill. The EPA ordered the business to pay a penalty of \$817,000 and to clean up the site immediately. The business did not have the money to do so.

The SBAP worked with the business and the EPA to propose a solution to keep the business open and allow them to clean up the site.

Results: The EPA agreed to waive the administrative penalty. The business agreed to cover and fence the contaminated site and install monitoring wells to ensure that contamination does not spread. The business agreed to clean the site completely within five years.

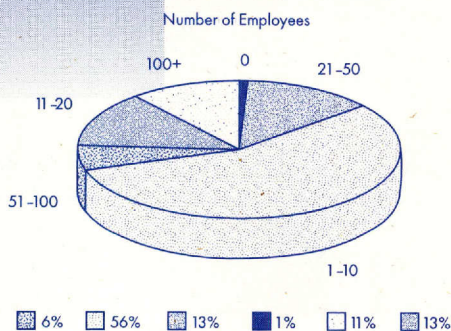
"I needed information ASAP on paint spray booths to pass along to businesses. One phone call assisted me immediately. Great work."

City employee in
Abilene

The "other" calls include a wide variety of businesses, such as beauty shops, aircraft painters, florists, solar panel installers, house painters, coffee shops, dentists, pest control services, photo labs, and barge repairers.

The majority of callers requested information on what they need to do to comply with environmental rules.

Size of Businesses that Call



Hot-Line Calls by Region

1) Houston (Region 12)	27%
2) Arlington (Region 4)	21%
3) Austin (Region 11)	10%
4) San Antonio (Region 13)	8%
5) Corpus Christi (Region 14)	4%
All other regions	30%

100%

CUSTOMER SERVICE

Anyone who calls the hot line receives a customer service survey to assess the assistance provided. Of surveys returned, 92 percent of hot-line callers considered the information they received helpful. Ninety-three percent of all callers rated the SBAP's overall performance as good or excellent.

4

AMNESTY FOR THE WOOD PRODUCTS INDUSTRY

To encourage voluntary compliance, the SBAP helped develop an amnesty program for the wood products industry. The program, which began January 1, 1996, and runs through December 31, 1996, allows small businesses in this industry to comply without fear of penalties. During the program, the TNRCC also suspended inspections of these businesses, except those in response to citizen complaints.

Many of these businesses were unaware of the environmental rules that applied to them. The SBAP targeted outreach efforts to this group with one-on-one technical assistance, industry-specific brochures, and notification through local newspapers.

The program has saved some businesses thousands of dollars in fines and consultant fees. The result is a cleaner environment and more competitive businesses.

SPRAY BOOTH DEMONSTRATION PROJECT

The SBAP received a grant from the Environmental Protection Agency (EPA) to demonstrate a low-cost automotive spray booth in El Paso. The project helped auto body repair shops learn how to reduce waste and comply with environmental regulations.

The El Paso Independent School District (EPISD) volunteered to join the TNRCC, providing a facility for demonstrations and other assistance. The project included demonstrations of the following:

- Compliant paint spray booth
- Paint-solvent recycling machine
- High-volume low-pressure (HVLV) paint spray guns
- Automobile preparation area
- Paint spray-gun cleaning machine

The spray-booth project trained 85 auto body painters from Texas and Mexico. The workshops also explained the TNRCC permitting process and how to purchase a low-cost spray booth.

COMPLIANCE-ASSISTANCE VISITS

Often, the best way to point a business in the right direction is to visit the business in person. The SBAP performed approximately 110 compliance-assistance visits in 1996.

During a visit, a technical expert from the SBAP walks through the business to determine areas of compliance and noncompliance. The expert uses a checklist to make sure air, water, and waste issues are addressed. While at the business, the SBAP staff explains compliance steps to the business owner.

After the visit, a follow-up letter is sent to confirm compliance steps. Finally, the SBAP performs a follow-up visit or phone call to determine what changes the business has made and to measure the increase in compliance.

Easing the Burden

A consumer products rule required companies (such as manufacturers of cosmetics, windshield wiper fluid, and many others) to stamp each batch of products with a date. The dates were not for freshness or usage purposes; they simply made it possible to determine whether products were made before or after a new law prohibiting certain formulas.

The SBAP helped develop a rule that will eliminate date stamping of these products. Businesses will comply by printing on the label, "This product was produced in compliance with state of Texas laws."

Results: Manufacturers will save \$200 to \$400 per batch. It will no longer be necessary to buy stamping machines at a cost of \$10,000 to \$15,000. Companies that could not afford the machines will not have to hire employees to stamp products by hand.

"Your site visit helped me understand the requirements for my shop so I could avoid penalties for violations."

Customer in
Houston

A CLOSE-UP LOOK AT ONE INDUSTRY

The following breakdown shows the compliance rates, costs, and savings based on compliance-assistance visits for auto body shops for April 1995 through June 1996:

Number of shops visited: 110

Initial average compliance rate of all shops: 72%

(Note: A shop with nine items in compliance out of a possible 10 is 90 percent compliant.)

Average follow-up compliance rate (based on follow-ups with 60 shops): 88%

Industry-Wide Savings

With input from small-business owners, the SBAP reviewed a draft of a new rule for printers and suggested changes that will save the industry an estimated \$64.3 million. A similar review for a dry cleaning rule is estimated to save businesses \$23.15 million.

Based on estimated costs of compliance and estimated savings for all 110 shops visited, **SBAP compliance-assistance visits save each shop approximately \$1,200.**

RULE REVIEWS

The SBAP Rule Review Committee is made up of small-business representatives around the state. Members look at proposed environmental rules and provide comments and suggestions to improve them.

Businesses interested in more information on the Rule Review Committee can contact the SBAP hot line at (800) 447-2827.

OUTREACH

The SBAP used the Internet, workshops, brochures, and other materials to reach businesses in 1996.

WEAVING OUR WEB SITE

The SBAP went on-line in 1996. Businesses with Internet access can find us at http://www.tnrcc.state.tx.us/exec/small_business.

Browsing the SBAP web site, a small-business owner can learn about compliance deadlines, upcoming workshops, and new information on industry-specific topics.

The SBAP also produced the *Internet Access Guide to the Information Superhighway*. This booklet, developed with a grant from the EPA, gives easy-to-follow instructions for new users to the Internet. The guide was created for the U.S. General Store, a one-stop information center for small businesses. Copies can be obtained from the U.S. General Store or by calling the SBAP.

WORKSHOPS

SBAP staff made presentations at 74 workshops and seminars in 1996. In addition to general compliance workshops, special programs were targeted towards the following industries:

- Auto body shops
- Dry cleaners
- Metal finishers
- Printers
- Wood products businesses

Many businesses, government and trade organizations, and suppliers joined with the SBAP to present workshops.

The SBAP conducts surveys to measure the impact workshops have on attendees. Workshop participants at a recent event for the printing industry were given a short test with questions in three different areas. They took the test before and after the workshop.

Change in survey score after workshop:

Air	+22%
Waste	+13%
Tier II/TRI	+56%
Overall Increased score (average)	+24%

PRINTED MATERIALS

Hot-line callers and businesses on the SBAP mailing list had several new publications available to them in 1996—everything from tips for obtaining environmental equipment loans to benefits of paint-solvent recycling. *The Small Business Advocate*, a quarterly newsletter, continued to update small businesses on environmental information, including rule updates and compliance deadlines. The SBAP also wrote monthly articles for trade and business publications on topics of interest to their readers.

Breaking Down Language Barriers

A TNRCC inspection of a dry cleaner resulted in several violations. The owner, a native of Taiwan, considered closing the business because she did not speak English and thought it would be too difficult to comply.

The SBAP contacted the TNRCC regional office and spoke to the dry cleaner (through interpreters) to assess the situation. An SBAP staff member went to the cleaner, walked the owner through the steps necessary to correct the violations, and assisted in developing a compliance plan.

Results: The dry cleaner complied and remained open. The owner has reported increased sales. The dry cleaner won an award from a local business council based on efforts to change operations.

The SBAP plain-language staff helped simplify and reduce the TNRCC Air Notice of Violation from four to two pages.

After SBAP review, approximately 1,000 pages of hazardous-waste regulations were reduced to eight pages of easy-to-understand information about the main points small businesses need to know.

PLAIN LANGUAGE

When information is easy to understand, everyone benefits. That's why the SBAP continues to promote a plain-language program. All documents we send – from letters to brochures – are checked by a computer program for accuracy and ease of understanding. More importantly, materials are reviewed by plain-language committees. Small-business owners from around the state comment on how to make documents easier for businesses to understand. This year, 149 documents went through plain-language review, resulting in shorter, clearer information.

The TNRCC is adopting a number of agency-wide plain-language efforts. A communications team has been appointed to review all documents, and the agency is committed to ensure that rules are written in plain language.

SMALL BUSINESS ADVISORY COMMITTEES

One of the most important tools the SBAP uses is input at the local level. Small Business Advisory Committees (SBACs) make this happen. The committees also initiate programs and outreach to benefit small businesses in their areas.

This year, new SBACs were established in Brownsville and McAllen. Along with existing committees in Beaumont-Port Arthur, Dallas, El Paso, Fort Worth, Houston-Galveston, and San Antonio, these SBACs applied real-world wisdom to the issues facing small businesses. Some of the services provided by SBACs included:

- Making presentations at Small Business Assistance workshops
- Organizing focus groups to allow specific industries to provide input on rule proposals
- Co-sponsoring compliance seminars dealing with specific industries and topics
- Notifying businesses of environmental regulations through local newsletters, inserts in utility bills, and newspaper articles and advertisements

Cutting Costs, Simplifying Record Keeping

Some small businesses must fill out an air emissions inventory. The complex nature of the forms forced many small businesses to hire consultants – even when their operations changed very little from year to year.

The SBAP worked with the TNRCC Emissions Inventory Section to develop a policy that helps small businesses with the report.

Results: So far, 16 small businesses have taken advantage of the new policy. These businesses will each be able to save as much as \$7,000 in consultant and preparation costs. Also, any business with a five-percent change in emissions and those with emissions below the thresholds can substitute a letter for the emissions inventory.

COMPLIANCE ADVISORY PANEL

The Compliance Advisory Panel (CAP), appointed by the governor, lieutenant governor, and speaker of the House, met twice this year to perform its oversight duties of the SBAP. The CAP's first report to the EPA on the status of the SBAP was then forwarded to the U.S. Congress. The report focused on the SBAP's compliance with the provisions of the Paperwork Reduction Act, the Regulatory Flexibility Act, and the Equal Access to Justice Act. The report also profiled the number of businesses the SBAP assisted in certain industries.

"The CAP has the advantage of statewide membership. This allows us to look at the big picture for small businesses and ensure that SBAP programs address any special regional issues."

-Mary Miksa

CAP Chairwoman

The CAP is made up of members from across the state:

Mary Miksa serves as the Chairwoman for the CAP. She also is the manager of governmental affairs for the Texas Association of Business and Commerce in Austin.

Albert Apodaca is a CPA and co-founder and partner in the accounting firm of Apodaca Jensen & Co. in El Paso.

Lynda Billa Burke is a small-business owner and a councilwoman for District 3 in San Antonio.

Beverly Hartsock serves as the deputy director for the Office of Policy and Regulatory Development at the Texas Natural Resource Conservation Commission in Austin.

David Mendez is an executive vice president with Texas Commerce Bank in Houston.

James Motheral is president of Motheral Printing Company, a 60-year-old, family-owned business based in Fort Worth.

Forrest Smith is an attorney-mediator and senior partner in the law firm of Caolo & Bell, L.L.P., in Dallas.

"When we have other questions regarding EPA rulings and requirements, we will call your office."

Owner of a Dallas roofing business

FUTURE GOALS

Approximately 60,000 Texas small businesses are affected by environmental regulations. With 2,500 new businesses opening each week in Texas, government must operate more efficiently. As we head into 1997, the Small Business Assistance Program is working on several programs to serve as many businesses as possible:

- **Texas EnviroMentor** – This program matches volunteer environmental consultants with businesses who need their expertise. The network of EnviroMentors will be able to get to businesses quickly with the help they need.
- **Small Business Assistance Guide** – This guide will provide basic training to help partners such as EnviroMentors give the best possible service to small businesses. The guide will include overviews of environmental rules, checklists, and fact sheets.
- **Amnesty** – Based on the success of the amnesty program for wood products manufacturers in 1996, an amnesty effort is aimed at foundries for 1997.
- **Roundtables** – To assess regulatory problems facing small businesses, the SBAP will conduct environmental roundtables. These roundtables will take place in major Texas cities and will provide a forum for small businesses to recommend common-sense solutions.

These are just a handful of the efforts planned for the coming year. It is our goal that through these programs – as well as everyday efforts like answering hot-line questions and performing compliance assistance visits – the SBAP will continue to point small businesses in the right direction.

Small Business Assistance Program

1-800-447-2827

(512) 239-1066

Fax (512) 239-1065

Internet Address:

http://www.tnrcc.state.tx.us/exec/small_business

E-mail Address: sbap@tnrcc.state.tx.us

Address:

Small Business Assistance Program / MC 106
Texas Natural Resource Conservation Commission

PO Box 13087

Austin, TX 78711-3087



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Texas Natural Resource Conservation Commission
PO Box 13087
Austin TX 78711-3087**

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