



Business & Industry Kitchen Cabinet Notes
Lewis & Clark State Office Building, June 13, 2014
10 a.m. to 3 p.m.

Welcome & Introductions

The meeting began with a welcome from Department of Natural Resources Director Sara Parker Pauley, followed by introductions of those in attendance. This is the third year for the four industry kitchen cabinet meetings hosted by the department.

Big Picture Discussion

The meeting continued with an update on the department's Strategic Vision and the progress that has been made on these efforts since the last meeting. Sara Pauley provided an update on Missouri's involvement in ECOS (Environmental Council of the States) and in the Environmental Research Institute for the States, which helps establish priorities for research for EPA. She also discussed the E-Enterprise Leadership Council. Missouri is one of only seven states represented on the Council. As part of that effort, the department recently received notice of approval to fund development of the Missouri Local Government Portal, which will serve as a web-based repository of information and training for local elected officials. This will serve as the basis for a broader portal to serve businesses and others as well. Sara will chair ECOS's Water Committee starting in late in 2014.

Legislative Session Wrap-up

Mary Mulhearn provided a summary of legislative actions during the 2014 session that impacted the department. The omnibus bill that addressed most of the department's issues was Senate Bill 642, which is available on the web at http://www.senate.mo.gov/14info/BTS_Web/Bill.aspx?SessionType=R&BillID=27811600. This bill dealt with a range of issues, including clean water issues, such as ammonia and changes to the water quality standards, and moving responsibility for setting fees to the commissions. Under this bill, the department will perform a study on all watersheds if a regulatory change will result in a change of more than 25% of any water quality standard. A bill prohibiting new regulations on wood burning stoves was passed in response to proposed EPA regulations. Another bill addressed a "loophole" in mining permits and the associated appeal processes. These bills are still awaiting a sign/veto decision by the Governor.

Compliance Assistance

EPA is talking about the next steps in enforcement and compliance, known as Next Generation Compliance or Enforcement 2.0. This may involve use of newer technologies, "big data" and payment for third party verification of compliance. The discussion about "big data" focused on how EPA proposes to use the data. The EPA is

considering its use for development of enforcement priorities and to look for “outliers.” This approach is partly a result of the age of environmental laws and regulations – no longer are we focusing most of our efforts on large manufacturing and other plants, as they’re in compliance. EPA’s description of next generation compliance is “making it easier to comply than to violate.” This fits with the department’s approach, using compliance assistance and community services to help move permittees into compliance. Some participants raised concerns about the risks of poor data quality. As more business audits are done, the potential negative consequences of poor data become more pronounced.

As part of the department’s compliance assistance efforts, the department will initiate compliance assistance visits (CAV’s) on July 1, 2014. The department will need help getting the word out that CAV’s are available upon request. The second phase of the Compliance Assistance will focus on the process that happens after an inspection with the goal of having a more standardized process that focuses on compliance, but keeps a strong enforcement approach for those situations where one is necessary. The attendees supported this type of approach and would welcome the opportunity to respond to an inspection report prior to further action.

Facilitated Discussion – Focus on 2016

The cabinet members were asked what they see as the future of the environment in 2016, and how they see their role in achieving that goal. Cabinet members explained that most have performance expectations that include environmental measures. Providing the flexibility to achieve those goals would be a significant benefit. One suggestion was to empower permit writers, as they tend to be conservative when drafting permits, to be more creative and flexible. Sara pointed out that the department wants to balance increased consistency and increased discretion.

Recognition system

Discussion shifted to whether a recognition system for business and industry is wanted. The department was encouraged to ask 100 companies what they would want as a reward. Discussion of DNR’s past effort, MEMP, focused on whether that program was seen as successful. The participants pointed out that, increasingly, business and industry have well-defined incentives and performance audits that ensure that they are meeting standards. Thus, the role of a recognition program may have shifted since the implementation of MEMP.

The department is hosting a Governor’s Conference on Natural Resources on November 12 – 13, 2014. The theme of the conference is on environmental challenges and successes and Missouri’s approach. We are looking for entities to sponsor young people (college age) to attend the conference. It was suggested the department work with the Environmental section of the Missouri Chamber of Commerce.