

## Testimony in support of Clearinghouse Rule 10-046

### Senate Public Hearing – Committee on Environment

Wednesday, September 29, 2010 411 South – State Capitol

#### **Clearinghouse Rule 10-046**

Relating to asbestos project inspection and notification revision fees and affecting small business.

Hello! I am Bill Baumann, Chief of the Compliance, Enforcement & Emission Inventory Section in the DNR Bureau of Air Management. I am here today to speak in support of Clearinghouse Rule 10-046 and to provide brief background information on our asbestos control program. This rule contains standards for charging fees in relation to the asbestos notification requirements of ch. NR 447. The Natural Resources Board adopted the Air Management rule being considered today at its August, 2010 meeting.

The DNR's Air Management asbestos responsibilities - inspecting asbestos abatement projects, responding to public complaints regarding abatement projects, and taking enforcement action where necessary – are all focused on protecting public health from the adverse effects that result from exposure to asbestos. It is vital that these efforts continue. There is no "safe" asbestos exposure level; any exposure may lead to diseases such as asbestosis, lung cancer, mesothelioma, and other forms of cancer. The DNR activities have in the past been funded by a combination of asbestos notification fees and funds from a federal grant. The federal grant also funds a variety of other EPA mandated Air Management Program activities such as developing state plans to implement federal air quality standards and monitoring ambient air quality. Due to declining grant amounts, this grant can no longer support all of the activities previously funded. The fee increases contained in the proposed NR 410.05 revisions will enable the current levels of asbestos program staffing, service and activities to be maintained, funded completely by asbestos program fees.

#### **Summary of the Proposed Rule**

Inspection fees are based on the size of project and amount of asbestos involved. The revised asbestos inspection fees proposed in the rule range from \$135 (increase of \$60 over the current fee) for small projects, to \$1200 (increase of \$575 over the current fee) for very large projects. The proposed rule also adds a new \$100 fee for review of significant revisions to asbestos notifications, adds a new \$100 fee for fire training burns, and provides for charging an additional fee, equal to the inspection fee, for projects that are begun prior to submitting the required notification to the department.

#### **Public Comment**

Two public hearings were held on the proposed rule changes, one each in Madison and Wausau. There was also an opportunity to provide written comments during the comment period on the proposed rule. The limited number of comments we received fell into two general areas.

One area involved support for DNR asbestos staff for their efforts in increasing compliance and leveling the playing field across the asbestos abatement industry in Wisconsin.

The other topic had to do with the impact of the proposed fee increases on asbestos abatement contractors. It is a common business practice for contractors to pay asbestos notification fees for their clients prior to the initiation of an abatement project, and "carry" those fees until being compensated for their work at the conclusion of the project. The proposed fee increases would result in increased costs temporarily carried by the contractors. To address this concern, the Department will provide information to abatement contractors on structuring abatement contracts to provide for up front payment of asbestos fees by property owners.

Thank you for your time and attention. I will be glad to try to answer any questions you may have about the proposed rule revisions.