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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2003-04

(session year)

Assembly

(Assembly, Senate or Joint)

**Committee on Government Operations and
Spending Limitations...**

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Why Wisconsin Needs Date-Certain Permitting

- The Green Bay Press Gazette reported that Georgia-Pacific recently chose to build new paper machines in Oregon and Louisiana. A company official said its two mills in Green Bay are among the best in the company, but “quite frankly, we put two tissue machines in those states because they give you more incentive to invest.”
- The Green Bay Press Gazette also reported SCA Tissue could build a \$240 million production center in Barton, Alabama before a local mill could even get a permit to make an improvement on a single machine.
- According to a report published in the Milwaukee Journal-Sentinel, one mid-sized food processor was doubtful it would expand its operations in Wisconsin because regulatory costs here are seven times what they are for company’s plant in Indiana.
- A Wisconsin-based manufacturer reported that permits can be processed “in a week” in some other states where the company operates. In Wisconsin, the process can take six months to a year (Green Bay Press-Gazette).
- A recent survey of executives showed that business leaders are more frustrated with how Wisconsin government runs its regulatory system than with the standards it imposes on other businesses (Wisconsin State Journal).
- In my area of the state, the paper industry is serious trouble. In 1980, 35 paper companies were located in Wisconsin. There are 28 left. In 1990, 13 were headquartered in Wisconsin. Two have left (Green Bay Press-Gazette).

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Doyle aides call on Senate to delay action on business bills

By STEVEN WALTERS
swalters@journalsentinel.com

Last Updated: Sept. 22, 2003

Madison - Two top aides to Gov. Jim Doyle said Monday that the state Senate should delay action on economic development bills that are scheduled to be voted on today until final details on them are negotiated.

"I hope we'll take the time to do the job right," said state Revenue Secretary Mike Morgan. "If we can get it done over the next 24 hours, wonderful. If it takes another few days or a week, I think business will be pleased."

Marc Marotta, secretary of administration, thanked Republican senators for working with Doyle's aides on the package of bills, which Republicans say are needed to create jobs by setting up new timelines for businesses to get permit decisions when they want to locate or expand in Wisconsin.

Everyone wants to streamline the permitting process, Marotta said.

"We're so close to having an agreement on where we want to go here," he said.

But Marotta and Morgan said they have concerns about the bills scheduled to be acted on by the Senate today.

Senate bills cleared for votes today would require six major state agencies to write rules establishing deadlines for permits that those departments must issue. If an agency failed to issue or deny a permit in the specified time, the business would receive "presumptive" approval of the permit or have its permit fees refunded.

The bill would apply to the state departments of Commerce; Agriculture, Trade and Consumer Protection; Transportation; Natural Resources; Revenue; and Financial Institutions.

But Marotta questioned the provision's "presumptive" approval, saying it could force permits to be issued prematurely.

Marotta also said that it might be wiser to establish formal deadlines for the six departments to rule on permit applications instead of telling each of the agencies to write its own timelines.

The Senate bills would allow an estimated 500 businesses to perform environmental "self-audits" of their plants to determine whether they are complying with state laws. If they are not, they can reveal the details of the violations to regulators, agree to voluntarily correct the problems and then pay reduced civil penalties.

But Morgan said the latest version of the bill would not specify which companies could perform the internal environmental audits, which means companies with histories as "bad actors" could qualify.

Senate Majority Leader Mary Panzer (R-West Bend) said she expected votes on the bills to be held today. The votes should occur because "jobs are the most important thing we do" in the fall legislative session, which is to begin today.

"We have been meeting on this since July," Panzer said. "The governor has known about this for some time."

From the Sept. 23, 2003 editions of the Milwaukee Journal Sentinel

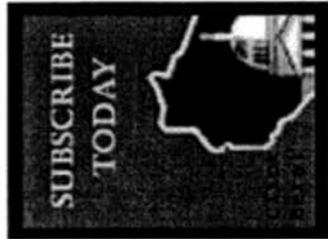


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Gov. Doyle: Calls for Regulatory Reform

9/23/2003

GREEN BAY - Governor Jim Doyle today called on the Legislature to enact a proposal that would -- for the first time - set strict time limits on agencies to review permit applications, and hold agencies accountable if they don't meet deadlines. The Governor said that while the Republican proposal for so-called "presumptive approval" would put our environment at risk, his proposal would build upon his Administration's efforts to streamline and improve Wisconsin's regulatory process without lowering our environmental standards.

"My administration has reached out to legislators in both parties to find common ground on regulatory reform," Governor Doyle said. "But while I want to ease regulatory burdens, I will not sacrifice our standards."

"I have a plan that for the first time sets strict time limits on agencies to review permit applications, and holds agencies accountable if they don't meet deadlines. Unfortunately, the Republican plan for so-called 'presumptive approval' says that if an agency misses a deadline, the permit is granted regardless of the consequences for the environment. I believe if a deadline is missed, the agency should pay the price, not the public - and certainly not our environment."

Under the Governor's proposal, permit applications would have specific timelines and deadlines. If an agency missed the deadline for approval or disapproval, the application fee would be refunded. Additionally, the Governor's proposal would set up a system of fines for the agency for not meeting deadlines. The fines would not be paid to the applicant, but would instead be directed to a separate fund to support the environment.

"I have asked my cabinet secretaries to work closely with the legislative leadership to try to find some common ground, but if they are unwilling to work cooperatively with me, I will direct my agencies to implement the reforms now through administrative actions," Doyle said. "In fact, because I am serious about regulatory reform, my administration isn't waiting for legislation; we're already making important reforms. Wisconsin's economy can't wait any longer."

"Wisconsin's environment and high quality of life are key assets for our state economy and must not be endangered," Governor Doyle said. "But if we want a strong, robust economy, we must strive to enforce our standards without taking years to do so."

The following are a few of the regulatory reform initiatives within "Grow Wisconsin" that are already underway:

Expedite Air Operating Permits

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When Governor Doyle took office, he inherited a large backlog of air operating permits at the DNR, some of which have been awaiting action for several years. The Governor is directing the DNR to eliminate the backlog and to establish a target to approve or deny permits within 180 days of their submission.

[Streamline New Source Review Air Permit Process at DNR](#)

The DNR will provide regulated facilities more operational flexibility in construction permits as they attempt to meet their federal Clean Air Act requirements. Changes will ensure that Wisconsin companies continue to invest in their plants without being penalized by a new source review program that requires substantial investment in order to make often minor and environmentally beneficial changes to a facility's operation.

[Continue Fast Issuance of Wastewater Permits](#)

The DNR has worked hard to create one of the fastest wastewater discharge permit systems in the United States. The DNR will continue their efforts to provide timely issuance of wastewater permits.

[Consolidate Permits to Facilitate Construction Projects](#)

The DNR will consolidate the three permits currently required to grade land adjacent to waterways into a single permit. By streamlining three timetables, three permit applications and interaction with three DNR staff into a single process, these construction permits will be approved faster, with less cost to the applicant and the agency.

[Create a Permit Tracking System](#)

The DNR will institute an on-line permit tracking system for air permits that allows businesses and citizens to check the status of permit applications on the internet.



Green Bay Weather

Temp: 65 °F
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Lo: 40 °F

LOCAL NEWS

Posted May 13, 2003

Georgia-Pacific move a bad sign for state, officials say

Machine's shutdown called symptom of business climate

By Richard Ryman

rryman@greenbaypressgazette.com

Local company and business leaders say the decision to idle a paper machine at Georgia-Pacific's East Mill is a sobering sign that it costs too much to do business in Wisconsin.

Georgia-Pacific Corp. said Monday that it would idle one paper machine at its East Mill to reduce tissue production. Twelve employees work on the machine, but no immediate layoffs are planned.

Kelly Wolff, vice president and East Mill manager, said the company can make tissue at its Naheola Mill in Pennington, Ala., and ship it to Green Bay for converting cheaper than making it here.

He said that if the East Mill could rebuild one of its machines, it would be more competitive. But he also said the company would not spend money to modernize machines here because of regulatory lethargy and lack of incentives.

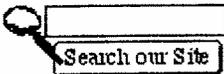
"That's the bottom line on this whole process, making sure we get corporate investment in Green Bay," said Paul Jadin, president of the Green Bay Area Chamber of Commerce. "Anytime you see another example of how we are not able to compete with some of the Southern states, it's sobering."

Dennis Delie, president of Local 213 of the Paper, Allied-Industrial, Chemical & Energy Workers International Union, one of two PACE locals representing East Mill employees, said the fact that tissue can be made elsewhere more cheaply is disturbing.

"I would hope the state would wake up a little bit instead of waiting for a crisis," Delie said. "I'm not at all in favor of state government throwing a lot of money at private industry, but there may be some things it could do with regulations."

The Wisconsin Paper Council, in a report released in February, made the same point.

"The biggest stumbling block is the state's regulatory environment. It's an entrenched



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system ... tangled up in bureaucratic delay and oversight," said Paper Council President Patrick Schillinger at that time.

Georgia-Pacific Chairman and Chief Executive Officer A.D. "Pete" Correll, during a visit to the East Mill at the end of February, said Wisconsin is not the company's choice for capital spending, despite high productivity at the local mills.

"We are glad we are here, but when it comes to expansion, Wisconsin is at a disadvantage," he said.

The shutdown of the East Mill's No. 7 paper machine is indefinite. The 12 affected employees will continue to work through the summer on an as-needed basis, filling in for vacationing workers. Their status will be reassessed at the end of the vacation season, Wolff said.

Delie said that with anticipated retirements and other attrition, layoffs do not seem likely.

He said the idling of the machine is frustrating to employees but not a new occurrence.

"It's a large company with a lot of paper capacity," he said. "They have been curtailing periodically all over the country. We have had this same machine idled for periods of time.

"It's not something we like, but it has become more and more commonplace."

The machine will stop making tissue on May 26, reducing production by 105 tons a day.

"It's a curtailment, not a shutdown," Wolff said. "We will re-evaluate it at the end of the year."

A shutdown would be permanent, such as what Georgia-Pacific recently announced, then partially rescinded, for its Old Town, Maine, mill. The company announced it was closing the mill, with two paper machines, 13 converting lines and 300 employees. After the state offered a last-minute incentive package, Georgia-Pacific agreed to keep one machine and eight converting lines running, saving 150 jobs.

Wolff said the decision to restart the machine in Maine was not a direct cause of the curtailment in Green Bay.

"We have overcapacity in the system," Wolff said. "This is something that would probably have happened anyway."

The East Mill has five tissue machines and one air-laid machine.

Wolff said the company's converting business remains strong.

"Our converting side of the business is doing fairly well as far as order volume," he said.

The East Mill, 500 Day St., produces primarily retail consumer tissue products such as Quilt Northern bathroom tissue and Brawny paper towels and napkins. It has about 750 employees.

The West Mill, 1919 S. Broadway, produces primarily commercial tissue products such as those used in hotels, restaurants, schools and hospitals. It has about 3,000 corporate and union employees.

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FOR IMMEDIATE RELEASE

May 14, 2003

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**Regulation Hurdles Sending Jobs Outside Wisconsin
WMC Study Finds High-Wage Manufacturing Job Loss**

MADISON – Wisconsin is losing high-wage manufacturing jobs to other states due to overly aggressive regulators and burdensome regulations, which make the state uncompetitive for business expansion, according to a report released today by Wisconsin Manufacturers & Commerce.

“There is no delicate way to put it – Wisconsin’s regulatory climate is costing us good paying jobs and is an anvil around our neck as we try to swim out of the current economic doldrums. Our regulatory climate is not the result of any one regulatory scheme or agency, or for that matter, it is not the result of any one administration or legislature,” the WMC report states. Wisconsin has lost 66,000 manufacturing jobs in the last three years.

The report is being unveiled today at the 2003 Environmental Policy and Awards Conference at the Milwaukee Marriott West in Waukesha

The report – “The Case for Regulatory Reform in Wisconsin” – calls for a series of regulation reforms. Governor Jim Doyle, Assembly Speaker John Gard and Senate Majority Leader Mary Panzer have all called for regulation relief to help businesses create jobs.

WMC-backed regulation reforms include:

- Expand and simplify permit exemptions, allow construction to begin pending permit application review, increase the use of “general” permits, and enforce specific permit approval deadlines.
- Require agencies assess the costs and benefits of their proposal, quantify the risks they are trying to address, and require costs generally be commensurate with benefits.
- Avoid general grants of rulemaking authority, clarify/strengthen policies as to when federal programs can be exceeded (both standards and procedures), and expand legislative review requirements.

The 25-page report is a compilation of six months of research by WMC, a 4,000-member business group whose members employ 500,000 Wisconsin residents. WMC Environmental Policy Director Jeff Schoepke and other WMC officials met with manufacturers throughout Wisconsin to discuss the regulatory climate in Wisconsin. WMC also solicited business stories about regulation problems through www.wmc.org.

“Time and again we heard the same story: Manufacturers are not expanding here because they can’t get timely approval of needed permits and because state government forces regulations beyond those required in other states,” Schoepke said. “Jobs are being killed by overzealous regulators who have lost touch with the high-speed realities of today’s economy.”

The problem for Wisconsin, says WMC President James S. Haney, is that our recessionary employment levels may be locked in for a generation of industry does not receive needed

regulation relief.

“When the economy picks up, other states that encourage business expansion will get the jobs, and Wisconsin will be left behind,” Haney said. “The risk for our society is Wisconsin families won’t benefit from the next expansion because businesses will find it quicker and easier to expand in other states.”

The report contains an entire section – “Business Stories that Make the Case for Reform” – that highlights regulatory burdens confronted by businesses trying to operate or expand in Wisconsin.

- Without exception, companies and consultants with experience in other states found Wisconsin’s regulatory climate more hostile toward business than any other state, including neighboring Midwest states and California.
- The inability to obtain timely permits was the single most significant regulatory impediment facing companies wishing to expand or locate in Wisconsin. We heard specific examples how business opportunities have gone to other states because of the ability to provide regulatory approvals more quickly.
- Businesses are more concerned with the administration of the regulatory system than with the environmental standards themselves.
- The expanding scope of existing and creation of new “state only” rules puts Wisconsin at an economic disadvantage in an increasingly competitive marketplace.
- Agency staff who write permits and develop rules are not aware of, nor concerned about the business implications of their actions.

Doyle told business leaders in February that his administration is committed to cutting red tape for businesses, especially making sure that needed permits are granted in a timely manner. Gard and Panzer have said they are committed to regulation relief to spur economic development.

-- 30 --

NOTE: Full report available at www.wmc.org.

"Date Certain Permitting" COMMENT

THE BUSINESS JOURNAL

milwaukee.bizjournals.com

Regulatory process needs to be improved

The Public Service Commission (PSC) gave final approval March 31 to Wisconsin Gas Co. to proceed with the construction of a gas pipeline from Brookfield to Ironta, where it will connect to the Guardian pipeline.

The good news is that this new pipeline will deliver needed natural gas capacity into southeastern Wisconsin to meet our growing needs for energy. The bad news is that it took more than three years to



GUEST COMMENT

ROBERT GARVIN

Over the next few months, it was virtually impossible for anyone, including PSC staff, to determine what DNR action, if any, was taken on Wisconsin Gas' Chapter 30 application. During this process, DNR staff decided to negotiate the terms and conditions of the Chapter 30 permit with the applicant, landowners, PSC and DNR staff. The DNR held no public hearings on the application and issued its permit in January 2003.

After many meetings, it was made clear to PSC staff that the DNR had fundamentally changed its Chapter 30 review for this and future utility applications involving any construction through wetlands. The DNR applied a stricter wetland analysis to the Guardian project than previous projects. In hindsight, it would have been far more efficient for the DNR to roll its stricter environmental review into our public process and propose preferred route alternatives to the PSC before the PSC route selection.

NO DETAILED ANALYSIS

Yet the DNR staff participated only in the preparation of the environmental impact statement and provided no detailed analysis of wetland or stream crossings at our hearing. In my view, the regulatory delays with this project could have been minimized if we had worked together and had the benefit of the DNR's wetlands expertise in the site selection in our case.

The DNR's lengthy regulatory process further reduced the amount of wetlands affected by this project. It modified the route in multiple locations; significantly increased the amount of drilling required through affected wetlands and waterways; and required an independent construction monitor to ensure minimal disruption and proper restoration of affected areas. These changes also represent the major drivers for the

substantial cost increases for this project.

Still, important regulatory decisions like Guardian should not take 40 months. My concern is not with the DNR's ultimate goal of reducing the project's impact on wetlands but the length of time and costs to ratepayers needed to achieve our mutual objective. Wisconsin Gas is now under tremendous pressure to get this project built by November. Any construction delays beyond that will cost ratepayers an additional \$4 million a month.

SPEED UP THE PROCESS

When Wisconsin teetered on the verge of rolling blackouts in 1997, the governor and the Legislature acted quickly to streamline the regulatory process at the PSC. The PSC is now required to approve or deny applications within six months or request a court extension for an additional six months.

Wisconsin would be wise to consider some of the Bush administration's and Congress' efforts to streamline its regulatory processes. These include:

- Imposing binding intermediate and ultimate deadlines for all permits and environmental reviews;
- Requiring agencies to report, within 60 days, on the "likelihood of approval" for their project and identify key areas of concern from the public and other agencies;
- And designating a lead agency to coordinate the process.

The sense of urgency for regulatory reform that existed a few years ago in Wisconsin is now gone, as we expect healthy reserves for this summer. In my view, however, more work needs to be done. Regulators should not be agnostic to the time, costs or public concerns associated with our regulatory processes.

I hope Gov. Doyle and the Legislature consider enacting regulatory reforms to both improve Wisconsin's regulatory climate and protect the public's right to participate.

ROBERT GARVIN has been a member of the Wisconsin Public Service Commission since March 2001.

Why did this critical addition to Wisconsin's energy infrastructure take 40 months to approve?

answer lies in our dysfunctional regulatory climate. The Guardian case highlights why Gov. Jim Doyle and Wisconsin lawmakers need to repair the strained regulatory marriage between the PSC and the Department of Natural Resources (DNR), the two major agencies tasked with considering energy projects. The lack of communication and coordination that exists between our agencies is a problem that may need a legislative solution.

Wisconsin Gas filed its PSC application in November 1999. The PSC issued its final decision approving the pipeline in July 2001. After several public hearings, we concluded the project was needed for Wisconsin's energy needs. Our order also reduced the environmental impacts of the project through careful route development to avoid environmentally sensitive areas.

DNR'S REVIEW

Following PSC approval, Wisconsin Gas filed its DNR application in September 2001 to obtain its "Chapter 30" permit, the commonly used name for the permits that cover a wide variety of authorizations needed from the agency.

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Number of pages (including cover): 2

Date: Apr 14, 2003 Time sent: 2:00 p.m.

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LOCAL NEWS

Posted May 13, 2003

International Paper division in De Pere affected by 40 job cuts

By Richard Ryman

rryman@greenbaypressgazette.com

DE PERE — International Paper Co. said Monday that it would eliminate about 40 salaried jobs in its Industrial Papers Business division, which includes the mill in De Pere.

Rick Counihan, human resources director at the De Pere mill, said the company was seeking volunteers from the division's five facilities.

"We really don't have specifics. We'll take a look at who and how many" (among the volunteers)," he said.

The company expects to begin that process at the end of the month, he said.

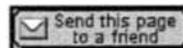
In addition to De Pere, the division has operations in Kaukauna, Menasha, Lancaster, Ohio, and the Netherlands. The division employs 1,500 people. The De Pere mill employs 338, of which 28 are salaried.

The company said the restructuring is necessary to remain competitive.

The Industrial Papers Business makes specialty papers for industrial, food packaging, press sensitive and hygiene markets.

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BUSINESS

Posted May 14, 2003

Badger Paper Mills annual meeting focuses on the future

By Richard Ryman

rryman@greenbaypressgazette.com

MARINETTE — Despite unexpectedly negative results in the first quarter, Badger Inc. had an upbeat annual meeting Tuesday.

Even the sudden departure of President and Chief Executive Officer Robert Olah last month didn't dampen spirits.

Hank Drechsler of Kaukauna invested in the company two years ago, when he took control.

"It's been a positive note despite current economic conditions," Drechsler said. "We have weathered it well. The key is good management in any company."

Olah led Badger's turnaround from a failing commodity paper producer to a solid specialty market. He was replaced May 1 by Ronald Swanson, a former executive of Consolidated Paper and Stora Enso, and former co-worker of Olah.

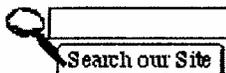
"We were very fortunate that Ron was available," said Harold Bergman, Badger Inc.

Swanson told the handful of shareholders and employees gathered at the Best View Riverside in Marinette that the company would continue on the course charted by the management team, but with an even greater emphasis on quality.

"The difference between winners and losers is not strategy, it's execution," Swanson said. "We're doing the right things faster, better and more often than your competitor."

Olah's departure was so sudden that he was still prominently displayed in annual reports and even elected a director of the corporation. Chief Financial Officer Vito said Olah submitted a resignation anticipating election and the board would approve it to take his place.

For the first quarter, Badger reported a loss of 57 cents per share, despite a 7.7 percent increase in sales. Pulp costs were up 24 percent and natural gas costs up 106 percent, he said.



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On the plus side, Badger continues to be a survivor in a shrinking industry. Peter mills and 147 paper machines have been shut down in the United States since 2000. 8.6 million tons have been taken out of production.

In addition, Badger's chief competitor in the premium sandwich wrap sector, Cur closing its sandwich wrap mill in New Jersey, leaving Badger as the sole supplier country. Glenn Davis, vice president of sales and marketing, said other companies are in the market, but Badger will work to capture market share before that happens.

Badger has completed installation of a high-speed waxer/ winder, used for making wrap, in Peshtigo, and will install foil paper/laminating equipment at its Oconto Falls plant this year.

Badger Paper shares, traded on the Nasdaq stock market under the BPMI symbol, closed Tuesday at \$5.99, up 25 cents per share.

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tell the executives they want the paper industry to stay in Wisconsin.

"The paper companies and the governor and secretary Hassett want to change t and show they need to work together," Morby said.

Schillinger said he hopes Doyle and industry leaders meet again.

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Editorial: Paper industry wish list deserves consideration

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Paper is still king in Wisconsin, but the kingdom isn't what it once was. There were 35 paper companies in the state in 1980. There are 28 now. In 1990, 13 were headquartered in Wisconsin. Two have left.

Many of the industry's problems are global, but Wisconsin's tax structure and regulatory environment are also impediments, the industry says, and its eye is roving.

Georgia-Pacific recently chose to build new paper machines in Oregon and Louisiana. A company official told reporters that its two mills in Green Bay are among the best in the company, but "quite frankly, we put two tissue machines in those states because they give you more incentive to invest."

The Wisconsin Paper Council released its wish list for change earlier this week. They want an exemption from sales tax on fuel and electricity. They want a reliable source of energy. Only four high-voltage transmission lines connect Wisconsin to other states. Illinois has 25.

They want the state to streamline its regulatory permitting process. SCA Tissue could build a \$240 million production center in Barton, Ala., before a local mill could even get a permit to make an improvement on a single machine, according to company officials.

About 175,000 jobs in Wisconsin depend on paper. We need to help the paper industry flourish. Legislators should consider the industry's requests very seriously, but they also need to ensure that the benefit isn't one-sided.

Wisconsin needs and values the paper industry, but the paper industry needs Wisconsin, with its woodlands, rivers and work ethic, too.

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Editorial: Streamlining regulation

From the Journal Sentinel

Last Updated: May 28, 2003

A recent report by Wisconsin Manufacturers & Commerce - the state's largest business group - finds that business is too heavily regulated in Wisconsin and argues for significant regulatory reform. Big surprise, right?

But what might surprise some is that the study shows most business executives don't have much beef with state environmental standards; what they object to is the molasses manner in which the standards are enforced. And what really frosts them is their inability to obtain permits for projects in anything close to a reasonable amount of time. The delays in getting necessary permits do more than anything else to slow business growth here, the report says.

Even accepting some hyperbole, we believe the report is worth serious consideration by the state Department of Natural Resources and lawmakers in Madison.

Streamlining the permitting process and initiating other regulatory reforms suggested by the WMC could make it easier to do business in Wisconsin while maintaining current levels of protection for the environment. At a time of economic slowdown and a state budget crisis that was certainly helped along by that slowdown, making life even more difficult for businesses would be foolish.

By all means, the state must enforce its environmental regulations in the interests of the health of its residents and the world in which they live. Beyond that, protecting the environment is good for business. Most visitors don't come to Wisconsin to see its shimmering urban towers or ancient walled castles. They come to see - and use - the woods, fields, rivers and lakes that make Wisconsin the special place it is. Remove that great outdoors, and you remove millions from the state economy.

But none of that means that state bureaucrats can't find more efficient means of regulating businesses in Wisconsin or that they can't move more quickly on such things as permit applications. When those delays result in business expansions in other states, the Wisconsin economy and Wisconsin taxpaying families suffer.

According to the report, one midsized food processor was doubtful that it would expand its operations in Wisconsin because regulatory costs here are about seven times what they are for the company's plant in Indiana. A Wisconsin-based manufacturer reported that permits can be processed "in a week" in some other states where the company operates. In Wisconsin, the process can take six months to a year. Signing off on a project in a week doesn't necessarily strike us as a good idea, but neither does taking a year to do it.

We don't buy all of the reforms suggested by the WMC, but we do agree that it's time to start a debate about changes that can remove unnecessary regulations and delays while still protecting the environment.

From the May 29, 2003 editions of the Milwaukee Journal Sentinel

COMPANIES LEAVE WI BECAUSE REGULATORY COSTS 7 X HIGHER

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an, Times, serif" size="3">**Part 6: Government relief is a key to growth**

5:48 PM 9/04/03

Here's how government can help build Wisconsin's economy: Get out of the way.

Regulatory reform will be a key to state economic recovery and long-term growth. Wisconsin's regulatory system currently costs jobs and impedes economic development.

It's not necessarily the regulations themselves; it's the bureaucracy. A recent survey of executives showed that business leaders are more frustrated with how Wisconsin government runs its regulatory system than with the standards it imposes on their businesses.

Businesses aren't trying to duck regulations - but they want clear direction and fast action from the agencies involved in enforcing rules. Gov. Jim Doyle's recent directive that all state agencies make economic development their top priority is a nice political gesture, but the commitment needs to filter through to staff who write permits and develop rules regardless of the business implications of their actions.

Three common-sense steps would go a long way to promote business growth. Lawmakers and the Doyle administration should pursue measures that:

Impose deadlines for action on permit applications and exemptions. Streamlining would allow companies to get going on construction or expansion needed to adjust to a fast-changing marketplace.

Require agencies to assess the costs and benefits of proposals. This would force regulators to show how the risks they are trying to address are balanced against the costs to the business.

Clarify the circumstances under which the state may exceed federal regulatory standards and procedures. Wisconsin-only

rules put the state at a disadvantage in a competitive global marketplace.

Government can do some good for business ledgers, too. Raising taxes obviously would discourage economic growth, but frankly, that's not much of a worry right now. Wisconsin will drop down the list of the top 10 taxing states because its two-year state budget contains no general tax increases. And although we're uncomfortable with loopholes in the new "single factor" tax law that calculates multi-state businesses' taxes using only sales of goods and services, the law itself should encourage more corporations to locate in Wisconsin.

As a good next step in tax policy, the state should act on the Wisconsin Technology Council's idea to let startup businesses in state technology zones program sell their tax credits to larger companies. The startups will get much-needed cash to ensure survival - and might reap sales opportunities in the bargain.

More broadly, the state must retool tax and aid policies that pit neighboring communities against each other in the race for economic development. Let's dust off the Alliance of Cities' plan for "metropolitan shells," which would bind a region's businesses and communities in clusters that help promote more rapid and efficient regional growth.

Nobody needs to awaken elected leaders to the urgency of these tasks. The governor has already launched an advisory council on economic growth and a new state Senate committee will very soon unveil legislation to streamline regulations, improve infrastructure and promote investment in jobs.

Elected leaders will of course seek credit for their economic efforts, but they must make sure economic development doesn't get bogged down in partisanship in the run-up to next year's elections. We can't afford more delay.

Political leaders should be able to agree that without regulatory changes and new tax incentives to promote innovation, Wisconsin will continue to lose higher-wage jobs to other states and countries.

Wisconsin's burdensome regulatory climate and tax policies

surely aren't the only obstacles to economic growth. But both are issues that our lawmakers can easily address right now.

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**Testimony of
Larry L. Lueck
Manager of Government Relations
Nsight Telservices/Cellcom**

Before the

**State of Wisconsin Senate Select Committee on Job Creation
Securing and Enhancing Wisconsin's Vital
Infrastructure in the 21st Century
Tuesday, August 26, 2003**

Chairperson Kanavas, Chairperson Stepp, and members of the Committee:

Thank you for the opportunity to appear before you today to discuss Wisconsin's vital infrastructure as it relates to the wireless industry and how the legislature can help GROW Wisconsin's economy.

My name is Larry Lueck and I am the Manager of Government Relations for Nsight Telservices. Nsight Telservices is the holding company for a variety of telecommunications companies – including a local phone company, a competitive local phone company, a cable television company, and an Internet service provider. Nsight currently employs 392 people with 226 of those people working for our wireless company.

The Nsight company that I am here to talk about today is Cellcom, which is the largest wireless company headquartered in Wisconsin. However, the issues that we face in our wireless business are the same issues we face in our other companies – *especially regulatory reform*.

Regulatory Reform – Wireless Example

This hearing, and the GROW initiative of regulatory reform, is very timely in light of a battle that Cellcom is currently involved in with the Public Service Commission (PSC), and this battle involves infrastructure.

Currently there is a federal program called Universal Service that helps companies invest in their network and infrastructure. While this fund was originally created for wireline companies, the Federal Communications Commission (FCC) passed rules and issued guidance to allow wireless carriers to receive those subsidies also. One of the requirements to receive those funds is that a wireless carrier be designated as an Eligible Telecommunications Carrier, or ETC, by the appropriate state regulatory body. There are cases where the state will defer to the FCC, however, Wisconsin is not one of those states.

The process for approving ETC applications is very clear and one that has played out in numerous states. The first wireless ETC applicant to apply to the state regulatory body usually receives strong opposition from the wireline telephone companies in that state. That debate is then carried out through written comments filed with the state regulatory body and in meetings with the state regulators. After all comments and discussions have been reviewed, the state regulatory body approves the wireless carrier's ETC application. I know of no state that has denied a wireless carrier's ETC application after going through this process. Wireless carriers who file after the initial carrier has been approved usually receive no opposition because there are little or no material differences between each carrier's applications.

In Wisconsin, Cellcom was the second wireless company to file for ETC designation with the Public Service Commission. We filed our applications on November 25, 2002. US Cellular was the first wireless company to file an ETC application in Wisconsin and received PSC approval on December 19, 2002. This approval allowed them to *immediately* begin receiving Universal Service support. In approving US Cellular's application, the PSC did nothing out of the ordinary. They went through the process that I described above and that has happened in numerous other states. However, what the PSC has done since then is unprecedented and unbelievable. More importantly, their actions, or I should say lack thereof, is resulting in serious economic harm to Cellcom, a **Wisconsin** company, and to the economy of Wisconsin as a whole.

After the PSC approval of US Cellular's ETC application, TDS, which is *US Cellular's sister company*, filed a lawsuit against the PSC. The PSC is fighting the lawsuit because they believe they made the correct decision in approving US Cellular's ETC application. In addition, the PSC has filed a motion to dismiss TDS' lawsuit based on procedural grounds and has a great chance to succeed with that motion. The most disturbing, and unbelievable, part of this is that the PSC has also adopted a policy of not approving any more ETC applications until the lawsuit is resolved. This means that Cellcom, and any other wireless company that has filed for ETC designation, will not be able to receive Universal Service support until the lawsuit is resolved, while at the same time US Cellular is receiving monthly support.

This is one of the most egregious cases of anti-competitive behavior I have ever seen a regulatory body engage in. The PSC has shut out all competitors and allowed **one company, and one company only**, to benefit from their ruling while they hide behind the guise of waiting for judicial review. We all know that resolution of lawsuits is not measured in days, but rather months and years. This means that the PSC is going to allow their anti-competitive behavior to continue unabated for months and quite possibly years. In addition, if the PSC is successful in dismissing the lawsuit, they will not have received the judicial review they are supposedly waiting for. Their policy of withholding approval of other ETC designations will then be for naught. Finally, the Circuit Court of Dane County cannot change FCC policy and guidelines. That is outside of their jurisdiction. This means that the lawsuit will have no substantive effect on the approval of ETC applications.

In the wireless industry, one of the greatest competitive differentiators is the network and the infrastructure. Almost all wireless companies offer customers plans with buckets of minutes and calling areas that are, for all practical purposes, competitively similar. One of the best ways for us to distinguish Cellcom from our competitors is to offer better coverage than our competitors. The decision by the PSC to deny Cellcom access to funds that could help us improve our network and infrastructure, while **at the same time** allowing our competitor access to those funds results in significant economic harm to our company, and in turn to Wisconsin, that is compounded every month we are forced to wait for our approval. Even more obvious is the anti-competitive problem inherent in the PSC's position. They are allowing one company to control access to vitally needed funds. Funds that could help a **Wisconsin company like Cellcom**. Funds that, by rule, **would have to be used in Wisconsin**. Finally, I want to make it abundantly clear that we are talking about real dollars. Based upon projections by the Universal Service Administrative Company, US Cellular is projected to receive **\$1.5M per month** in Universal Service support. I hope you can see why the PSC policy of waiting for judicial review puts us at a competitive disadvantage and causes economic harm to not only wireless carriers but also Wisconsin.

First off, I have highlighted this specific example in the hopes that you become as outraged as I am that a state agency is allowed to implement a policy that is as anti-competitive and anti-Wisconsin as any I have ever seen. The PSC is basically refusing to allow federal funds to flow into Wisconsin and help build up Wisconsin's wireless infrastructure. I also wanted to raise this problem because I believe it is an excellent example of where regulatory reform is needed. As I mentioned above, I find it unbelievable that a state regulatory agency is allowed to engage in anti-competitive behavior. It is obvious that the PSC is an agency that has not been able to adapt to a changing telecommunications environment. Telecommunications is an environment that is now fiercely competitive and in need of less regulation, not more, and does not need implementation of anti-competitive policies.

Regulatory Reform – Wireline Example

I would also like to present an example of how the PSC is “addressing” issues that do not exist and, as I mentioned above, are moving towards increased regulation when less regulation is necessary.

Currently the PSC has out for comments a revision of PSC Chapter 165. These rules deal with Consumer Protection issues and provide rules for how telephone companies should handle various situations. The complete rewrite of this code started back in 2000 and the first revision was issued in the summer of 2002. Those revised rules were punitive, imposed unnecessary regulation, and would have been extremely costly to implement, especially for a small telephone company like Northeast Telephone Company. (Northeast Telephone Company is the independent local phone company in the Nsight family and services the communities of Pulaski, Mill Center, and Oneida. Northeast currently has just under 10,000 lines in service.)

The revision that highlights the problem the best is the PSC’s new definition of a “complaint.” Previously, the only complaints that were recorded were complaints that reached the PSC. This usually only happened when we could not resolve an issue to the customer’s satisfaction, which is extremely rare. In 2001, the PSC received **only 2 complaints** against Northeast Telephone Company and in the first half of 2002 (the most recent data available) the PSC had received **only 1 complaint**. For comparison, in the first half of 2002, **87.5% of all complaints were for 7 companies**. Instead of dealing with that issue individually, the PSC has chosen to take a broad swipe at all local phone companies and force them to abide by more onerous, and unnecessary, rules.

In the revision that is out for comments now, the PSC has expanded the definition of complaint to mean “a statement by an applicant, customer, or any other affected person expressing a grievance or alleging a wrong, injury, illegal action or procedure, dangerous condition or action, or failure of a provider to meet provider obligations.” This expanded definition completely eliminates the validity and usefulness of the term “complaint.” We pride ourselves on the excellent customer service we provide to our customers. To have only 2 complaints in a year is something that our company should be praised for. Now with this expanded definition, we will have to record almost every customer call as a complaint – *even if we are able to address the customer’s concern immediately*. An example would be if a customer calls us to say they do not recognize a call on their bill. If we investigate who the number belongs to, provide that information to the customer, and the customer then remembers calling that number, we must still record that as a complaint because the customer made a statement expressing a grievance. **That is absolutely ludicrous**. Even more ludicrous is the fact that you *do not even have to be our customer* and we still may have to record your phone call as a complaint. If a person calls Northeast and tells us that every time they call one of our customers they keep getting a busy signal, we would have to record that as a complaint under the proposed definition of complaint.

The rest of the proposed rules are very similar to this example. I think they provide good insight on the problems that currently exist within the regulatory environment in Wisconsin. Again, the PSC has not been able to adapt to a rapidly changing, more competitive environment. In order for Wisconsin’s infrastructure to improve and prosper, regulatory reform is going to be one key component of the overall initiative.

Taxes

Obviously, no matter who you talk to people will say their taxes are too high. That is something that Wisconsin is well known for and something which I believe stunts the growth of business in this state. I would like to quickly highlight a couple of areas that we, as a wireless company based right here in Wisconsin, see as problems.

- **Property Tax Freeze** – We currently have millions of dollars invested in property throughout the state of Wisconsin. Any property tax increase by local municipalities as a result of the budget issue could have serious ramifications on our company. We encourage the implementation of a property tax freeze with the ultimate goal of lowering property taxes.

- Equity – Recently, a wireless company was granted a reprieve on the property taxes they owed. However, this reprieve was not extended to other wireless companies. Again, I cannot believe that a state agency is allowed to engage in anti-competitive behavior such as this.
- Trickle-Down Effect – Through its reputation as a high-tax state, Wisconsin experiences great difficulty in attracting businesses and people to locate here. This has a trickle-down effect on us since less businesses and people in this state means we have less potential customers. We believe Wisconsin should be doing everything possible to change this perception and attract businesses and people to this great state.

I want to sincerely thank the chairpersons and committee members for the opportunity to appear before you today. I appreciate allowing me, and my company, a forum with which to highlight where we run into problems as we try to grow our infrastructure and our businesses.

I would be happy to answer any questions anyone may have.

OPINION

Regulatory reform is key to state economic recovery

A major business group's clearheaded suggestions for streamlining Wisconsin regulation deserve close consideration by policymakers as a way to encourage economic recovery.

Wisconsin Manufacturers and Commerce this week issued a report suggesting a number of ways to streamline Wisconsin's regulatory process. The issue is important to all state residents interested in brightening the state's economic future because Wisconsin's regulatory climate currently costs jobs and impedes economic development.

Companies with multi-state operations say regulatory costs in Wisconsin routinely outstrip costs imposed in other states, putting Wisconsin at a competitive disadvantage when executives consider where to expand or relocate business operations.

It's not necessarily the regulations themselves; it's the bureaucracy. WMC's surveys of executives consistently show that business leaders are more frustrated with how Wisconsin runs its regulatory system than with the standards it imposes on their businesses. Businesses aren't trying to duck regulations — but they want clear direction and fast action from the agencies involved in enforcing regulations.

Regulatory reform won't arrive overnight, but manufacturers have delivered a clear roadmap for the journey. Among other things, they are asking the state to:

- ◆ Impose deadlines for action on permit applica-

tions and exemptions. Getting state permission currently takes too long. Some streamlining would allow companies to get going on construction or expansion needed to adjust to a growing or changing marketplace.

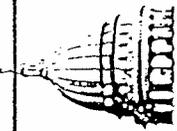
- ◆ Require agencies to assess the costs and benefits of proposals. This would force regulators to show how the risks they are trying to address are balanced against the costs to the business.

- ◆ Clarify the circumstances under which the state may exceed federal regulatory standards and procedures. An expanding number of rules applied only in Wisconsin puts the state at an economic disadvantage in a competitive global marketplace.

- ◆ Expand legislative review requirements. Elected officials should assert closer oversight of rules to make sure agencies don't exceed their authority.

Wisconsin policymakers, who meet today at the Capitol to discuss this issue, should act now to take advantage of the national economic recovery. Otherwise, Wisconsin will continue to shed jobs to savvy states instead of getting its share of newly created jobs.

The burdensome regulatory climate in Wisconsin isn't the only problem impeding economic growth, and it may not even be the most significant obstacle to building the Wisconsin economy. But it's one our lawmakers can address directly and effectively.



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Streamlining regulation

A recent report by Wisconsin Manufacturers & Commerce — the state's largest business group — finds that business is too heavily regulated in Wisconsin and argues for significant regulatory reform. Big surprise, right?

But what might surprise some is that the study shows most business executives don't have much beef with state environmental standards; what they object to is the molasses manner in which the standards are enforced. And what really frosts them is their inability to obtain permits for projects in anything close to a reasonable amount of time. The delays in getting necessary permits do more than anything else to slow business growth here, the report says.

Even accepting some hyperbole, we believe the report is worth serious consideration by the state Department of Natural Resources and lawmakers in Madison.

Streamlining the permitting process and initiating other regulatory reforms suggested by the WMC could make it easier to do business in Wisconsin while maintaining current levels of protection for the environment. At a time of economic slowdown and a state budget crisis that was certainly helped along by that slowdown, making life even more difficult for businesses would be foolish.

By all means, the state must enforce its environmental regulations in the interests of the health of its residents and the world in which they live. Beyond that, protecting the environment is good for business. Most

visitors don't come to Wisconsin to see its shimmering urban towers or ancient walled castles. They come to see — and use — the woods, fields, rivers and lakes that make Wisconsin the special place it is. Remove that great outdoors, and you remove millions from the state economy.

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We don't buy all of the reforms suggested by the WMC, but we do agree that it's time to start a debate about changes that can remove unnecessary regulations and delays while still protecting the environment.

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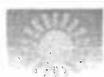
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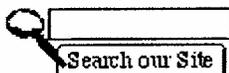
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OPINION

Posted Sept. 14, 2003



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Commentary: Wisconsin's economy needs regulatory reform

By Sen. Carol Roessler

Wisconsin is perceived as a state that is not business-friendly. One of the major factors for this belief is our regulatory climate. If we fail to act, Wisconsin will continue to lose good-paying jobs to neighboring states.

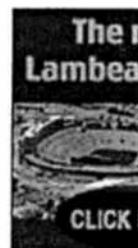
It is a fact that permits take too long to be processed in Wisconsin. A Wisconsin business often has permits approved after nine months. In contrast, the permit process takes only a fraction of this time (three months) in Illinois. This is unacceptable.

In addition, we have "Wisconsin only" regulations that put us at a competitive disadvantage compared to other states. This regulatory climate has harmed Wisconsin.

Wisconsin has lost 66,000 manufacturing jobs in the last three years. We simply cannot afford to have business owners and members of our quality workforce leaving the state.

It appears there is bi-partisan support for improving Wisconsin's regulatory climate. Both the Republican Legislature and the Doyle administration have discussed taking action to address the problem. Legislative initiatives must promote reform and boost economic development.

As Co-chair of the Legislative Audit Committee, I have ordered a comprehensive review of the Department of Natural Resources' air management programs. There is a now huge backlog of permits and long waiting times. The audit will identify trends in the amount of time taken to issue and renew permits; comparisons to other states including management procedures and permit backlogs; and the extent to which



Wisconsin has expanded upon regulatory requirements prescribed by federal law.

In addition, I am a co-sponsor of the Small Business Regulatory Improvement Act. This bill proposes to reduce the negative impact of regulation and increase the level of compliance and regulatory cost-effectiveness for small businesses.

Another initiative to reduce the regulatory burden and remove government hurdles is to set strict timelines for permit approvals. A coordinated, automated one-stop permit process could link all state government agencies that require permitting. Undue delays would be eliminated through simultaneous (rather than sequential) review and approval. All projects should be approved in 90 days or less in order to remain competitive with other states.

Finally, we can consider innovative environmental regulations that have been adopted in neighboring states such as "Green Tier" initiatives. The proposals shift the focus of enforcement resources on the poor environmental performers. We can generate economic growth while at the same time protecting our environment.

I believe these actions would go a long way in addressing our hostile regulatory climate. We need to create better, higher-paying jobs to improve our economy now and for future generations.

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Doyle wants permit process expedited



Gov. Doyle speaks during a stop at the Procter & Gamble mill in Green Bay Tuesday (photo by H. Marc Larson).

The governor wants slow agencies fined; Republicans have different idea

By Ray Barrington
News-Chronicle

Gov. Jim Doyle said in Green Bay on Tuesday he would like the Legislature's help with business regulatory reform, but he's more than willing to go ahead on his own.

The governor, speaking at the Procter & Gamble Fox River Plant, said he wanted strict time limits on agencies to deal with permit applications, and penalties on the agencies if those limits aren't met.

He said he would like to work with the Legislature to write the quicker processes into law, but wasn't against doing it through executive action. "If they are unwilling to work cooperatively with me, I will direct my agencies to implement the reforms," he said.

The reforms are part of Doyle's "Grow Wisconsin" plan announced earlier this month, a proposal to make changes to foster the economic development in the state.

Doyle said he was not in favor of a Republican bill to speed up the process because it allowed permit applications not acted on by a deadline to be automatically approved.

"I believe if a deadline is missed, the agency should

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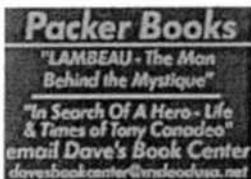
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pay the price, not the public and certainly not the environment," he said.

He said the GOP bill's "presumptive approval" would do just that.

"Imagine somebody's applied for a permit to put cyanide in the water, and somehow the agency screws up and doesn't meet the timeline," Doyle said. "We certainly can't have that the answer to that is to put the cyanide in."

He also said automatic granting of permits could put the state at odds with federal environmental laws.

But Rep. Phil Montgomery, R-Ashwaubenon, said the Republican bill he authored dealt with potentially harmful approvals.

"I'm a little concerned that he talks about reform, but when it gets down to it, he throws out the same old spin-doctor stuff," Montgomery said.

"Any concerns in terms of a permit being issued that would have an adverse environmental impact have been withdrawn. There's stipulation in the language that says the agency may extend the period 30 days if it finds a substantial likelihood the permit would harm human health or safety."

The governor also said speeder permits were not in conflict with environmental goals.

"While I want to ease regulatory burdens, I will not sacrifice our standards," he said.

His proposal would set specific timelines and deadlines for permit applications. If an agency missed the deadline, the application fee would be refunded and the department would be fined, with fines going to a separate fund to support the environment. The fines would come from the department's operating budget, the governor said.

"It's going to mean loss of jobs in that agency," Doyle said. "Supervisors who allow this to happen are going to be in really difficult circumstances." But Montgomery said that fines would not force the issue.

"Where's the teeth in that?" he asked.

"You have one agency fining another agency. I don't see too much easy money floating around down here. If you allow one agency to go after another with fines, all you'll have is a bunch of lawyers getting rich."

He said, on the whole, he agrees with the governor that changes have to be made.

"There's really not that much difference," he said. "If the agencies are doing the job the way it should be done - the way it's done in 49 other states - they have to answer to the (applicant) in a reasonable amount of time. That's all we're looking for."

Both agreed that slow permitting hurts the state's economy.

"We see examples around the state in which ... some industrial concern will come for a permit because they're putting in something that will improve the environment, and that permit will sit," Doyle said.

"In business," said Lisa Scribner, P&G plant manager, "once we've decided we need to expand and invest capital, we will travel the quickest route possible to invest that money. Speeding the permitting process is a critical element of Procter & Gamble's continuing to grow its business in Wisconsin."

Among initiatives under way are:

- The expediting of air operating permits, with the DNR ordered to eliminate a backlog and establish a target to make decisions within 180 days of filing.
- Streamlining new source review air permit processes.
- Continuing fast issuance of waste water permits.
- Consolidating permits, requiring only one required to grade land adjacent to waterways instead of the three now needed.
- Creating an online permit tracking system.

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State Senate OKs speedier business permits

Doyle says measures go too far in loosening regulations

By STEVEN WALTERS
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Madison - The state Senate acted Tuesday to try to speed permit decisions for businesses that want to expand or locate in Wisconsin or that want to admit and correct past environmental violations - changes Gov. Jim Doyle said were unacceptable.

The dispute flared as Senate Republicans began work on their jobs package of regulatory reforms on the first day of the fall legislative session. For his part, Doyle accused Republicans of going too far and risking eroding current environmental protection standards.

The Senate:

- Passed 20-13, and sent to the Assembly, a bill requiring major state agencies to set and meet specific deadlines to act on permit applications, or some of them could be considered approved - a "presumptive approval" system that the governor all but promised he would veto, if it passed the full Legislature.
- Passed 20-13, and sent to the governor, a bill allowing about 500 businesses to self-report past environmental violations to the state Department of Natural Resources and get 90 days to correct those problems without being fined. If the 90-day deadline is missed, the company would face reduced forfeitures, compared with what they could be fined if state regulators had found the violations.
- Passed 22-11, and sent to the Assembly, a bill easing the regulatory burden on small businesses by requiring state agencies to justify their rules or repeal them, waiving civil fines if businesses self-report compliance violations, giving businesses more time to comply with new regulations and requiring agencies to appoint small business regulatory coordinators.

Republican Sen. Cathy Stepp of Sturtevant said businesses have faced delays of months and years before getting decisions on what would have been business investments that would have meant new jobs.

Instead of waiting that long for permit decisions, Stepp said businesses "are leaving - they're gone."

"People are scared to death that they're going to lose their jobs in the next year," said Republican Sen. Dale Schultz of Richland Center.

But Democratic Sen. Fred Risser of Madison said the Republican changes would give some businesses guilty of past environmental violations an "unfair advantage," because they would get off easier than companies who had confronted past problems and paid to fix them.

"This is going to weaken the public's right to be protected," said Democratic Sen. Bob Jauch of Poplar.

In a Green Bay appearance, Doyle all but promised that he would veto the Republicans' plan to require that some applications for regulatory permits be considered approved, if the state agency missed its own deadline to make a final decision on the application.

Although Senate Republicans said that "presumptive approval" process would force state agencies to make timely decisions

on permit applications, Doyle said it would erode current environmental protections.

"While I want to ease regulatory burdens, I will not sacrifice our standards," Doyle said of current environmental protection laws.

Doyle said he had a better idea: Make state agencies set strict timelines to review permit applications, and make them refund permit application fees and pay fines for missing their own deadlines. Republicans said Doyle's proposal didn't go far enough, however, and shelved it during Tuesday debate.

In a closed-door visit Tuesday to Assembly Democrats, Doyle promised to implement regulatory reforms "with or without" Republicans who control the Legislature. If he can't negotiate compromises with Republicans, the governor said he will order cabinet secretaries to speed up the permit approval process on their own.

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