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A New Dawn for Manufacturing?

New leadership in Hartford promises to ease regulatory burdens

By Melissa Nicefaro

When Gov. Dannel P. Malloy nominated Yale professor Daniel Esty to head the proposed new Department of Energy & Environmental Protection (DEEP) last month (see story, page 3), there was a collective sigh of relief among manufacturers.

The new department would represent a consolidation of the state's dispersed energy functions, including the Department of Public Utility Control (DPUC), with the Department of Environmental Protection. Creating the new DEEP would enable the state to continue its environmental conservation and regulation functions and to couple them closely with energy policy and pricing.

Organizationally, the state's energy policy will become centralized in the agency through the creation of two new bureaus: the Bureau of Energy Policy & Efficiency, responsible for the development and analysis of state energy policy, and the Bureau of Utilities Control, formed by transferring the Department of Public Utility Control.

"We're looking at using the creation of this new department to consolidate energy issues in with environmental protection to not only achieve some better policy coherence, but also restructure how we deliver services on behalf of the people of Connecticut," explains Esty.

The part that excites manufacturers is the promised dramatic shift in how the permitting process works and a new model where simple permits are treated quickly and others remain on a 60-day clock. Those that require months of analysis will receive the attention they warrant. Promises to stay on schedule, and not allow expansion projects or revisions of a facility to be held up by permits is one of the state's new priorities.



Esty does anticipate creating more incentives for manufacturers that focus on the environment and sustainability as an element of competitive advantage. He notes that there are a number of Connecticut companies that have already mastered being enviro-friendly.

When Waterbury chemical distributor Hubbard-Hall saw that its customers — mainly other manufacturers — were overwhelmed by the amount of regulation they had to follow, managing inventory, they went beyond selling chemicals to selling a service to

help customers manage those chemicals. Hubbard-Hall is now in a position to better understand when a customer needs a new delivery, and will help them get the paperwork filed to make sure they're in compliance with necessary laws.

Another local company, Junior's Dry Cleaners in Cheshire, launched a new approach to dry cleaning that seeks to minimize the amount of chemicals used in the cleaning process in an effort to be eco-friendly. As it turns out, there are a good number of people out there in the customer base who are pretty excited about having fewer carcinogenic chemicals in the clothes that come back from the dry cleaner. Junior's has created a very nice market niche in Cheshire and others in the dry cleaning business have moved quite rapidly to follow their model.

As popular as the greening movement seems to have become to some, to others it's still new and somewhat uncharted waters. As many companies and consumers remain concerned that it will cost them more to be eco-friendly, there are instances and ways where it saves money.

As Esty explains: "One of the key strategies in pursuing an eco-advantage and a competitive advantage by paying attention to the environment and sustainability is to work on eco-efficiency and [eliminate] unnecessary energy spending. If you can be more eco-efficient — doing more with less — you will not only reduce environmental impact, but save money."

Bruce McDermott, a partner with the New Haven law firm of Wiggin & Dana, represents manufacturers in the event of a violation and advises them on compliance with environmental laws and regulations.

He expects Esty's experience as an academic, a regulator and a consultant is a positive harbinger for the near-term future of policy-making.

"We've got a real quality, first-rate commissioner to lead this new effort. He seems like an excellent choice — his high level of expertise in environmental and energy issues," says McDermott. "Manufacturers are optimistic

about what this agency and more particularly, what Dan Esty will bring. It's an exciting time."

McDermott works with compliance issues, but also to help clients realize business opportunities and with using environmental strategies to differentiate their companies.

"Governor Malloy is out talking a lot about jobs," McDermott notes. "He's very focused on jobs and says Connecticut is 'open for business.' I don't think Esty is going to be easy on business — he'll do enforcement when he has to do enforcement — but I think what we might see is an agency that's interactive and takes a different approach in dealing with businesses. And as long as you're in compliance, we'll be here to help you."

When asked for an in-a-perfect-world wish list, McDermott identifies streamlined procedures. "Can we make the agency more efficient? A permit that takes nine months to get, can we get that in four or six months?" he asks rhetorically.

McDermott represents utility companies and describes one client who is trying to get a generating facility built in Connecticut. He says it took more than one year for this company to get the air permit from the DEP.

"It was a long processing time," he says. "I know it's a very complex thing to decide upon, but if that permit could have taken less time, think about the jobs, the taxes and everything else that comes along with getting this facility built."

He does give credit where it's due, and acknowledges that DEP, over the last year or two, has made strides toward becoming more efficient. Agency officials are looking at their internal processing times and re-examining who processes are performed.

If he could have another wish, he'd also like to see predictability. "Manufacturers want to know exactly what

is expected of them and exactly what will happen if they don't do it," he says. "We're looking for consistency."

And another: "If they can reach out and be proactive in educating," McDermott says. We try to do our best in knowing what's going on, read the regs, but it would be nice if they'd have a seminar every now and then that business owners can learn about changes in regulations and be prepared."

If he could just have one more tiny wish, McDermott would like the state to be supportive of innovation and high-tech companies.

Pat Hayden, president of Donham Craft, a Naugatuck metal finisher, works with DEP on a regular basis and says that permitting does take longer than it should, but he understands. Hayden is on the DEP's Hazardous Waste Advisory Committee and says the DEP is doing the best it can to meet the needs of business and industry.

"Everybody has a pretty poor perception as to what's happened over the years — there are some groups that say it's terrible and horrendous — but the DEP is truly understaffed and doesn't have the resources to move these things forward in a timely fashion," Hayden says.

"We've been working with the DEP since the late '70s and they have become more business friendly and they're making an effort to get things done," he adds.

"The goal now is to start fast-tracking projects and that will create jobs," Hayden says. "If I were to say to somebody that I want to add a new facility or a new process that was going to employ an additional ten people, I do believe that would catch the ear of the proper people and it would happen quicker."

Hayden knows many Connecticut manufacturers simply feel beaten down by an onerous regulatory climate, but he has high hopes for Esty, who says, "We're going to find those areas of opportunity where Connecticut will become a world leader in manufacturing here in Connecticut, for the global market."

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