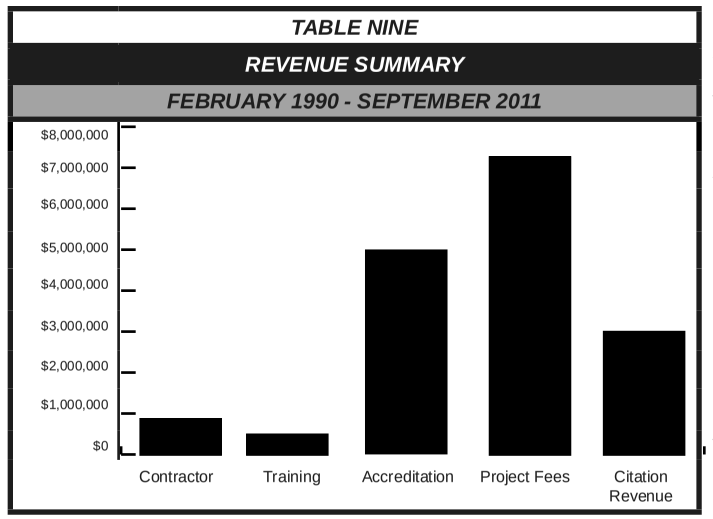
Revenue Summary

All statistics provided with this report are based upon information derived from the *Asbestos Management Information System (AMIS)*. More detailed information in regard to figures for fiscal years 1993 through 2010 can be found in previous years' annual reports.

TABLE EIGHT	
FY 2011 - REVENUE SUMMARY	
CATEGORY	REVENUE
Training Course	$33,800
Accreditation	$267,630
Contractor Licensing	$48,950
Project Notification Fees	$427,317
SUBTOTAL	***$777,697***
Citation Penalties Assessed	$171,445
TOTALS	***$949,142***

Including penalties from citations issued, from **February 12, 1990**, to **September 30, 2011**, the Asbestos Program has generated approximately **$17,241,189** in revenue. All revenue generated by project fees, licensing, accreditation, and training course review, totaling approximately **$14,117,346**, has been deposited in the Asbestos Fund, which was created by Act 135, P.A. 1986, Section 220(5). As indicated in Act 135, Section 220(6), these funds are to be used only for asbestos-related responsibilities of the department under the act.



Total revenue generated for FY 2011 is approximately **$949,142**, with approximately **$777,697** of this amount originating from non-citation related sources. Monetary revenue resulting from Act 135 and Act 440 citation penalties, **$34,650**, are deposited in the Asbestos Fund and used by the Asbestos Program. Citation revenue resulting from Act 154 penalties, **$136,795**, are remitted to the state's general fund and not used by the Asbestos Program.

Revenue generated by the **one percent** asbestos abatement project **notification fee** is one of the Asbestos Program's main revenue sources. Since the Asbestos Program database system originally went online (i.e., February 12, 1990), yearly revenue from this source has always been greater than $225,000. For FY 2011, revenue from notification fees were in excess of **$427,317**. Further, please note that based upon the one percent notification fee that the Asbestos Program received for FY 2011, asbestos-related work in the state of Michigan exceeded $42,731,700.

As illustrated in *Table Eight*, accreditation fees also continue to bring in revenue greater than $225,000 per year with **$267,630** collected in FY 2011. *Table Eight* provides a breakdown of revenue received by category for FY 2011. *Table Nine* provides a summary of revenues by category from February 12, 1990, through September 30, 2011. For this time period, the Asbestos Program received over $14 million for operating revenue.

Summary

The MIOSHA Asbestos Program adds significant value to the state of Michigan. The primary function of the program is to assure that the contractors performing asbestos removal comply with rules governing the work activity and that the people working with asbestos are properly trained.

The Asbestos Program provides information and training services online that help employers find accredited trainers and providers to help lessen the exposure and risk of acquiring an asbestos-related disease. Information on the MIOSHA Asbestos Program is available at **www.michigan.gov/asbestos**.

We trust this annual report of the MIOSHA Asbestos Program activity has been both thorough and informative. Questions regarding this report and the Asbestos Program may be directed to the Michigan Occupational Safety & Health Director **Douglas J. Kalinowski**, at 517.322.1817.

MIOSHA ASBESTOS PROGRAM
ANNUAL REPORT Fiscal Year 2011

The MIOSHA Asbestos Program publishes this report annually. The purpose of the Annual Report is to address the status of licensing of asbestos abatement contractors, the amount of revenue generated by fees, the number of asbestos abatement projects inspected and the number of citations issued for violations of Act 135, P.A. 1986, as amended and other applicable laws, rules, and regulations in the state of Michigan.

Although the length of this Annual Report has been condensed from previous Annual Reports, all criteria are the same as previous reports. More detailed information in regard to the categories contained in this Annual Report can be found in previous annual reports.

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LARA is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

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Michigan Occupational Safety and Health Administration

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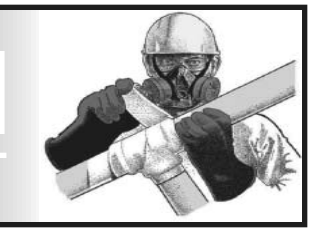
MIOSHA ASBESTOS PROGRAM

ANNUAL REPORT Fiscal Year 2011



The Michigan Occupational Safety and Health Administration Asbestos Program has experienced significant changes this year. With the retirement of key individuals and the hiring of new personnel, it has been a productive time for adjustments and learning.

Some key changes include the appointment of a new staff: Construction Safety and Health Division Director **Patty Meyer**; Health Manager **Michael Mason**; Asbestos Program Manager **Anthony Casaletta**; and Industrial Hygiene Specialist **Fred Kirkland**. These **changes will affect how the program will deal with clients and handle enforcement and outreach activities.**

Several of the changes are designed to increase presence in the workplace and to create a more customer friendly approach to required paperwork. For example, the MIOSHA Asbestos Program is putting the finishing touches on an updated web application that will allow accredited workers the opportunity to renew their accreditations online with credit cards. This will **greatly increase the efficiency of the program**, thus saving Michigan taxpayers money by automating the renewal process and eliminating the cumbersome operation of manually handling paper checks, cash, and physically mailed-in renewal applications. A worker can now renew their accreditation online, print their confirmation, and go on to their next project. The MIOSHA Asbestos Program's online renewal system is scheduled to be operational by the end of 2011.

Along with the hiring of new staff, an Executive Order went into effect on April 24, 2011, renaming the Department of Labor, Energy, and Economic Growth (DELEG) to the Department of Licensing and Regulatory Affairs (LARA).

Overview

The MIOSHA Asbestos Program is responsible for the enforcement of the *Asbestos Abatement Contractors Licensing Act* (Act 135, P.A. 1986, as amended), the *Asbestos Workers Accreditation Act* (Act 440, P.A. 1988, as amended), and for meeting the state of Michigan's responsibilities under the Environmental Protection Agency's (EPA) *Asbestos Hazard Emergency Response Act* (AHERA). The program also enforces asbestos issues related to the *Michigan Occupational Safety and Health Act* (Act 154, P.A.,1974, as amended). **In accordance with Act 135, P.A. 1986, as amended, Section 220(7) and Section 315, herein is the MIOSHA Asbestos Program's 22nd Annual Report to the Governor and the Legislature.**

Once disturbed, asbestos-containing material can become airborne and exposure may result in an asbestos-related disease. All asbestos-related diseases can lead to death. The **key to preventing occupational illnesses/diseases involving asbestos** is to initially recognize products that may contain asbestos and assure that employees are properly trained, protected and equipped to work with such materials in a safe manner. The **primary function of the MIOSHA Asbestos Program** is to assure that people working with asbestos are properly trained and individuals performing asbestos abatement comply with rules governing the work activity. These rules are designed to **protect** not only the individual performing asbestos abatement work, but also **the general public** that occupy the area or building in which the work occurs.

The Asbestos Program is **funded through fees**. Funding sources are from asbestos abatement contractor licensing fees, asbestos abatement project notification fees, asbestos abatement worker accreditation fees, and fees submitted for the approval of asbestos training courses.

During fiscal year 2011 (October 1, 2010, through September 30, 2011), the Asbestos Program employed eight staff members consisting of: one program manager, three industrial hygienists, one departmental analyst, two secretaries, and one student assistant.

The Asbestos Program has six major areas of responsibility:

1. **Asbestos Hazard Emergency Response Act (AHERA) Management Plan review.**
2. **Review and approval of asbestos training courses.**
3. **Accreditation of asbestos workers, contractor/supervisors, inspectors, management planners, and project designers.**
4. **Licensing of asbestos abatement contractors.**
5. **Processing asbestos abatement project notifications.**
6. **Conducting compliance investigations.**

LARA
LICENSING AND REGULATORY AFFAIRS
CUSTOMER DRIVEN. BUSINESS MINDED.

AHERA Management Plan Review

The Asbestos Program is the state's designated lead agency for reviewing asbestos management plans for K-12 public and private nonprofit schools. The program's role is to assure that the plans meet the minimum requirements of the *Asbestos Hazardous Emergency Response Act* (AHERA). The Asbestos Program has received and reviewed a total of **5,833** AHERA management plans since December 1987. The Asbestos Program received and reviewed **16** management plans this fiscal year. The Program also continues to conduct a complimentary management plan review of non-AHERA related facilities such as day care centers, schools in rented buildings, church sanctuaries, etc.

TABLE ONE MANAGEMENT PLANS	
CATEGORY	#
Public Schools	4,443
Private Schools	1,106
Charter Schools	284
TOTALS	***5,833***

Review and Approval of Asbestos Training Courses

A function of the Asbestos Program is the review and approval of **10 distinct** types of asbestos **training courses**. These courses are conducted by various organizations such as environmental consulting firms, trade unions, and asbestos abatement firms. The courses include the Abatement Worker, Abatement Contractor/Supervisor, Building Inspector, Management Planner, and Project Designer. There are Initial and Refresher courses for each category.

The approval process for each course is regulated by the Federal Environmental Protection Agency's (EPA) *Model Accreditation Plan*. The Asbestos Program periodically conducts **unannounced on-site audits** of training courses to evaluate the instructor's overall abilities, the effectiveness of the instruction, and the hands-on portion of the class. During this fiscal year, the Asbestos Program conducted **11** on-site course audits.

For fiscal year 2011 (FY 2011), the Asbestos Program received applications for **163** training courses from a total of **37** training providers.

The Asbestos Program received a total of **$33,800** in revenue from training course applications in FY 2011. *Table Two* provides a listing by category of the approved training courses and the associated revenue for this fiscal year.

TABLE TWO TRAINING COURSE APPLICATIONS							
CATEGORY	INITIAL		RENEWAL		LATE FEES	TOTAL	
	#	REVENUE	#	REVENUE	REVENUE	#	REVENUE
Abatement Worker Initial	0	$0	11	$2,200	$0	11	$2,200
Abatement Worker Refresher	2	$800	15	$3,000	$0	17	$3,800
Contractor/Supervisor Initial	0	$0	24	$4,800	$0	24	$4,800
Contractor/Supervisor Refresher	1	$400	31	$6,200	$0	32	$6,600
Inspector Initial	0	$0	17	$3,400	$200	17	$3,600
Inspector Refresher	2	$800	25	$5,000	$0	27	$5,800
Management Planner Initial	0	$0	5	$1,000	$0	5	$1,000
Management Planner Refresher	0	$0	12	$2,400	$0	12	$2,400
Project Designer Initial	0	$0	5	$1,000	$0	5	$1,000
Project Designer Refresher	0	$0	13	$2,600	$0	13	$2,600
TOTALS	***5***	***$2,000***	***158***	***$31,600***	***$200***	***163***	***$33,800***

Accreditation of Asbestos Workers

Asbestos abatement workers, asbestos contractor/supervisors, building inspectors, management planners, and project designers must become accredited before performing asbestos-related work in the state of Michigan. It should be noted that there are more accredited individuals in the contractor/supervisor discipline than in other categories. Also, **many individuals** are **accredited in more than one discipline**.

The Asbestos Program's accreditation process consists of reviewing and verifying the information submitted. The review process typically takes one week. Accreditation cards are printed and mailed on a weekly basis.

Table Three displays information regarding accreditation applications for this fiscal year. In FY 2011, **4,958** accreditation applications were received with fees totaling **$267,630**. As noted in *Table Three*, a late fee is assessed for any application received within 30 days prior to the expiration date in accordance with Act 440, P.A. 1988, as amended.

TABLE THREE ACCREDITATION APPLICATIONS		
CATEGORY	#	REVENUE
Worker Initial	232	$11,675
Worker Renewal	533	$13,380
Contractor/Supervisor Initial	877	$43,925
Contractor/Supervisor Renewal	2,102	$52,450
Inspector Initial	134	$19,200
Inspector Renewal	792	$58,950
Management Planner Initial	16	$2,400
Management Planner Renewal	153	$11,550
Project Designer Initial	5	$750
Project Designer Renewal	114	$8,550
Late Fees	---	$43,750
Card Reissue	---	$1,050
TOTALS	***4,958***	***$267,630***

TABLE FOUR CONTRACTOR LICENSING		
CATEGORY	#	REVENUE
Type I Initial	20	$4,000
Type I Renewal	42	$4,350
Type I Late Fee	---	$1,200
Type I Processing Fees	3	$75
TOTAL TYPE I REVENUE	***65***	***$9625***
Type II Initial	12	$4,600
Type II Renewal	108	$32,400
Type II Late Fees	---	$2,300
Type II Processing Fees	1	$25
TOTAL TYPE II REVENUE	***121***	***$39,325***
GRAND TOTALS	***186***	***$48,950***

Licensing of Asbestos Abatement Contractors

With the exception of exempt trade group members (i.e., Michigan licensed plumbers, electricians, mechanical contractors, residential builders, and maintenance/alteration contractors), any person or entity desiring to conduct friable asbestos abatement on the premises of another individual or business entity **must receive a license from the Asbestos Program** before engaging in any asbestos abatement activities in Michigan. There are two designations for license types in Michigan: Type I (1-4 employees) and Type II (5 or more employees).

During FY 2011, the program received and reviewed **186** asbestos abatement contractor license applications. Of those applications, **33** initial applications and **153** renewal applications were approved.

As is shown in *Table Four*, during FY 2011, the Asbestos Program received **$48,950** in contractor licensing fees.

Asbestos Abatement Project Notifications

State legislation enacted on February 12, 1990, mandated that asbestos abatement contractors and exempt trade groups notify the Asbestos Program of any friable asbestos removal or encapsulation projects exceeding **10 linear feet or 15 square feet**, or both. Section 220(3) of Act 135, P.A. 1986, as amended, specifies that all projects requiring notification must include a project fee equal to one percent of the price of the contract for the asbestos abatement portion of the project. To address notification requirements, the Asbestos Program and the Air Quality Division of the Michigan Department of Environmental Quality coproduce and periodically revise the *Notification of Intent to Renovate/Demolish* form.

TABLE FIVE PROJECT NOTIFICATIONS		
CATEGORY	#	REVENUE
Regular	4,199	$418,937
Emergency	193	$8,380
TOTALS	***4,392***	***$427,317***

During FY 2011, **4,392** notifications were received. Of this total, **4,199** were regular notifications and **193** were processed as emergency notifications. Regular notifications are received at least 10 calendar days prior to the beginning of a project. Emergency notifications are received via telephone requesting immediate abatement due to an impending health threat or unforeseen asbestos problem. The notifications and notification fees received significantly increased this year due to the American Recovery and Reinvestment Act (ARRA) incentives and stimulus money.

Table Five provides information regarding asbestos abatement project notifications received by the Program. Total revenue from project notification fees for this fiscal year were **$427,317.**

Compliance Investigations

The Asbestos Program is responsible for investigating the asbestos abatement activities of contractors, exempt trade groups, and others. The Program conducts programmed (self-initiated) investigations and **responds to** formal and informal **complaints of improper work practices** or procedures involving asbestos abatement and disturbance activities. If noncompliance is proven, citations may be proposed with monetary fines.

TABLE SIX NUMBER OF INVESTIGATIONS, CITATIONS, AND PENALTIES ASSESSED			
TYPE OF CITATION	INV	CIT	AMOUNT
Act 135	---	10	$26,650
Act 440	---	4	$8,000
MIOSHA (Act 154)	---	165	$136,795
TOTALS	***114***	***179***	***$171,445***

TABLE SEVEN INSPECTION & CITATION INFORMATION	
TYPES OF CITATIONS	# ISSUED
Other Than Serious	38
Serious	118
Repeat	3
Willful	6
Act 135	10
Act 440	4
TOTAL	***179***

The Asbestos Program is granted the authority to conduct investigations and issue citations under Act 154, P.A. 1974, as amended (the *Michigan Occupational Safety and Health Act*); Act 135, P.A. 1986, as amended, (the *Asbestos Abatement Contractors Licensing Act*); and Act 440, P.A. 1988, as amended, (the *Asbestos Workers Accreditation Act*).

During FY 2011, the Asbestos Program conducted **114** inspections and issued **179** citations involving **416** rule violations. As noted in *Table Six*, the penalties associated with those violations are approximately **$171,445**. *Table Seven* displays the breakdown by severity for citations issued during this fiscal year. As noted, the majority of the proposed citations were of a serious nature.