US EPA ARCHIVE DOCUMENT

3M Environmental Engineering
and Pollution Control

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3M

July 10, 1995

Federal Express

US EPA
Regulatory Reinvention Pilot Projects
FRL-5197-9
Water Docket - MC 4101
401 M Street SW
Washington, DC 20460

Dear EPA:

3M is very pleased to submit the attached proposal for approval as a Project XL initiative. The basic proposal focuses on the implementation of "Beyond Compliance" permits at three 3M manufacturing sites:

- Camarillo, California
- Bedford Park, Illinois.
- Hutchinson, Minnesota

These "Beyond Compliance" permits would include emission caps which are significantly below the levels required by the existing regulations. The limitations would be included in a multimedia permit that would allow the facilities appropriate flexibility to operate under the constraints of those emission limitations. A simplified understandable release reporting system will make information timely and widely accessible. An Environmental Management System verfication process will be implemented and made publicly available.

The stakeholders groups that will be created will focus on the means by which release reporting can be made more accessible and how the language of the multimedia permit can be written so that it is understandable to the community. In addition they will, where applicable, help explore innovative uses of Emission Reduction Credits for air quality improvement and economic vitality.

We have also included the list of the stakeholders that have already participated and letters of agreement from the governing agencies on their willingness to participate in this process. If there are any questions or needs for additional information, please contact me at your convenience.

Sincerely,

Thomas W Zosel

T. W. Zosel
Manager
Environmental Initiatives
Building 41-01-05

/jes

Attachments

1p + 7 ATT (28 pp)

3M Proposal

Project XL

Background

3M is a global corporation, headquartered in St. Paul, Minnesota. 3M manufactures more than 60,000 products for the industrial, consumer, health care and service industries. About half of our $15 billion of sales revenue come from the United States. The remainder is derived from sales in more than 200 countries around the world.

3M and all of its manufacturing facilities have evidenced a long-standing commitment to environmental excellence. There are literally hundreds of examples, and just to mention two:

- 3M's Board of Directors adopted a comprehe- ...vironmental policy in 1975 (Attachment A).
- The same year, 3M launched the Pollution Prevention Pays (3P) program which has resulted in the prevention of 650,000 tons of pollutants over the last two decades.

The goal of each and every 3M facility worldwide is to reduce all releases to the environment to levels substantially below that required by environmental regulations. Our focus is on "Beyond Compliance." To that end, 3M drafted a proposed "Beyond Compliance and Emission Reduction Act," which has been circulated throughout the environmental communities for discussion. Our objective is to stimulate the productive interchange of innovative ideas and concepts that will assist in the development of an environmental management system for the 21st Century. It is clear that Project XL is a significant step in the development of this new environmental paradigm.

To demonstrate its strong environmental commitment, 3M developed a series of goals to drive toward environmentally proactive decisions. The principal goals established were:

- A 70 percent reduction in air releases by 1993 from a 1988 baseline. (This goal already has been achieved and exceeded.)
- A 50 percent reduction in the generation of all wastes (air, water, land) by the year 2000 from a 1990 baseline. (After the first four years, 3M has achieved a 27 percent reduction in waste.)
- A 90 percent reduction of all releases to the environment (air, water, land) by the year 2000 from a 1990 baseline. (3M has reduced these releases 50 percent.)

In setting these goals, 3M's objective is the continual reduction of waste and releases. The long-term goals are to:

- Reduce 3M's releases as close to zero as possible.
- Achieve sustainable growth.

We know we may go well beyond the year 2000 to achieve these long-term goals, but we believe 3M has implemented an Environmental Management System that will lead toward their ultimate attainment.

With regard to the reduction in paperwork, our goal with this project is to produce a short, concise multi-media permit that meets the needs of the environmental agency and, most importantly, is written in language that can be understood by the community.

3. Stakeholders Support

3M and its individual facilities have a long history of early and meaningful dialogue with the residents of our communities. We believe our facilities are an integral part of the communities in which we do business. We need the support of these stakeholders to be productive and remain competitive.

Under this Project XL initiative, the stakeholders groups will have significant input into a number of issues, such as:

- How our permit should be written to be understood by community residents,
- How emission, release and related information should be reported to make it more accessible to the community, and
- Where applicable, how Emission Reduction Credits (ERCs) created under the project should be utilized.

3M already has held initial stakeholder meetings on Project XL in Hutchinson, Minnesota, and Camarillo, California. Another stakeholder meeting will be held in Bedford Park, Illinois, in July. These initial meetings generated an extremely high level of support and enthusiasm for the potential benefits that the project will bring to the involved community. A list of the individuals who have been involved in the stakeholders groups is included in Attachment C, D, and E.

We believe that 3M's concept of giving the stakeholders groups significant input to the utilization of the ERCs generated by the project is unique. It will give U.S. EPA, state and local agencies insight into how ERCs can be utilized to promote environmental improvement and economic vitality.

4. Innovation/Multimedia Pollution Prevention

3M places great weight on innovative approaches in all aspects of its operations. This spirit of innovation is as active in the environmental arena, from both the technical and managerial perspectives, as it is in product development.

It is impossible for us to completely predict the new and innovative pollution prevention technologies and management systems that we will be implementing under the Project XL initiative, because we cannot see into the future. But based on our experience with the Pollution Prevention Pays program, we do know that when you create a cross-functional team, you develop a synergy where one good idea feeds on another. Eventually, the team will develop innovative solutions for the challenges it faces. We anticipate using a team-building approach that will generate innovative ideas and solutions from all the stakeholders.

The permit will be multimedia in nature and will cover requirements and issues related to air, water and land. We also anticipate including a multimedia waste ratio for the entire facility. This is the metric which 3M has used since 1990 to track our progress in pollution prevention.

5. Transferability

We believe there are two general approaches under Project XL. In one approach, the applicant company seeks to reduce the capital and operative costs for pollution control. In the second

Proposal Overview

3M is proposing a Project XL initiative that would implement the basic concept of "Beyond Compliance" permits. These permits would include the following specific attributes.

- Reduce emissions substantially below the levels required by the existing regulatory structure.
- Establish performance limits that would cap releases from existing operations.
- Allow the Project XL facilities flexibility to make the operational changes that are consistent with those established emission limitations.
- Develop a single, simplified multimedia permit.
- Implement a simplified release reporting system that is publicly available and meets both agency and community needs.
- Create and implement an Environmental Management System verification process.
- Gain community stakeholders groups' input for those decisions that would directly affect the community.
- Develop and implement innovative actions that will significantly benefit the communities. These may include actions such as the creation of the Air Quality Improvement Fund in Ventura County (Attachment B-1) or the Urban Redevelopment Emission Bank in Chicago (Attachment B-2).

Alignment with EPA's Proposed Project XL Criteria

In the May 23, 1995, Federal Register, U.S. EPA established eight criteria on which Project XL pilot proposals will be measured. 3M believes that this proposed project will align with these criteria. 3M's initial proposal is being developed with current stakeholders' input. As the stakeholders become more deeply involved in the project, we anticipate that significant improvements may be made in the proposal.

1. Environmental Results

Each of the facilities where this project will be implemented has already made a commitment to environmental excellence and has substantially reduced its impact on the environment, below the emission levels required by existing regulations. These facilities will utilize a continuous improvement process and a team-based structure to continuously seek additional reductions in environmental impact. The details of the reductions that have been and are proposed at each 3M site is included in the site specifics which are Attachments C, D, and E. As an example, 3M Hutchinson which is located in an attainment area, has voluntarily implemented controls on all major sources. 3M Camarillo already has capped emissions at less than 50% of allowable and will further reduce this cap under this Project XL Proposal. 3M Bedford Park has also capped emissions at approximately 50% of allowable and also will further reduce emission under this Project XL Proposal.

2. Cost Savings and Paperwork Reduction

3M's proposal focuses not only on the reduction of pollution control costs but also the need for operational flexibility. Our goal is to reduce the time delays and uncertainties associated with the existing regulatory structure. For companies like 3M, promptly meeting customers' needs is critical. 3M has a Corporate goal of 100% customer satisfaction. Companies like ours must also have the ability to get new products to the market ahead of the competition, particularly international competition. These are absolute business necessities if we are to remain competitive. 3M is prepared to reduce emissions substantially beyond that required by regulation to gain this flexibility.

our community stakeholders are searching for new ways to cooperatively manage environmental challenges. While there still are questions about the legal challenges to implement these new concepts, 3M will work diligently to see that productive, innovative ideas and concepts are quickly and cooperatively implemented. 3M sees no economic barriers to this implementation. We have committed ample financial and personnel resources to make sure Project XL is successful. It is, and will remain, a top corporate environmental priority.

7. Monitoring, Reporting and Evaluation

3M will request the stakeholders groups to offer significant input on how these aspects of the initiative will be carried out. Our initial thoughts are that monitoring should focus on determining releases to all media in the most efficient and easily understandable manner possible. Where feasible, we will use computer databases and models with existing information to accurately determine releases to the air, water and land. We will utilize a waste ratio metric to monitor progress in multimedia pollution prevention.

The reporting aspects of the initiative will focus on making information more readily available via various means including electronic reporting. For example, at the present time, 3M has established a Homepage on the Internet. It already contains general environmental information. We will pursue development of a system to report plant-specific information on the Internet in a timely manner. Since many members of our plant communities do not have ready access to electronic data, we will work with the stakeholders group to develop other reporting mechanisms to fully meet the information needs of our plant communities.

The evaluation aspect of the initiative will focus on an Environmental Management System (EMS) and appropriate verification processes. This evaluation will assess the concepts put forth in ISO 14000 since ISO 14000 has not yet been finalized. Our goal is to make the verification process publicly available. 3M's financial auditor Coopers & Lybrant will assist in the development of this verification process.

8. Shifting of Risk Burden

The stakeholders groups we have established represent a cross-sectional composite of our plant communities. Since these groups will play a key role in the community aspects of Project XL, issues of potential environmental risk to any specific sector of the community can be promptly addressed and resolved. In addition, we are confident that all issues relating to potential shifting of risk burden will be minimized, since the overall objective of this initiative is to go "Beyond Compliance." The total releases from each facility will be substantially reduced from what is allowable under the existing regulatory system. In addition, 3M will ensure that the implementation of a Project XL program is consistent with Executive Order 12898 and that no one is subject to any disproportionate adverse environmental impact.

Implementation of Proposed Project XL Initiatives

3M proposes an initiative under Project XL that would implement the "Beyond Compliance" concept through one project involving three individual facilities. Permits would be crafted for the following 3M locations: Bedford Park, Illinois; Camarillo, California; and Hutchinson, Minnesota. These facilities were chosen to participate in the 3M project from the many 3M facilities that qualify under 3M's "Beyond Compliance" concept. These three facilities exhibit unique attributes which make them ideal laboratories to test, develop and fine-tune the proposed "Beyond Compliance" permits as part of one project.

Attachments C, D, and E provide a brief overview of each of these facilities. However, as indicated earlier, these proposals currently contain only limited stakeholder input. As the stakeholders groups

approach, applicant companies seek to improve their competitive ability by gaining flexibility and reducing transactional and time-related costs. 3M is in this second category.

There are many other companies, particularly technology companies, that would benefit competitively if a more flexible permit existed. As a result, we are confident that the concepts developed in 3M's Project XL initiative can readily be transferred to other parts of American industry.

In addition, our proposal includes several other significant components which are transferable. These include:

- Viewing a stakeholders group as a cross-functional team and using a team-building approach to generate innovative environmental ideas.
- Developing a short, concise multimedia permit written in simple language that is understandable to residents of the community.
- Giving a stakeholders group substantial input into the use of Emission Reduction Credits, where applicable.
- Establishing a reporting system to meet community needs and agency reporting requirements such as local newsletters and/or using Internet and other electronic means.
- Creating an Environmental Management System verification process.
- Transferring knowledge learned in this project to other facilities or into a new environmental regulatory paradigm.

The transferability of these concepts is further aided by the fact that this project is put together as a designed experiment.

The 3M project, in addition to providing a detailed understanding of a specific facility, will offer to the agency and to the community a much broader understanding of an enterprise doing business in the United States within regulatory coordination among EPA Headquarters, EPA Regions, States, and Local Area entities.

With clear comparisons in mind at the start of the project, and with the opportunity to adjust as partners concur, this multi-facility, multi-site, multi-state project will provide a "laboratory for environmental coordination."

Attachment F (Tables 1 & 2) depict key issues that can be contrasted and analyzed for differences in approach, efforts, and results:

Table 1: Defines a number of substantive issues for examination during the 3M project. These 3M facilities have distinctions relevant to these issues.

Table 2: Summarizes the comparisons that can be examined between pairs of 3M facilities.

By applying a designed experiment approach across several facilities of a single enterprise, issues of transferability can be examined from many perspectives.

6. Feasibility

3M believes that developing and implementing this initiative can be accomplished without delay. From our initial discussion and stakeholder meetings, it is clear that all levels of government and

- Second, within 12 months of receiving final approval of the three permits, 3M will provide a report to EPA and the three states which outlines the lessons learned from the process of proposing, negotiating and obtaining a Project XL permit. The report would include an assessment of what worked and what didn't at each of the three sites as well as between sites. The report would also address opportunities for changes to the existing regulatory system that became apparent as a result of this project. In short the report would help show the way to the future of environmental management.

- And lastly, within 24 months of issuance of the three permits, 3M will provide EPA with an evaluation of whether the objectives of Project XL have been achieved and what further improvements are needed.

Conclusion

3M is pleased to submit this proposal to implement the Project XL initiative. We believe that many of the innovative "Beyond Compliance" concepts can be successfully carried out within the Project XL framework, including the eight evaluation criteria that EPA has established. Much of Project XL's implementation and direction will be achieved through the involvement of stakeholder groups. In summary, 3M will be able to accomplish its basic goal of permit flexibility while ensuring substantial and long term reduction in emissions to the air and water.

gain broader knowledge and involvement, we believe that these initial proposals can be significantly improved.

It is important that any evaluation of the "Beyond Compliance" concept includes both attainment and non-attainment areas. U.S. EPA has worked to develop emissions trading policies and other market incentives that will facilitate environmental progress in an efficient and effective manner. However, all of the leading incentives and many of the market incentives rely on the ability of two or more facilities to exchange, trade or transfer emissions. Facilities in attainment areas, particularly those in rural communities, cannot participate in these market-based incentives. For example, in non-attainment areas, the establishment of an absolute emission cap has significant benefits for the facility, the environmental agency and the community. It is consistent with the existing air quality plan. However, implementing an absolute cap at an attainment area plant, which can expand under existing PSD requirements, may unnecessarily place that facility at a competitive disadvantage.

Conducting this learning experience in Minnesota also creates some unique and exciting opportunities. Minnesota was the first state in the nation to issue a "Flexible Permit." That permit was for 3M's St. Paul tape manufacturing facility. It allowed the greatest operational flexibility available under the existing regulations. The Minnesota Pollution Control Agency (MPCA), particularly Commissioner Chuck Williams, has many highly innovative ideas and concepts which could not be included in the original Flexible Permit because of regulatory constraint. Now that Project XL offers the opportunity to remove those constraints, the MPCA's full innovative potential can be developed.

The MPCA now has proposed that the "flexible permit" concept be a Project XL proposal. If U.S. EPA grants the requested MPCA authority, 3M agrees to operate the Hutchinson portion of our proposal under the MPCA's project. In either case, the MPCA will be the primary regulatory agency that will be involved in the development of a "Beyond Compliance" permit for the 3M Hutchinson site.

Extensive innovation has also been a hallmark of the environmental regulatory activities in the state of Illinois and in Ventura County in California. Ms. Mary Gade's work on the Cash for Clunkers and on the recently proposed allotment system for attainment of the ozone standard demonstrate the Illinois EPA's proactive and innovative abilities. The Ventura County APCD, under Dick Baldwin's direction, used an effective and innovative approach by using the Ventura County Air Quality Fund to generate educational opportunities and as leverage funding for projects that directly accomplish emission reductions. Mr. Baldwin is also recognized as a national leader as evidenced by his recent election as the future president of the Air and Waste Management Association (AWMA).

It is clear that these three 3M facilities and these three local and state agencies are among the best available to develop, implement and fine-tune "Beyond Compliance" permits. The exceptionally cooperative manner in which these three agencies normally conduct business will also greatly enhance the transferability of the lessons learned throughout the entire regulatory and regulated communities.

Timing: The timing of implementation of this three-part 3M project is critical to the success of the project. Following receipt of a letter of approval of this project by EPA, 3M will confirm within 30 days with each appropriate state or local agency the commitment and intent to work toward development of individual permits for the facilities. Appropriate individual facility permits will be crafted to implement this Project XL with thoughtful review of the stakeholders groups. Following state or local agency approval, the permits will be submitted to EPA for final approval. It is expected that three final permits for the respective facilities will be developed and approved by all parties within six months of the date that EPA initially approves the 3M project.

Project Deliverables: 3M envisions several deliverables associated with this project.

- First, as noted above, 3M is committed to working with the states and EPA to draft and negotiate final project agreements within 6 months of receiving EPA's written approval of the proposal.

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ATTACHMENT B-1

Creation of Air Quality Improvement Fund in California

The 3M plant in Camarillo, California, manufactures data cartridges for the computer industry The plant opened more than 30 years ago and employs more than 600 people.

During manufacturing of these data cartridges, a very thin coating of magnetic media must be applied onto the plastic backing. Organic solvents (Volatile Organic Compounds or VOCs) must be used during manufacturing to meet the customers' demands for high quality tape.

If emitted into the atmosphere, these VOCs contribute to the formation of smog, a critical concern in this area of southern California, Ventura County, where the plant is located, has already been classified as s Severe Ozone Non-Attainment Area. As a result, all facilities which emit chemicals that contribute to the formation of ozone are subject to stringent regulations. New facilities, or those that wish to expand, must agree to keep their level of VOCs at the current level or less

The 3M Camarillo facility has worked for many years to reduce its level of VOCs. Using pollution control equipment and solvent recovery technologies, the plant has reduced it's level far below state requirements. This reduction created Emission Reduction Credits (ERCs) which 3M could legally sell or trade to other companies.

3M has a corporate policy against profiting from the sale of these credits; therefore, the credits which had been generated were originally returned to the Ventura County Air Pollution Control District (APCD) to improve air quality.

3M was approached by Proctor & Gamble (P&G) which operated a facility nearby. P&G wanted to expand its operations and create 250 more jobs in the community. Since unemployment was of significant concern in the area, this was a substantial opportunity for the area.

However, the expansion at P&G could result in an additional 50 tons of VOC emissions annually, an amount not permitted by law. If P&G were to obtain a permit to build this addition from the APCD, they needed to secure a total of 75 tons of VOC emission credits, since the law requires them to own more credits than they actually use.

3M was the only source of emission credits available in the county, but the company's policy of not profiting from the sale of such credits was a barrier to the P&G expansion. However, since 3M knew the P&G expansion was viewed favorably in the county, they worked with the county and P&G to find a way to help the plant expand, while not personally benefiting from the sale. The eventual innovative solution, was for 3M to sell the necessary 75 tons of credits to P&G for $1.5 million, then donate the money to a local Air Quality Improvement Fund.

This donation also allowed the Ventura County APCD to be more innovative. Prior to this situation, funding came from U.S. EPA and these funds were allocated to specific projects and activities. Similarly, APCD also obtained funding from permit fees and from Ventura County, but the use of this funding, too, was highly restricted.

The new Air Quality Improvement Fund means the APCD now has a discretionary fund. It allows APCD to approve funds for outside groups who propose funding environmental education projects or other projects. This is believed to be the first time a discretionary fund of this type has been established at any U. S. environmental regulatory agency.

Attachment A

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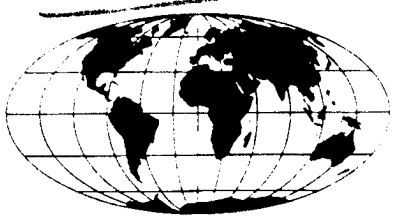
3M Environmental Policy



ET&S Providing Global Leadership

Corporate Environmental Policy

Applicability **This policy applies to all 3M U.S. and O.U.S. operations.**

Introduction 3M has recognized the necessity for responsible environmental management and conservation of resources. 3M has also recognized the global nature of environmental matters and the importance of industry's constructive cooperation in achieving international environmental conservation. Over the years, 3M has established a record of many significant pollution control projects at its facilities worldwide.

Policy Statement **3M will continue to recognize and exercise its responsibility to:**

- **Solve its own environmental pollution and conservation problems.**
- **Prevent pollution at the source wherever and whenever possible.**
- **Develop products that will have a minimum effect on the environment.**
- **Conserve natural resources through the use of reclamation and other appropriate methods.**
- **Assure that its facilities and products meet and sustain the regulations of all federal, state and local environmental agencies.**
- **Assist, wherever possible, governmental agencies and other official organizations engaged in environmental activities.**

For Further Information Contact Environmental Technology and Services, St. Paul, MN, 612-778-4335.

Policy Approval Committee on Corporate Responsibility (1975)

R P Bringer

R. P. Bringer, Staff Vice President
Environmental Technology and Services

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612 778 4335

Recycled paper
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ATTACHMENT B-2

Creation of Urban Redevelopment Emissions Bank in Illinois

The 3M facility at Bedford Park, Illinois, manufactures numerous forms of tape for home and industrial use. It is one of the largest producers of pressure-sensitive tape in the Midwest. The plant, located in a heavily industrialized suburb of Chicago, in Cook County, opened in 1959 and employs about 450 people.

Most kinds of pressure sensitive tape require the use of solvents which are similar to paint thinners. Emissions of solvents are classified as Volatile Organic Compounds or VOCs.

At Bedford Park, the solvents are used in the formulation of the adhesive so it can be applied to a paper or plastic backing. In addition, solvents are also used to apply per-coats which act as a primer for the adhesive and help release the tape so it can be unwound from the roll.

These solvents can contribute to the formation of ozone or smog, if they are emitted into the air. Because the entire Chicago metropolitan area is classified as a Severe Ozone Non-attainment Area, stringent emission regulations regarding the release of solvents are in place in Cook County.

After installing additional pollution control equipment and developing other technologies which prevent pollution, the Bedford park plant significantly reduced its releases of VOCs to the atmosphere. These reductions meant the plant was significantly below the levels required by the regulations and that 3M Bedford Park had many Emission Reduction Credits which legally could have been sold to other companies.

3M has a corporate policy of not profiting from the sale of these credits. As a result, more than 3,000 tons of VOCs had been returned to the state of Illinois for air quality improvements.

3M learned that, since the entire area in and around Chicago had been classified as a Severe Ozone Non-attainment Area, it was almost impossible for much urban redevelopment and brownfield construction to occur. Yet, the City of Chicago had labeled urban development and brownfield reconstruction a high priority.

Under the current regulations, potential manufacturers who needed some emission offsets, even if they would emit only minor quantities of VOCs, were finding it difficult to locate in Cook County. Potential businesses could purchase emission credits on the open market, but the market is not well established and is highly unpredictable. In addition, this would require additional funding that some of the entrepreneurial businesses did not have.

To allow the city of Chicago to implement this urban renewal effort on a more predictable scale, 3M worked with the city's Department of the Environment to create the first Emission Bank in the nation in which the city retains total control over the banked emissions. Because of this bank, the city of Chicago can now encourage the development of new businesses in the area and guarantee that emission credits will be available if needed.

The creation of this emission bank was a joint effort of the city of Chicago and 3M. 3M initially contributed 300 tons of credits to the bank. However, because of additional emissions reductions at Bedford Park future contributions are possible.

The example emphasizes what can occur within local environmental agencies when an innovative opportunity is presented. Other cities, which face similar environmental challenges, cannot always address them by working solely at the national level. 3M believes that the "one-size-fits-all" approach to environmental protection is not always the best way to obtain the greatest results at the local level.

Since the fund was established, it has financed the conversion of buses from diesel fuel to natural gas power; paid for a solar heater at the Buena High School in Ventura; sponsored research and development of improved methods of pesticide use; and funded several environmental education programs.

Clearly, 3M, P&G and Ventura County all won by agreeing to this innovative plan. First, 3M's innovative pollution control technology led to the significant emission reductions at its own facility creating the emission credits. Second, P&G was able to expand and, in the end, did not need to add to their VOCs. And third, the transaction itself led to the creation of an Air Quality Improvement Fund under the auspices of the APCD, which has been used for more emission reduction and even greater environmental improvements.

The project continues to be a fine example of innovation at work.

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The project continues to be a fine example of innovation at work.

ATTACHMENT C

Beyond Compliance Project - 3M Camarillo, Ventura County, California

Background: 3M's Data Storage Products Division facility in Camarillo, California, has a long history of environmental accomplishments and innovation. It has reduced its impact on the environment through a number of pollution prevention and state-of-the-art recovery and reuse installations. The plant has received the Governor's Environmental Excellence Award. One innovative initiative which produced substantial benefit for Ventura County was the sale of emission credits to Proctor & Gamble which allowed them to expand their facility and create 250 new jobs. The proceeds from that sale, $1.5 million, was then donated to Ventura County for an air quality improvement fund. The emission reductions created through Fund projects has now exceeded the emissions that were transferred to P&G.

Present Situation: The facility manufactures data storage cartridges for the computer industry. This is a high tech operation which requires frequent changes to plant operations. Significant changes are anticipated in the foreseeable future. Although the facility has reduced its emissions substantially below the requirements of the existing laws and regulations, each process change must still go through a time consuming New Source Review Process. These time delays can be a critical factor in meeting our customers needs and getting our products into the marketplace in a timely manner. In addition, the extensive paperwork and technology reviews are extremely costly to both 3M and the Ventura County Air Pollution Control District.

Emissions: The facility would reduce its existing federally enforceable permit cap from 254 tons down to 120 tons. This emission reduction was accomplished through the installation of pollution prevention and innovative recovery and reuse technology. This technology also substantially reduced the industrial wastewater discharge from the facility. Under the existing regulatory structure this plant could emit over 500 tons of emission and still comply with the regulations.

Permit: 3M will work with the governing agencies to develop a permit that will be performance based at the 120 tons per year level. The facility will be allowed to make operational changes, modify equipment, and install innovative technology within the confines of this emission cap. The permit will include a method of emission tracking and making that emission information publicly available. 3M will also report a multimedia waste ratio to track the multimedia reduction in the rate of waste generation. That reporting will be available electronically and through means determined as appropriate by the stakeholders.

Verification: 3M will work with the local stakeholders and outside consultants as appropriate to create a verification process for the facility's Environmental Management System.

Emission Reduction Credits: The reduction of the facilities emissions cap from 254 to 120 tons will generate over 130 tons of Emission Reduction Credits (ERC's). The stakeholders group will have input on how those credits will be utilized. The options that are available include use for air quality improvement, donation to an entity for use in economic development, and sale with the proceeds going to the Ventura County Air Quality Fund or other appropriate environmental funds.

Stakeholder Committee Status: The initial meeting of the Stakeholders Committee was called the evening of June 6, 1995. Representatives from US EPA Region IX explained Project XL and how EPA is moving forward to implement this initiative. Representatives of the VCAPCD, the Ventura County Board of Supervisors, and Community leaders including representatives from the American Lung Association and League of Women Voters also presented their perspectives. All present were highly supportive of the inclusion of 3M's Beyond Compliance proposal as a Project XL initiative.

This first meeting was purely informational. Subsequent meetings will be held at least monthly and will start in mid July with a focus on the use of the ERC's and the reporting procedures.

AMERICAN LUNG ASSOCIATION. of Ventura County

July 6, 1995

US EPA, Region 9
Felicia Marcus, Regional Administrator
75 Hawthorne Street, 18th Floor
San Francisco, CA 94105

Dear Ms. Marcus,

I attended the 3M meeting on June 6th at the Tower Club, also in attendance were my two associate directors Barbara Weinberg and Jerry Leavitt.

We are supportive of the 3M proposal as presented and are gratified that so many Ventura County organizations are involved in the process of working toward a cleaner environment in Ventura County.

We appreciate the initiative and leadership of 3M in bringing us together.

Sincerely,

Edna V. Ray
Executive Director

cc:
Linda Powell, US EPA, Region 9
John Kessler, US EPA
David Gardner, US EPA
Tom Zosel, 3M Corporate

ATTACHMENT C-2

Ventura County
Air Pollution
Control District

669 County Square Drive
Ventura, California 93003

tel 805/645-1400
fax 805/645-1444

Richard H. Baldwin
Air Pollution Control Officer

July 10, 1995

Tom Zosel, Manager
Pollution Prevention Programs
3M Company
Building 41-1-05
P.O. Box 33331
St. Paul, Minnesota 55133

Regarding Project XL

Dear Tom:

I am pleased to inform you that the Ventura County Air Pollution Control District will work with you in the development of a Project XL project for the 3M Camarillo Data Products Division. It is our belief that Project XL has the potential to increase flexibility and competitiveness for 3M while saving time and money for 3M and the District.

If you have any questions, please call me at (805) 645-1440, or Karl Krause at 645-1420.

Sincerely,

Richard H. Baldwin

Richard H. Baldwin
Air Pollution Control Officer

cc: Board Members
Tom Berg, RMA
Karl Krause, APCD

MEMBERS OF THE BOARD
MAGGIE ERICKSON KILDEE
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July 10, 1995

Thomas W. Zosel
3M, Manager, Environmental Initiatives
PO Box 33331
St. Paul, MN 55133-3331

Dear Mr. Zosel,

I want to congratulate 3M on once again showing its leadership in the environmental arena by proposing to become a "role-model" corporation in the "Beyond Compliance" Project XL program.

I have appreciated the presentations made by 3M regarding this outstanding opportunity. I am committed, wherever possible, to ensure that environmental regulations are outcome-based to give businesses maximum flexibility in how the regulations are achieved while still cleaning up the air. Project XL moves us in that direction.

Based upon 3M's excellent environmental history in Ventura County, I strongly support 3M as being one of the initial "role-model" corporations. Throughout my long association with 3M, I have found them to always be an environmental leader. They have been both an economic strength to Ventura County and a good neighbor to the community. We have already seen, through the establishment of the Clean Air Fund, the willingness of 3M to do more than their fair share in cleaning up the air.

Ventura County substantially benefited from 3M's sale of emission credits to Proctor and Gamble, which allowed Proctor and Gamble to expand and create 250 jobs. 3M then donated the $1.5 million in proceeds to the County of Ventura for an air quality improvement fund. The emission reductions created through the Clean Air Fund projects have now exceeded the emissions that were transferred to P&G.

ATTACHMENT C-4

VCCF

VENTURA COUNTY COMMUNITY FOUNDATION

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Kate McLean, President

July 7, 1995

Mr. Tom Zosel
Pollution Prevention Programs Manager
3M Corporate
Building 2-3 W-09
St. Paul, MN 55133-3331

Dear Tom,

I was very impressed with the presentation of the "Beyond Compliance" Project XL Proposal at your informational meeting on June 6, 1995.

As you know, the Ventura County Community Foundation has a positive history of working with 3M in creating a public/private partnership to solve local air quality problems. As a participant in the implementation of the Air Quality Improvement/Clean Air Funds, which 3M initiated, I have had first-hand experience with the commitment of 3M to involve local "stakeholders" in decisions effecting the community and in striving for new and innovative solutions to issues that effect both the economic health and quality of life in Ventura County.

I am excited by the outlined "Beyond Compliance" Project XL Proposal and on behalf of the Ventura County Community Foundation, I am pleased to send you this letter of recommendation and support. The Ventura County Community Foundation is committed to continue to work with 3M as a "stakeholder" to help shape the innovative air quality program 3M is proposing.

Sincerely,

Kate McLean
President

KM/jd

1355 Del Norte Road • Camarillo, CA 93010-9819 • (805) 988-0196 • FAX (805) 485-5537

ATTACHMENT D

Beyond Compliance Project - 3M Bedford Park, Chicago, Illinois

Background: 3M's Tape Manufacturing Division facility in Bedford Park, Illinois, has demonstrated a continual reduction in volatile organic compound (VOC) emissions in the last seven years. This has included the utilization of solventless systems as well as extremely effective pollution control devices. In addition, older units have been retired and replaced by more efficient operations. In 1991 the facility voluntarily accepted a cap on its emissions and returned 2885 tons of emission reduction credits (ERC's) to Illinois for air quality improvement. In 1994 the facility again reduced emissions, lowered its cap, and generated 500 tons of ERC's. 200 tons were returned to Illinois and 300 tons were donated to the City of Chicago for urban redevelopment. Chicago passed a unique ordinance and is now the only city in the nation that has ERC's over which it has total control. These can be used for urban redevelopment, brown field construction, or other purposes as the city sees fit.

Present Situation: 3M has a corporate goal that in any one year, 30% of our sales will be from products that are less than four years old. This means that new products are always being added to product lines. Many of these new products require changes in our production operations. Even though some of these changes may reduce emissions, as was the last case at Bedford Park, an extensive and time consuming New Source Review Process is required. This process is costly to both 3M and the State of Illinois. A number of changes that will further reduce emissions are presently being contemplated by the Division.

The Illinois EPA has also proposed moving to an emission allotment system as a means of attaining the Ozone standard. This system would allow the buying and selling of allotments during the summer ozone season. Many of the smaller companies are concerned that if allotments are not available for purchase they will not be able to afford the added costs for pollution control.

Emissions: The facility now has a federally enforceable emissions cap of 3800 tons which is substantially below the 7000+ tons that could legally be emitted under RACT limitations. This facility is clearly operating in a "beyond compliance" mode. The cap will be lowered to 3000 under the initial Beyond Compliance Permit with subsequent reductions as further emissions reductions are accomplished.

Permit: 3M will work with the regulatory agencies to create a permit that will be performance based and give the plant the ability to change operations without the time consuming New Source Review Process. A computer based emission tracking system will be used to determine emission levels on a daily basis. An internet node will be investigated as a means of making that information more broadly available. The facility will also calculate and report a multimedia waste ratio to determine future progress in pollution prevention and waste minimization.

Verification: 3M will work with the local stakeholders and outside consultants as appropriate to create a verification process for the facility's Environmental Management System.

Emission Reduction Credits and Allotments: The reduction of emissions from 3800 to 3000 tons will generate Emission Reduction Credits (ERC's). The stakeholders group will have input into the appropriate utilization of these ERC's. Options available include use for air quality improvement, donation to an entity which can use them for economic development, or sale with the proceeds going to an environmental improvement fund.

Stakeholder Committee Status: Initial discussions have taken place with both the Illinois EPA, local agencies, and community environmental groups. All have been very supportive of participating in a Beyond Compliance project. Because of a recent change in Plant Managers (effective July 1) the initial stakeholders meeting will not be held until July.

There is no question that by working in conjunction with the Ventura County Air Pollution Control District, a performance-based permit can be developed that serves both the county and 3M well. 3M has already indicated it would be willing to once again donate emission credit proceeds to the Clean Air Fund.

I fully support your application to the US EPA to become a "role-model" corporation through participation in the Project XL program, which I see as being beneficial to both 3M and to all the residents of Ventura County.

Sincerely,

Maggie Kildee

MAGGIE KILDEE
Supervisor, Third District

ATTACHMENT D-2

State of Illinois
ENVIRONMENTAL PROTECTION AGENCY

Mary A. Gade, Director

2200 Churchill Road, Springfield, IL 62794-9276

217/785-5735

July 6, 1995

Tom Zosel, Manager
Pollution Prevention Programs
3M Company
P.O. Box 33331
St. Paul, MN 55133-3331

Dear Mr. Zosel:

This letter confirms our commitment to participate with 3M in an XL project in Illinois. Our understanding is that 3M's project will involve beyond compliance permits at the manufacturing facility in Bedford Park. In view of our previous cooperative efforts at this facility, we agree that this site offers an excellent opportunity for such a project.

We are glad that 3M is taking this initiative and thereby helping to improve our delivery mechanisms for environmental protection. Please let us know when your proposal gets submitted so we may be moving ahead at our end.

Sincerely,

R.A. Kanerva

Roger A. Kanerva
Environmental Policy Advisor

RAK/mij

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3M BEDFORD PARK PROJECT XL

STAKEHOLDERS

U.S. EPA - Washington

U.S. EPA - Region V - Chicago

Illinois EPA

Cook County - Bill Franek, Assistant Commissioner for Environment

Bedford Park Environmental Compliance Board

City of Chicago - Dave Inman

Center for Neighborhood Technology - Scott Bernstein

Chicago Lung Association - Ron Burke

Mayor of Bedford Park

State Rep. Mike Madigan

State Senator Louis Viverito

Cong. Bill Lipinski

Illinois Institute of Technology

Bedford Park area Chamber of Commerce

Illinois Chamber of Commerce - Sid Marder

ATTACHMENT E

Beyond Compliance Project - 3M Hutchinson, Minnesota

Background: The site, 3M's largest U.S. manufacturing location, actually consists of two separate manufacturing facilities: a magnetic media plant (A/V plant) and a tape plant which manufactures pressure sensitive adhesive tape products. The site employs nearly 2,000 people. 3M's Audio and Video Products Division and Tape Manufacturing Division operations in Hutchinson, Minnesota, have a long history of environmental accomplishments and innovation. The site has reduced its impact on the environment through a number of pollution prevention and state-of-the-art recovery and reuse installations. For example, the Magnetic Media Plant has demonstrated a continual reduction in volatile organic compounds (VOC) emissions in the last five years. Although production increased by 32% from 1990 to 1994, air emissions were reduced by 92%. Since 1990, this facility has reduced waste from an average of 25 pounds per hundred pounds of total output to 7 pounds per hundred pounds of total output. The Tape Manufacturing operations have reduced their VOC emissions by 76% from 1987 to 1994. From 1990 to 1994 they also reduced the amount of waste being sent to the local landfill by 21%.

Present Situation: This site is currently subject to a number of major federal and state regulatory programs. First, this site currently has over 20 environmental permits, each of which are costly to both 3M and MPCA. In addition the facility faces time delays due to PSD and MPCA air permit rule modification procedures. Each facility will be required to comply with MACT.

Emissions: Air emissions from the A/V plant, the world's largest such operation, are projected to be 25 percent below the recently promulgated MACT for magnetic tape manufacturing. The facility will also evaluate the possibility of further reducing its waste ratio.

Permit: 3M will work with the MPCA and the US Environmental Protection Agency (EPA) to create a permit that: is multi-media, is performanced based, provides for environmental improvement beyond current requirements, provides maximum flexibility within the facility for making changes, emphasizes waste minimization and pollution prevention, results in cost savings and minimizes duplicative or unnecessary paperwork requirements and other transaction costs, explores innovative waste management alternatives and provides for enhanced public participation.

Verification: 3M will work with the local stakeholders and outside consultants as appropriate to create a verification process for the facility's Environmental Management System.

Stakeholder Committee Status: A Community Stakeholder Committee (CSC) has already been created. To date, they have held two meetings, June 1 and 12. At the first meeting the Minnesota Pollution Control Agency explained Project XL and 3M outlined the proposed Hutchinson project. At the second meeting this committee, which consists of a diverse group of individuals from the local community, formally endorsed the Hutchinson Project with a letter of support to the Commissioner of the MPCA. This committee will, among other things, review the proposed agreement to ensure it is understandable, review environmental reports and make recommendations on how the community would be best informed. Working with the CSC, the facility will also develop a means to keep the community informed.

July 10, 1995

Mr. Thomas Zosel
3M Corporation
P.O. Box 3331
Building 41-01-05
St. Paul, MN 55133

Dear Tom:

I understand that your company is seeking participation in an advisory panel of Chicago community representatives regarding your upcoming innovative trading initiative around the continued improvement and retrofit of 3M's Bedford Park facility.

As you are aware from our ongoing discussions, CNT is supportive of efforts by companies who can show that their "good neighbor" programs can produce ongoing, tangible and equitably distributed benefits for their respective surrounding communities.

Within such an understanding, we would be delighted to participate in your "Project XL" advisory panel and look forward to continuing our good working relationship.

Looking forward to working with you on this matter; if you have any questions, please don't hesitate to contact me directly. My direct extension is (312) 278-4800 x156.

With best regards,

Scott Bernstein
President

ATTACHMENT E-3

3M Hutchinson Stakeholder Committee Members

Jeff M. [illegible] - Middle School Science Teacher

Richard Crawford - Hutchinson Leader

Vi Thayer - Executive Director - Hutchinson Area Chamber of Comm.

John Bernhagen - Mn Technology, Inc / former State Senator

Chev Wangerin - McLeod County Commissioner

Marlin Torgerson - Mayor City of Hutchinson

Sheldon Nies McLeod County Commission

Randy DaVins Director of Water + Wastewater oper

Roger K Olson 3rd District American Legion Commander

Dick Higgins HTI - Environmental / Safety Manager

Gale Ness State Representative - Dist 20 A

Steve Dille State Senator Dist 20

Janis Rannow KARP radio, newsdirector
Glencoe-Hutchinson

June 12, 1995

Mr. Charles Williams, Commissioner
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, Minnesota 55155-4194

Dear Mr. Williams:

This letter is in support of the Minnesota Pollution Control Agency - Environmental Protection Agency initiative under "Project XL". We serve on a local "Stakeholders Committee" to review the progress of a pilot project at 3M Hutchinson to further reduce emissions.

We believe this project will benefit the environment, Hutchinson and Minnesota. We have been briefed on this project and believe this is an example of how government should work with private industry. It will make our 3M plant more competitive and keep our community prosperous.

Thank you for your leadership and help in this initiative.

Sincerely,

3M Hutchinson Stakeholder Committee Members

ATTACHMENT F

Table 1
3M Project Configuration
Issue / Information Potential

3M has more than eighty (80) USA manufacturing operations across more than twenty-five (25) states. This proposal includes three (3) of those sites covering four (4) significant facilities and locations. In addition to all that can be learned by and for each individual facility, the 3M proposal will provide instructive information about the very system of environmental regulations. While this will enhance transferability within 3M, most importantly it will provide an absolutely unique perspective between and amongst local, state, regional and national environmental approaches.

Description of Issue:	3M Location				Comparison / Rationale
City, State: Hutchinson, MN Bedford Park, IL Camarillo, CA	X	X	X	X	Differences / complexity, due to combined MN site & technology paired w/ different size single facilities
State Code:	MN	MN	IL	CA	Multi-State transferability
EPA Region Number:	V	V	V	IX	Multi-Region transferability
State XL Pilot: State Flexibility Element:	Y	Y			MPCA project coordination
Regional (Sub-State) Envir'l Agency:				Y	Added level of coordination
Non-Attainment Area Attainment Area	Y	Y	Y	Y	Status of air quality
Rural Urban	Y	Y	Y	Y	Contrast in community parameters, density, inter-actions of other decisions
Homogeneous Population Diverse Socio-Ethnicity	Y	Y	Y	Y	Issues of community style, involvement, fairness, communications, etc.
Environmental Emissions Credits :	NA	NA	Y	Y	Programs for community donation / re-investment
Products /Technology: Magnetic Coatings Adhesive Coatings	X	X	X	X	Ability to contrast due to 3M's facility size and product technology
In-place technology: Solvent Recovery Thermal Oxidizer	X	X	X	X	Effectiveness of existing and additional technologies to achieve goals
MACT's Currently Promulgated:	Y	N	N	Y	Regulations published
Hazardous Waste Re-cycling on-site:	Y			Y	Inclusion of other wastes
Shared product technology w/ 3M St. Paul Tape Plant "Flexible Air Permit"		Y	Y		MPCA / EPA / 3M success (same & different state)
3M Facility Designation / Code:	HM	HT	BP	CM	3M internal transferability

Beyond Compliance Project - 3M Hutchinson

Community Stakeholder Group

John Bernhagen	Minnesota Technology, Manufacturing Community Specialist
Dr. Carl Bretzke	Retired Medical Doctor
Dick Crawford	Hutchinson Leader, Editor
Randy DeVries	Hutchinson Water Treatment Plant Manager
Steve Dille	State Senator, Dassel
Bruce Eckhart	Hutchinson High School Environmental Studies Teacher
Larry Graf	KDUZ/KKJR Hutchinson, President
Dick Higgins	Hutchinson Technologies, Inc.-Environmental/Safety Manager
Brad Madden	Employee Representative - Maintenance Department
Pete Marsnik	Hutchinson Technologies, Inc.-Chemical Engineer
Vi Mayer	Hutchinson Chamber of Commerce
David Minge	U.S. Representative, Montevideo
Robert Ness	State Representative, Dassel
Sheldon Nies	McLeod County Commissioner
Roger Olson	3rd District American Legion Commander
Tony Onnen	State Representative, Cokato
Janiće Rannow	KARP FM Glencoe, News Director
Jeff Schmidt	Hutchinson Middle School Science Teacher
Marlin Torgerson	Mayor of Hutchinson
Bev Wangerin	McLeod County Commissioner
Dale Yukel	Employee Representative - Coater Trainer

ATTACHMENT F

Table 2
3M's Multi-state, Multi-site XL Pilot Application has unique and powerful attributes:

The following table summarizes some of the attributes that 3M and the EPA can assess with this multi-state, multi-site project.

(Read the 'matrix' as you would a 'mileage chart'. The individual site is described in the row and column intersection for that site. Attributes are shown for considering the site in the column at left with the site in the header across the top).

Impacts of regulations on multi-state companies and transferability are best examined in such a designed project of multiple sites within one enterprise. By comparing EPA Region and/or State Authority, while examining same company and similar manufacturing technologies and business management, additional significant information can be developed on the topic of transferability.

Site:	Hutchinson Tape	Hutchinson A/V	Camarillo	Bedford Park
Hutchinson Tape	St. Paul Flexible MPCA role Job Retention Complex Techn'l Attainment Area			
Hutchinson A/V	Different 3M Mgmt Combined site Lrgst 3M/USA site Complex Techn'l Attainment Area MPCA role Job Retention	#1 State Emitter World's Lrgst A/V Attainment Area MPCA role Job Retention Complex Techn'l		
Camarillo	Both 3M Different EPA Reg Different states Different 3M Mgmt	Same 3M Mgmt Different EPA Reg Different State Attain / Non-Attain Size Contrast	Non-Attain Environ'l Credits Job Attraction Local Regulator Community Active	
Bedford Park	Same: 3M Mgmt & Same EPA Reg Different State Attain / Non-Attain	Both 3M Same EPA Reg Different states Different 3M Mgmt	Both 3M Different EPA Reg Different states Different 3M Mgmt	Non-Attain Environ'l Credits Job Attraction Community Active