

KODAK POLLUTION PREVENTION FRAMEWORK FINAL PROJECT AGREEMENT **PROJECT XL**

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I. Introduction

A. What is Project XL?

Project XL, which stands for "eXcellence nd Leadership," is a national pilot program that allows state and local governments, business and federal facilities to develop with EPA innovative strategies to test better or more cost-effective ways of achieving environmental and public health protection. Project XL provides a vehicle for EPA to consider, after careful evaluation of the project, replacing or modifying regulatory requirements, policies or procedures if it is determined that the XL project will produce superior environmental benefits and promote accountability to the public. (See: 60 FR 27282)

B. Project Description and Purpose

The Eastman Kodak Company (Kodak) in partnership with the United States Environmental Protection Agency (EPA) and the New York State Department of Environmental Conservation (NYSDEC) is entering into this Project XL Final Project Agreement (FPA) to pilot the application of and the dissemination of information about the Pollution Prevention Framework (P2 Framework) developed by the EPA Office of Prevention, Pesticides and Toxic Substances (OPPTS).

In the context of this XL Project, Kodak will apply the P2 Framework early in its product development cycle to help identify and develop products and processes that can be sustained both environmentally and economically. Kodak's application of the P2 Framework to its operations will help develop environmentally preferable products, while saving considerable time and money. Kodak believes many other companies can also develop environmentally preferable products by applying OPPT's P2 Framework, especially at the Research and Development stage of product development. As a part of their participation in this XL project, Kodak will receive administrative flexibility in the form of a shortened pre-manufacture review period (from 90 days to 45) for those new chemicals developed under the P2 Framework and submitted to the Agency for approval. (For additional information see Section IV. B.)

C. Description of Facility and Geographic Area

Kodak is the world's leader in imaging, and a manufacturer of imaging systems (cameras, scanners) and media (film, photographic paper, photographic chemicals). Kodak employs 46,300 people in the United States and has manufacturing facilities in Rochester, NY, Windsor, CO, Peabody, MA, and White City, OR. These facilities are situated in both urban and suburban environments. As a leader in new technology development in the imaging industry, Kodak registers many new chemical substances with the EPA each year. Once approved, these substances may be used in one or several of the company's facilities, and it is these substances that allow the company to develop and improve the

products it sells.

The Health and Environment Laboratories (HAEL) is a central/corporate facility which evaluates materials and equipment that are involved in manufacturing processes or are being considered for use in new products. Approximately 128 people are employed in HAEL, which is located at 1100 Ridgeway Avenue, Rochester, NY. The facility is located on the edge of a large industrial park (Kodak Park). Functions carried out by HAEL include toxicology, environmental, and safety testing; risk assessment; risk communication; and risk management. HAEL has been in continuous operation since 1936 making it one of the first facilities of its kind in the USA. The surrounding buildings are commercial enterprises and there are no sensitive natural resource areas in the general area of the HAEL facility. The staff participates in local outreach activities including environmental awareness and cooperative education programs with local high schools and is represented on the advisory board of the outreach program sponsored by the NIEHS-funded environmental sciences program at the University of Rochester. In addition, an active neighborhood information center is in place at the Kodak Park site.

Kodak's environmental management system has been registered as ISO 14001 compliant, and the system places significant emphasis on the benefits of pollution prevention in new product design. This environmental management system has generated considerable environmental benefits to the company and its stakeholders, and these benefits have resulted in several awards for environmental performance, including the World Environment Center 1999 Gold Medal. Kodak's worldwide manufacturing sites are either registered to ISO 14001, or are in the process of being registered.

The development of environmentally preferable products is consistent with Kodak's vision of producing innovative new products for imaging while protecting the quality of the environment, and it flows from considerable previous interaction with the EPA in a partnership to evaluate and publicize the Pollution Prevention (P2) Assessment Framework.

D. Purpose of the Agreement

This Final Project Agreement ("FPA" or "the Agreement") is a joint statement of the plans, intentions and commitments of EPA and Kodak to carry out this pilot project approved for implementation at the Rochester, NY, Kodak Health and Environment Laboratories (HAEL). This project will be part of EPA's Project XL program to develop innovative approaches to environmental protection. Although NYSDEC will participate as a project stakeholder, the project does not require changes in any state regulations, policies and procedures; thus NYSDEC will not be a signatory to this agreement.

This Agreement does not create legal rights or obligations and is not an enforceable contract or a regulatory action such as a permit or a rule. This applies to both the

substantive and the procedural provisions of this Agreement. While the parties to the Agreement fully intend to follow these procedures, they are not legally obligated to do so. Neither this Agreement nor any discussions among the parties about this Agreement gives any of the parties a right to sue for any alleged failure to implement its terms, either to compel implementation or to recover damages.

Federal flexibility described in this Agreement will be implemented and become effective through publication in the Federal Register.

All parties to this Agreement will strive for a high level of cooperation, communication and coordination to assure successful implementation of the Agreement and the Project. This FPA and associated project materials are available to the public on the Project XL Web Site at <u>http://www.epa.gov/ProjectXL</u>

E. List of the Parties that Will Sign the Agreement

This Final Project Agreement is entered into by the Assistant Administrator of the U.S. Environmental Protection Agency Office of Prevention, Pesticides and Toxic Substances and the Director, Health Safety and Environment and Vice President of Eastman Kodak Company. It will guide the working relationship of both parties in fulfilling the promise of the Kodak Pollution Prevention Framework Project XL.

F. List of Project Contacts

Eastman Kodak Company John L. O'Donoghue, V.M.D., Ph.D. Director, Health and Environment Laboratories Eastman Kodak Company 1100 Ridgeway Avenue (B320 KP) Rochester, NY 14652-6256 phone: 716-588-4741 fax: 716-722-0239 e-mail: johnodonoghue@kodak.com Company Web Site: www.kodak.com

U.S. EPA Bill Waugh, Toxicologist Office of Pollution Prevention and Toxics 401 M Street S.W., Mail Code 7403 Washington, D.C. 20460 phone: 202-260-3489 fax: 202-260-1216 email: waugh.bill@epa.gov

II. Detailed Description of the Project

A. Summary of the Project

The EPA Office of Prevention, Pesticides and Toxic Substances (OPPTS) has developed a set of computerized risk screening tools, which have the potential to significantly advance EPA's pollution prevention objectives by allowing companies to calculate or estimate important risk-related properties based on an analysis of chemical structure. OPPTS uses these tools in the P2 framework to evaluate new chemicals when test data are lacking. OPPTS is also making the tools in the P2 framework available to industry, and demonstrating how they can help design safer chemicals, reduce waste generation, and identify other P2 opportunities. Kodak will pilot the application of and the dissemination of information about the P2 Framework under this Project XL Agreement, as described below.

B. Description of Specific Elements

What is the P2 Framework?

The Agency encourages chemical manufacturers to incorporate health and environmental issues into product decision making during the development of new chemical substances. EPA has several ongoing initiatives intended to help stakeholders better assess risk issues during the early stages of chemical development efforts. Examples include the Design for Environment Program, the Green Chemistry Program, and the Pollution Prevention Framework (P2 Framework), among other programs. Of specific relevance to the Kodak XL Final Project Agreement is the P2 Framework as utilized in the development of safer new chemicals submitted as Premanufacture Notices (PMNs) under section 5 of the Toxic Substances Control Act (TSCA).

The P2 Framework is a set of computer models that predict risk-related properties of chemicals using structure activity relationships (SARs) and standard (default) scenarios. These models have been developed over a 20-year period by EPA's Office of Pollution Prevention and Toxics to screen new chemicals in the absence of data. Annually, EPA evaluates over 2,000 new chemicals submitted under section 5 of TSCA. TSCA requires that EPA evaluate the chemicals within 90 days, however the law does not require that the submitter conduct laboratory tests to evaluate potential hazard and risk of the chemicals. Operating under this time limitation, and often a lack of data, EPA developed methods to quickly screen chemicals in the absence of data.

The P2 Framework Models listed in the table below; capture the expertise of multiple EPA scientists, grantees, support contractors, as well as others in the scientific community, working for over 20 years screening chemicals in the absence of data. The P2 Framework Project presents these 18 models to industry with the hope that the models will be useful in

identifying potential problem chemicals and processes early in the research and development process. The table also provides information regarding the availability of the models.

The P2 Framework, as currently constructed, does not address all biological endpoints. It is a screening-level methodology that is of most value when chemical-specific data are lacking.