

DAILY ENVIRONMENT REPORT



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TODAY'S SUMMARIES

✓ **U.S. Chip Consortium Turns More Attention To Environmental Concerns — SEMATECH, the U.S. government-industry semiconductor consortium based in Austin, Texas, is pledging to strengthen its commitment to making chip manufacturing processes more environmentally friendly. A key test of its resolve is expected to come today, when the consortium formally responds to proposals from its critics for increasing public oversight of its research and stepping up efforts to find substitutes for toxic chemicals used in making semiconductors. Austin environmentalists are afraid that if the companies are not held accountable now, the environmental history of old-line industries and hi-tech companies elsewhere will repeat itself. AA-1**

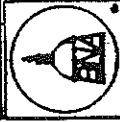
EPA May Get Less Than FY 1994 Request For \$6.4 Billion Budget, Official Says — EPA officials are grappling with concerns that the agency could receive considerably less in its fiscal 1994 budget than the \$6.4 billion requested by President Clinton, an agency official says. These cuts could have "catastrophic" effects on state and local water pollution control efforts, a states' group representative says. A-6

Peak Levels Of Ozone-Depleting Chlorine Pegged To Montreal Protocol Compliance — Compliance with the international treaty to protect stratospheric ozone will determine if atmospheric concentrations of chlorine will peak as predicted in 2000, a NASA scientist says. Chlorine, a component of many of the substances phased out by the Montreal Protocol, is the main chemical that leads to human-caused depletion of the ozone layer A-4

EPA Final Rule To Cut Ozone Depleters During Servicing Of Cooling Equipment — The amount of ozone depleting chemicals emitted while air conditioners and refrigerators are being serviced is expected to be cut in half under a final rule EPA announces. The rule also requires service technicians be certified. The agency also proposes a safe alternatives rule. A-1

EC Ministers End Energy Tax Talks Lacking Only British Agreement — The Council of EC environment and energy ministers narrowly fails after 11 hours of discussions to reach agreement on the principle of a European energy tax. Eleven countries went on record in the final draft resolution as wanting an energy tax to be introduced as soon as possible. However, despite numerous drafts and formulations and "heroic" efforts in the words of one minister on the part of the Danish presidency to accommodate the United Kingdom's objections to such strong wording, the United Kingdom opposes the resolution. A-3

SAB Urges EPA To Recruit, Retain Scientists, Engineers — Several SAB Executive Committee members urged EPA Deputy Administrator-designee Sussman to initiate a program that would encourage and nurture the agency's technical staff and programs. Sussman said the agency would need support from the SAB to help define and defend its agenda. Increasingly, EPA is being called upon to



LEADING THE NEWS

Pollution Prevention

U.S. CHIP CONSORTIUM TURNS MORE ATTENTION TO ENVIRONMENTAL CONCERNS

AUSTIN, Texas--SEMATECH, the U.S. government-industry semiconductor consortium based here, is pledging to strengthen its commitment to making chip manufacturing processes more environmentally friendly.

A key test of its resolve is expected to come today, when the consortium formally responds to proposals from its critics for increasing public oversight of its research and stepping up efforts to find substitutes for toxic chemicals used in making semiconductors.

The consortium, which has come under fire from environmentalists and organized labor for not using enough of its resources to conduct research on ways to make chip manufacturing compatible with environmental protection and worker safety, April 12 announced the appointment of IBM executive Ray Kerby to head up its environmental, health, and safety program starting May 17.

Despite the fact that they cannot point to specific evidence linking hi-tech companies here with adverse impacts on health and safety, Austin environmentalists are afraid that if the companies are not held accountable now, the environmental history of old-line industries and hi-tech companies elsewhere will repeat itself.

Kerby, director of IBM programs in environmental affairs since 1983, will direct existing environmental programs and be responsible for "creating a new SEMATECH thrust" addressing environmental, health, safety priorities identified by the Semiconductor Industry Association and SEMATECH advisers.

"SEMATECH has had and continues to conduct projects with environmental benefits," said SEMATECH senior vice president and chief administrative officer Frank Squires. "Ray Kerby will manage our existing projects while planning new ones as part of an overall environmental, safety, and health strategy."

Environmentalists welcomed the move. "This will improve the stature of their environmental office significantly," Ted Smith, director of the Silicon Valley Toxics Coalition, told BNA.

But while the appointment is viewed as a step in the right direction, the true measure of SEMATECH's pledge to put more research muscle into environmentally friendly technology will come today. "We're expecting them to come back with some amount of substance," said Smith. "Probably more flash than substance, but at least some substance."

Smith said the consortium's response is likely to reflect the tension of an ongoing struggle within SEMATECH pitting those who are excited about using the consortium's resources to attack environmental problems against those who feel that focusing on the environment is "an annoyance" sidetracking SEMATECH from its "primary mission" of beating back Japanese competition.

"We will see in the response that they give us the current manifestation of that struggle," he said.

The consortium was set up under 1988 trade legislation to keep U.S. firms at the forefront of global semiconductor manufacturing. Member companies and the Defense Department's Defense Advanced Research Projects Agency split its \$200 million-a-year budget. The 11 member firms include AT&T, IBM, Intel, Motorola, and Texas Instruments.

Most of the consortium's work has been aimed at transferring manufacturing chip technology to member firms to enable them to stay a step ahead of Japanese competitors.

A Message From Congress

Under pressure from environmental and labor groups, the conference committee on the Defense Authorization bill recommended in October 1992 that the consortium spend at least \$10 million of its 1993 budget for research on development of pollution preventing, environmentally safe microchip manufacturing processes. In executing the mandate, the consortium was required to consult with appropriate environmental and labor organizations.

Dan McGowan, a spokesman for SEMATECH, said "This new thrust area reflects SEMATECH's intention to heed that request."

The consortium has ongoing environmental programs in six main areas: acid reprocessing, photoresist use minimization, safer solvents, global warming future factory design, and ozone depletion.

The acid reprocessing program involves recycling hydrofluoric and sulfuric acid to minimize the need for transport, treat, and dispose of most acids. The global warming program demonstrates proactive control and abatement of Freon 116, and the ozone depletion program assesses the performance of alternatives to the ozone-depleting chemical trichloroethane.

SEMATECH is a "proving ground for some of the environmentally friendly projects" that can be transferred to member firms in the same way as manufacturing technology, according to McGowan.

McGowan said that all member companies have been adopting technologies from SEMATECH's environmental projects. For competitive reasons, he said he could not be more specific.

Ann Maretz, a SEMATECH spokeswoman handling environmental issues, said "A lot of this stuff is included in the formal technology transfer process. I can tell you who's using it and who's not." She added th

all firms are taking advantage of the advances on some projects, only half are on others. "It just depends on the project and where they [the companies] are in the process," she said.

Dollars And Cents

Marett said there is no separate cost figure for how much the consortium has spent on environmental projects in its first years. "It's so integrated in all of our projects," she said, noting that a cost accounting model for breaking environmental spending out from other spending has not been developed for the electronics industry. SEMATECH now plans to do that, she said.

Although environmental and health and safety projects have been an integral part of the consortium's research since its inception, its 1992 annual report marked the first time SEMATECH devoted a separate section of the report to such issues.

The section gives a thumbnail sketch of the six main projects the company has been working on. The report also casts SEMATECH as the leader in the semiconductor industry for developing tools and processes that preserve the environment and protect employees. "SEMATECH is aggressively working on projects designed to eliminate or reduce wastes and to find substitutes for potentially hazardous chemicals used in manufacturing," the report said. "SEMATECH believes that *no job* is so important that it may be performed without regard for safety, health, and the environment."

SEMATECH faced its critics in Dallas in early April, hearing proposals from representatives of environmental and labor groups on ways they felt the consortium could be more responsive to environmental, worker health and safety, and community concerns.

In proposals made to SEMATECH, the Electronics Industry Good Neighbor Campaign asked SEMATECH for formal board representation as well as local and national advisory committees. The campaign is a collaborative effort of the Southwest Network for Environmental and Economic Justice and the Campaign for Responsible Technology.

The proposals also called on SEMATECH to develop a Life Cycle Analysis for semiconductors. Other proposals included development of programs for finding substitutes for glycol ethers by 1994, acutely toxic gases by 1996, ozone depleting chemicals by 1995 as well as a program to reduce release all toxic chemicals from production facilities by 2000.

"The manufacture of silicon chips is dependent on the use of many toxic gases, solvents, etchants, heavy metals, and volatile organic compounds," the groups said in the proposals. "New techniques are needed to make chips without threatening the environment or endangering production workers and others who may come in contact with hazardous materials."

Sylvia Ledesma-Campos, an Austin activist involved in several of the organizations fighting to make high tech companies more accountable to the public, said the meeting was positive. "Overall, it was a very good meeting," she said. "We were able to lay down

the groundwork for some future issues that will be dealt with on a more grass roots level and have our input."

Competitiveness And The Environment

Ledesma-Campos said environmentalists can take some credit for SEMATECH's increased focus on environmental issues. SEMATECH's 1989 annual report was "pure and total competitiveness," she said. Noting the focus in its 1992 annual report on environmental and health and safety issues, she said, "That's how much we've impacted them to include environmental issues and to make that a consideration in everything they will be doing. They have to realize that if they're ever going to compete in the world market, they're going to have to deal with the environmental issues."

Austin is one of several cities in the Southwest that has tried to hitch economic growth to the hi-tech industry, actively seeking to lure companies from Silicon Valley and other parts of the country to locate here.

Despite the fact that they cannot point to specific evidence linking hi-tech companies here with adverse impacts on health and safety, Austin environmentalists are afraid that if the companies are not held accountable now, the environmental history of old-line industries and hi-tech companies elsewhere will repeat itself. "Do we want to wait 30 to 40 years down the road and then say 'Oh, look what they did because we let it go by?'" Ledesma-Campos asked.

She noted, however, that convincing citizens to be wary of an industry that is driving economic growth is an uphill battle. Further complicating matters is that the companies will not share information about chemicals used in their manufacturing processes that could be planting the seeds for severe pollution problems in the future, she said.

Seeking A Model

If environmentalists can get SEMATECH to agree to be more cooperative on such issues, the relationship could serve as a model for the hi-tech companies and other industries as well, she said.

The fears of Austin environmentalists are well founded, according to Rand Wilson, director of the Boston-based Campaign for Responsible Technology.

"The track record in the industry is horrendous," Wilson said, noting that from Silicon Valley to Boston the electronics industry has left a trail of serious air and water pollution and occupational problems. "In the Boston area, the footprint of the industry is ground water pollution," he said. He also pointed to occupational and environmental problems in Silicon Valley and to the Motorola superfund site in Phoenix. "These people [in the companies] are being cautious for a good reason," he said, referring to the industry's desire to play its cards close to the chest on environmental and safety and health issues.

The protection-of-trade-secrets defense used by firms to deny a closer look at their operations is a "smokescreen," said Wilson. "Trade secrets is always thrown up as a way to blunt community participa-

tion," he said. "We've got a very good track record of being able to address industry concerns with proprietary information. We're not looking to bust secrets out of SEMATECH."

He added that the companies' worries over protecting trade secrets does not appear to extend to collaborative research projects between SEMATECH members and their Japanese and European counterparts. "All of the firms, big heavy hitters, are doing major cooperative research with European and Japanese firms," he said. "Give me a break."

Taking Cues From Clinton

Wilson said environmental and labor groups now have an ally in President Clinton, who has stressed the need to take their concerns into account. "We are taking our cues from the president," said Wilson. "This SEMATECH initiative has to address community, environmental, and labor concerns. It cannot be just a \$100 million-a-year giveaway to big business. We don't do things in this country like that, and we're not going to start now."

Wilson stressed the need for environmental, labor, and community oversight of SEMATECH, whose reach extends far beyond Austin. "It's the premier commercial industrial policy initiative in the country," he said. "They're playing the quarterback role for precompetitive industry research, and 50 percent of what they do is not done in Austin. But until last year, there was no real focus on employees and communities to address the toxic legacy of the industry."

Following The Silicon Valley Pattern

Smith, of the Silicon Valley Toxics Coalition, expressed great uneasiness at the expansion taking place

in the semiconductor industry in the Southwest. He predicted that, based on the experience of Silicon Valley, communities in Austin, Phoenix, and Albuquerque will rue the day that they plunged headlong into bidding wars amongst each other to entice firms into moving into town.

"Our community now is a mess," he said. In addition to having 29 superfund sites, Silicon Valley is suffering freeway gridlock, overcrowded schools, and a two-tier workforce, he said. "And this is in an area where there haven't been the massive tax giveaways" being used by other cities to lure the companies, he pointed out.

"As long as local communities fall prey to this kind of low-bid type of opportunity, they are going to suffer badly," said Smith. "We have tremendous negative impacts of this willy-nilly growth out here."

If the history of Silicon Valley repeats itself in the Southwest, he said, the first sign of trouble will be occupational illnesses. "At some point the chemical problems are going to cross the boundary line of the workplace to the community," he said.

Smith said that because individual companies have not been very successful in developing substitutes for industrial solvents linked to surface and ground water contamination, environmentalists are counting on SEMATECH. "The strategy is to go to the source at the front end," he said. "The most reasonable conclusion is to redesign the whole technology rather than try to put more control gadgets on. If they really do put the right kind of resources into their research agenda, we believe they will be able to reengineer the process. Those breakthroughs then will be adopted by member companies to provide more safety and security to all the communities." □

End of Section