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## LEADING THE NEWS

### Regulatory Reform

#### Intel Gets Multimedia Project XL Permit; Some Environmentalists Criticize Strategy

An agreement allowing Intel Corp. to operate its new manufacturing facility in Chandler, Ariz., under a flexible, multimedia permit was signed Nov. 19 with Environmental Protection Agency officials, amid seathing criticism from some environmentalists.

The agreement marks the second time a proposal developed under the agency's Project XL program was allowed to move forward (233 DEN A-6, 11/19/96).

"In exchange for meeting more stringent air pollution standards, Intel will receive a 'one-stop' air permit—allowing it to operate under a facility-wide air permit instead of obtaining a permit for each manufacturing process as is currently required," according to an EPA press release.

*Under current regulations, if the company moves a piece of equipment six inches, it has to get approval from regulators, according to Timothy Mohin, Intel's governmental affairs manager.*

Among other things, this permit allows the facility to make process and chemical changes without having to go through an approval process. Timothy Mohin, Intel's governmental affairs manager, told BNA Nov. 19 that under current regulations, if the company moves a piece of equipment six inches, it has to get approval from regulators first. Now such changes are pre-approved, he said, as long as the change does not cause the facility to go over its emission limits. Such flexibility saves the company time and resources, Intel officials said.

### Air Permit Levels

One of the most contentious areas of the agreement involves the facility's air pollution permit limits. The permit caps total emissions of organic hazardous air pollutants at 10 tons per year and inorganic HAPs at 10 tons per year. Environmentalists and public health advocates said they are concerned that such a cap allows the plant to raise and lower its emission levels of HAPs without regard to the varying potency of the chemicals.

Because the facility is only a minor source as defined under the Clean Air Act based on its air emission levels, it is subject to the emission limits set by the state and local regulators. Arizona has ambient air quality guidelines for 400 chemicals that are based on the risk to public health.

The facility has to remain within these emission limits for each chemical it uses, Mohin said.

However, Chris van Loben Sels, an official with the Natural Resources Defense Council, said that the "trading up" of pollutants, even within the caps, still means Intel would adhere to a less stringent standard under the new agreement than was allowed under the previous permit.

The air permit written for the facility had "fairly tight limits," that turned out to be based on bad data collected to measure the efficiency of the plant's pollution controls, van Loben Sels said.

"XL revised the limits by more than they had to reflect this," van Loben Sels said.

In fact, NRDC issued a statement after the signing saying the project actually allows limits that are "2 to 50 times higher than what would normally apply to emissions of the most dangerous pollutants."

Mohin said the company modeled "every single pollutant at the highest levels allowed" to gauge their risk potential and then compared those results to the risk levels set by the state.

"We lowered the limits for chemicals that approached the caps," he said.

The emissions levels set for the plant are actually much higher than the new facility will need because Intel plans to build a new plant on the site effectively doubling its production capacity. Thus, the permitted emission limits are designed to accommodate that new facility.

Van Loben Sels said the pollution prevention index used to establish those limits, however, would keep the company from reducing its air emissions further down the line when the new facility is built.

"Intel promised that its pollution efficiency would not get worse over time," he said. "No one really knows what the best way to measure that is."

### Emissions Reporting

EPA Administrator Carol Browner and company officials said at a Nov. 19 teleconference that the overall emissions from the facility would be lower than what would have been achieved through the typical permit. In addition, they said, one of the biggest advantages to the plan is the public participation component. Intel must file quarterly emissions data reports as opposed to the annual reports required under federal regulations, Browner said. These quarterly reports are public, she said, and those concerned about the interpollutant trading within the caps could refer to the reports for data on such trades.

Critics argued that Intel does not include all of its emissions data because it is confidential business information.

In cases where Intel uses a new chemical for which the state has no guidelines, Mohin said the

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company would work with state health officials to develop appropriate limits.

"There is no motivation or incentive in the XL agreement for Intel to avoid HAPs regulation by substituting other, non-regulated toxic chemicals," Mohin said in the Sept. 23 letter to EPA responding to some critics' concerns. "Even though the current regulations . . . would allow such substitution with no consequence, the Intel XL Stakeholder Team agreed to go beyond existing requirements and ensure that any toxic chemical (whether defined as a HAP or not) be evaluated on a health risk basis. If that evaluation shows a potential for impact on public health from a particular chemical, Intel commits to setting an appropriate emissions [level] for that chemical."

David Matusow, a software engineer who sits on Intel's stakeholder panel, told BNA such a plan would be difficult to accomplish.

"They don't have to get the [air quality guidelines] before they use the new chemical," he said, adding that it could take several months before one is issued. Moreover, he said, the guidelines generally only consider cancer risk and do not look at the other problems exposure to the chemicals could pose, such as damage to the central nervous system.

Michael Guerrero, an organizer with the Southwest Network for Environmental and Economic Justice, told BNA Nov. 19 his main concern was the precedent it set for deregulating industry.

He also blasted company officials for not reaching out to the community, environmental groups, and environmental justice organizations enough.

Craig Barrett, Intel's vice president and chief executive officer, said the company had the community's support, invited organizations to partici-

pate, and considered their concerns in the final project agreement. However, he was not able to name during the press conference the groups he had consulted. The company also will conduct public meetings twice a year to allow the public to comment on activities at the facility.

Environmental justice advocates said they were left out of the process.

In a strongly worded statement signed by more than 100 public interest groups, including unions and major environmental organizations, the Campaign for Responsible Technology said Intel hand-picked its stakeholder group, "which includes only minimal Chandler community representatives and no fabrication worker representatives from the plant."

A stakeholder list on the project obtained from the Internet shows only two local citizens that are not affiliated with Intel or the local government. The person the company lists as an environmentalist is a geologist with an environmental consulting firm in Tempe, Ariz. The other 12 stakeholders are either state or local technical officials or Intel employees.

Under the final project agreement, the company also promises to practice water conservation strategies by reusing treated city effluent water and to treat its own water for reinjection into the aquifer, recycle significant volumes of paper, wood, metals, and glass, and incorporate a Design for the Environment program that will encourage the development of environmentally compatible materials and processes through "continuous improvement methodologies."

— By Susan Bruntinga

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