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June 30, 1999

Thomas J. Maslany
United States Environmental Protection Agency
Region III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

Re: Project XL Meeting in Allentown

Dear Mr. Maslany:

Thank you for your letter of June 8, 1999.

The specific information you request in your letter was promised by Lucent at the meeting on May 19, 1999 to be delivered at the meeting scheduled for June 10, 1999. That commitment would have been met on June 10, but for EPA's cancellation on June 8.

Attached is the specific information you requested. The past environmental achievements resulting from our EMS have been shared with our Agency partners on numerous occasions in past months. The attached documents emphasize our specific future EMS improvement goals at Allentown. You will also find a detailed display of the participation of our Agency partners in the EMS at Allentown. This presents an extremely valuable opportunity for us all to study and learn from a very high-performing EMS in action. The participation display is subject to agreement on terms and conditions. We expect you will find a great deal of encouragement in the enclosed documents.

Lucent believes that the sharing of information on funding sources for environmental projects is a legitimate subject of discussion; nonetheless, if EPA is reluctant to pursue this issue, Lucent is willing to defer it for now.

With respect to an Allentown addendum, Lucent believes that such an addendum would incorporate the concepts of Lucent's May 19, 1999 proposal concerning agency participation/observation of Allentown's EMS. Lucent's goal would be to have such an addendum in place by September 30, 1999. This should be discussed at our next meeting as well as the attached specific information, which we propose for July 20, 27 or 28, 1999 at EPA's offices in Philadelphia.

Please let me know if you have any questions. Lucent looks forward to hearing from our EPA partners.

Sincerely,

Ralph J. McGuire

Attachments

Copies to:
Dave Lamereaux
Marylou Barton
Richard J. Kampf
Hilda E. Burgos
Beth Termini
L. Nancy Birnbaum
Lisa Lund

Lucent Allentown Project XL
Proposals for Superior Environmental Performance (SEP)

#	Proposal for SEP	Costs	Benefits
1	Reduce air emissions by capital investment of new VOC condenser. Investigate and implement process and operational changes that would reduce air emissions (including fugitives). Evaluate performance of condenser by end of third quarter 1999. Develop business case for a second condenser by year end 2000.	~$450,00 initial investment for first unit; ~$10,000/year operating costs	Reduced VOC emissions of between 8-10 tons/year (per condenser). Recycling of condensate waste for fuel blending supports second priority within P2 hierarchy (see below), and use of condenser supports third priority. Negative financial return to Lucent.
2	Comprehensive water conservation program. Goal to reduce water consumption by avoiding use of 1,500,000 gallons/day from 1994-1999, and by avoiding an additional 400,000 gallons/day between 2000-2005. Avoid 9000 lbs/day TDS emissions from 1994-1999, and avoid an additional 4000 lbs/day between 2000-2005.	$1,220,000 invested for projects implemented 1994-1999	Conservation of natural resources. Improve quality of water effluent discharges. Supports first, second and third priorities within P2 hierarchy $1,100,000 / yr chemical and water cost savings (Projections for 2000-2005: $600,000 costs and $280,000/yr savings.)
3	Reduce energy consumption by implementing energy efficiency measures throughout plant. Avoid 26,000 metric tons/year of greenhouse gas emissions from 1996-1999, and avoid 15,000 metric tons/year between 2000-2005.	$5,400,000 invested for projects implemented 1994-1999	Reduced impact on global climate change. Supports first priority within P2 hierarchy. $2,500,000 / yr energy cost savings (Projections for 2000-2005: $3,000,000 costs and $800,000/yr savings.)
4	Minimize generation of solid waste. Implement source reduction and recycling measures identified by waste minimization study.	TBD	Conservation of landfill space. Efficiency of materials usage/reduced materials costs. Supports first and second priorities within P2 hierarchy.
5	Evaluate technologies to reduce chemical usage in DI water by year end 2001.	$200,000	Reduction in raw materials consumption. Supports first priority within P2 hierarchy.

Pollution Prevention (P2) Hierarchy:

1. Prevention/Source Reduction
2. Recycling
3. Treatment
4. Disposal or release (last resort)

Proposed Regulatory Flexibilities

#	Proposal for Regulatory Flexibility	Benefits to Lucent Allentown
1	Expedited/streamlined plan approvals/requests for determination applicable to all media (i.e., enhanced process that provides for greater efficiency than standard regulatory approval process) in relation to process changes and plant size increases or other modifications.	Reduced approval time prior to implementing new processes and technologies. Faster time to market.
2	Reduced reporting requirements and frequencies for all media. Annual or semi-annual summary reporting, to replace monthly detailed reports submitted with all backup.	Increased efficiency. Less time spent on administrative report preparation.
3	Modify methodology for calculating air emissions based on quarterly or semi-annual emissions data as opposed to monthly data.	Increased operating efficiency. Cost savings. Paperwork reduction.

Lucent Allentown Project XL
Regulatory Agency Participation Opportunities in Allentown EMS

This document represents the proposed delineation of roles as between the Lucent Microelectronics Allentown Facility (Lucent) and the XL-participating regulatory agencies, in the Allentown Environmental Management System (EMS). The table below sets forth the level of participation of the agencies in each element of the EMS as implemented at Allentown.

KEY

Level of Participation	Description
0	No participation by regulatory agencies. Element of EMS conducted wholly and exclusively by Lucent.
1	Observational role. Lucent to provide visibility into approach via MEEMS and Allentown EMS Manuals. Lucent will respond to reasonable queries of clarification arising from the approach set forth by the Manuals.
2	Advisory role. Opportunity to review and comment on certain Lucent EMS documentation, and to provide suggestions for improvement. Comments and suggestions considered by Lucent, but not mandatory for Lucent to incorporate or address comments. This level of participation will essentially be a "paper exchange" only, and will not involve direct personal interface in the form of teleconferences or meetings to discuss comments.
3	Collaborative role. Significant milestones associated with EMS elements for which this level of participation is designated will be undertaken with a spirit of collaboration with the agencies. Lucent will provide the opportunity to meet and confer with the agencies to discuss such milestones and the approach being taken by Lucent to these milestones. Agencies will have the opportunity to offer suggestions and contribute to the continuous improvement of the Lucent EMS. Lucent will strive to incorporate any suggestions offered by the agencies that Lucent believes would be valuable to the EMS. Ultimately, Lucent will not have any obligation or responsibility to modify its approach or revise any EMS documentation or records to incorporate or otherwise accommodate the comments and suggestions offered by the agencies.

EMS Participation Matrix

EMS Activity	Agency Participation
Revision of Environmental Policy Statement (Section 4.2)	1
Legal and Other Requirements (Section 4.3.2)	1
Identification of New Aspects (Section 4.3.1)	3
Scoring and Ranking of Environmental Aspects (Section 4.3.1)	2
Development/Revision of Objectives (Section 4.3.3)	2
Development/Revision of Targets (including assigned timescales and means) (Section 4.3.3)	3

EMS Activity	Agency Participation
Review and amendment of programme based on new developments and modified activities, products or services (Section 4.3.4)	3
Drafting and revision of EMS documentation and operating procedures (Sections 4.4.4 and 4.4.6)	0
EMS Training and Awareness initiatives (Section 4.4.2)	0
EMS Communications (Section 4.4.3) Internal Communications External Communications LEAG	 0 1 2
Document Control system for EMS documentation and records (Section 4.4.5)	0
Supplier and Contractor management (Section 4.4.6(c))	1
Development/Revision of emergency response and preparedness procedures, and periodic testing of those procedures (Section 4.4.7)	1
Monitoring and measuring of operations and activities that can have significant impacts on the environment, including calibration of relevant equipment (Section 4.5.1)	1
Development/Revision of procedure for periodically evaluating compliance with applicable environmental laws and regulations (Section 4.5.1)	1
Periodic evaluation of compliance with applicable environmental laws and regulations (Section 4.5.1)	0
EMS auditing (Section 4.5.4)	1
Nonconformance and corrective and preventive actions (Section 4.5.2)	1
EMS recordkeeping (Section 4.5.3)	0
EMS Management Review (Section 4.6)	1