ATLANTIC STATES LEGAL FOUNDATION, INC.

JUNE 15, 2000 MEETING SUMMARY

Subject: Potential Stakeholder Meeting Between IBM, US EPA and Atlantic States Legal Foundation

- Date: 6/15/00
- Time: 11:00 AM - 4:00 PM
- Location: Atlantic States Legal Foundation Offices, Syracuse, NY
- Attendees:
  - Atlantic States Legal Foundation: Samuel Sage
  - IBM: Narayan Ayengar, Scott Danskin, Salvatore Tranchina, Richard Walka (WF Cosulich)
  - USEPA: George Meyer

A meeting was held between Atlantic States Legal Foundation (ASLF), IBM and USEPA to discuss IBM's Project XL for the reuse of F006 wastewater treatment sludge in the manufacture of cement. S. Sage of ASLF is considered a leading authority on environmental issues related to the management of F006 wastewater treatment sludge. The purpose of the meeting was to review the details of the project and to discuss whether and how ASLF could, if interested, effectively participate in the project.

1. S. Sage stated that he likes the format of the Project XL initiative, but believes that poor projects are selected and that implementation of the projects can be improved. Specifically,
   - Project XL is bureaucratic for what is gained; the same results can usually be obtained through other or more appropriate mechanisms.
   - There is a lack of real stakeholder involvement in most Project XL projects.
   - Projects should be national in scope, but USEPA keeps stakeholder involvement at the local level.

   R. Walka and S. Tranchina stated that a higher focus and attention is given by USEPA to the Project XL projects. If the project has environmental benefits and they are transferable, Project XL is the quickest means to obtaining project approval.

2. S. Sage stated that the public needs to feel comfortable that a Project XL project is good for them and the environment. Often, there is a communications gap between the public and industry. The public can be represented by individuals or by activists / not-for profit groups.

   R. Walka stated that the cement kilns are interested in the project, but do not want to get involved until all authorizations are received from USEPA. The USEPA wants the cement kilns identified up front. It may be possible and/or necessary to specify in the Final Project Agreement that additional stakeholder involvement with a local community is required once a cement kiln is selected.

3. S. Sage stated that he had only briefly reviewed the information that had been sent to him prior to the meeting, and thought that the project had merit. He wondered, however,

whether there were better options available. There was a brief statement from S. Tranchina and N. Ayengar regarding some of the other alternatives that have been investigated and the waste minimization activities that have been conducted already.

4. S. Sage stated that he was interested in project, but was not sure how his involvement would be most effective and beneficial. He stated that IBM appears to need assistance in coordinating a meaningful stakeholder group with national representatives (rather than just local groups or using outdated contacts lists from USEPA). There were lengthy discussions among the attendees regarding the options that were available (e.g., working with IBM to coordinate the stakeholder group and being a technical consultant to IBM; participating as a stakeholder; acting as a technical consultant to the stakeholder group) and the potential funding mechanisms for each option. Ethical, financial and tax-related issues were also identified and discussed. Funding options associated with the stakeholder group were also discussed.

5. S. Sage indicated that, in his opinion, the Project XL schedule proposed by USEPA was very aggressive and may not be possible to achieve.
6.
7. S. Sage indicated that this project was an opportunity for IBM to reach out to the community and advise them of the environmentally beneficial programs that are being implemented.

8. At the end of the meeting, S. Sage stated that he would consider the options that were open to him for participation in the project and discuss the potential consequences with his legal counsel.

These meeting minutes were prepared by S. C. Danskin.

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