ATTACHMENT 5

LETTER FROM EPA TO IBM
DATED OCTOBER 25, 1999

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

OCT 25 1999

Mr. Salvatore J. Tranchina, P.E.
Manager, Environmental Engineering and Operations
IBM Corporation
East Fishkill Facility
1580 Route 52
Hopewell Junction, N.Y. 12533-6531

Dear Mr. Tranchina:

This letter is in response to your recent submittal entitled *"Project XL Proposal - IBM East Fishkill Facility F006 Sludge Recycling Project"* in which you requested assistance in developing a strategy for identifying and convening a stakeholder group.

As you know, stakeholder involvement is a critical element of all XL projects; thus it will be necessary for you to formulate a stakeholder outreach plan prior to the U.S. Environmental Protection Agency (EPA) selection of IBM's proposal for Final Project Agreement development. Also, although EPA may provide materials and suggestions for facilitating stakeholder participation, IBM as the project sponsor must actually implement the stakeholder outreach plan.

Drawing on the region's previous experience with Project XL, as well as examples of stakeholder involvement procedures used by other participants in the XL program, we have sketched out a potential outreach strategy that you can use as a basis for developing your stakeholder plan. We would also strongly urge you to familiarize yourself with the outreach options detailed in the Stakeholder Involvement Guidance Document that had been sent to you on August 26, 1999.

Stakeholder Outreach Options

The following suggestions are arranged in chronological order of implementation, and reflect mechanisms that have been used previously in other XL projects to solicit stakeholder input. The first step would be taken after EPA formerly accepts your XL project.

1. Initial Notification and Outreach

   - Send out a project fact sheet to state and national environmental groups that briefly explains the scope and purpose of the project, and includes project contact information (see attached sample fact sheet). The fact sheet should inform recipients that they should contact IBM if they are interested in participating as stakeholders, or if they would like to receive more information. We will provide you with a mailing list of environmental groups that you may wish to contact.

- Notify local newspapers and place an announcement informing regional community members of the opportunity for them to participate as stakeholders in the development of this project. Provide contact information and the date and time of an informational meeting/ facility tour at the East Fishkill plant (see #3 below).

- Send a targeted mailing to local town officials (both the town surrounding the East Fishkill plant as well as the towns surrounding the cement kilns that will be receiving the sludge) to explain the scope of the project and request input or participation.

- Send out an internal announcement describing the project via IBM Intranet or internal news bulletin so as to determine if any employees would be interested in commenting on or participating in project development (or post project information on an IBM internal webpage and provide for comments to be submitted through the webpage interface).

2. Notification Follow-up

- After mailings and announcements have been sent out, collect names and contact information of the respondents, and provide them with the date of an informational meeting/ facility tour. Also, keep an updated list of organizations and individuals who were contacted but did not respond, or responded with a decision not to participate (this would include the cement kilns that IBM has already contacted).

- As people indicate interest in participating, ask them if they know of anyone else who should be contacted in regards to this project.

- Based on participants' response, determine if they would like to be involved as direct participants (with active involvement in developing the project) or commentors (who receive drafts of documents for review throughout project development, but do not actively participate in creating these documents).

3. Informational Meeting/ Facility Tour and Follow-up

- After stakeholder participants have been identified, IBM should hold an initial informational meeting and facility tour to familiarize stakeholders with the project proposal and the processes generating the F006 sludge. EPA personnel will be available to explain Project XL procedures and help negotiate ground rules for stakeholder participation. At this meeting, IBM should provide stakeholders with more complete project information, such as copies of the proposal, a description of the concepts and processes surrounding the generation of the sludge, a listing of terms and definitions, etc. (EPA will coordinate with IBM prior to the first stakeholder meeting to set up an agenda and prepare appropriate materials).

- At the end of the informational meeting, IBM should negotiate a schedule for project development with the stakeholders, potentially scheduling additional stakeholder meetings. (At this point, it is difficult to predict whether actual face-to-face meetings will be necessary, or whether most stakeholder will want to function strictly in a commentor role. Given that IBM's project is relatively non-controversial, it may be the case that few, if any, stakeholders will want to actively participate in writing the Final Project Agreement. However, efforts should be made to keep interested parties informed of project development meetings between IBM, EPA and the State.)

To aid you in drafting a stakeholder involvement plan, we have included several attachments that either describe the stakeholder involvement process or are examples of other companies' stakeholder outreach plans:

- A section of the Project XL Federal Register Notice of April 23, 1997, discussing the stakeholder involvement requirements of Project XL.
- A Draft Stakeholder Work Plan from Georgia Pacific's Project XL proposal
- The Stakeholder Participation section of IBM Essex Junction Semiconductor Manufacturing Facility's Project XL proposal.

Based on discussions with representatives of EPA's, Office of Solid Waste (OSW) and Office of Reinvention in our Washington, D.C. headquarters, there is additional information required regarding the comparison of your F006 sludge and the material it is intended to replace. IBM needs to identify the material that the sludge will replace and the ratio with which it will be replaced. For example, will the sludge replace limestone or the typical raw mix and will the replacement be in equal quantities (i.e., every pound of sludge used, reduces need for limestone by the same amount). Furthermore, while Table 10 (page 2-21) of the proposal package was revised to include a column with data for the sludge, it still lacks all the necessary information to confirm the similarities between the sludge and the material it will replace. The row labeled as "Loss On Ignition" represents a substantial percentage of most of the materials but is not further defined or identified. A side by side comparison of a total constituent analysis of the sludge and the material it is intended to replace will be required in order to gain approval for the proposed project. At minimum, the analyses for each material should include the constituents found in Tables 10 and 11, as well as, any Appendix VIII constituents identified in Table 5.

Should you have any questions, please contact Bart George, of my staff, at (212) 637-3192.

Sincerely yours,

George C. Meyer, P.E.
Chief, RCRA Compliance Branch
Division of Enforcement and Compliance Assistance

Enclosures

cc: Richard Walka, William F. Cosulich Associates, P.C. w/ attachments