UNION CARBIDE

UNION CARBIDE CORPORATION

P.O. BOX 50, HAHNVILLE, LA 70057

December 18, 1998

Mr. Gregg A. Cooke
Regional Administrator
U. S. Environmental Protection Agency
1445 Ross Avenue, Suite 700
Dallas, Texas 75202-2733

Dear Mr. Cooke:

Since 1995 we have worked cooperatively with EPA Region VI, and the Office of Air Quality, Planning and Standards (OAQPS), the Louisiana Department of Environmental Quality (LADEQ) and our stakeholders to put together a multi-project proposal that we believed would meet the XL criteria. We have worked together on a number of "common sense" projects as well as on trying to develop a workable approach to more significant aspects of the proposal such as the Secondary Emissions Offsetting project.

Unfortunately , while we are successfully implementing several aspects of the proposal, the resources needed to develop data sufficient to support the Secondary Emissions Offsetting project exceed the value to us of going forward with the project. In addition, new business challenges have required us to reallocate key resources to focus on immediate priority items including maintaining compliance with existing Health, Safety and Environmental requirements while we transition the entire corporation to a new information technology infrastructure and year 2000 conversion. In light of these considerations, Union Carbide respectfully requests that its Project XL proposal be withdrawn.

We do believe that our XL Project has produced several meaningful results for EPA, stakeholders and the environment. For example, our stakeholder recruitment process, stakeholder rules of procedure, and the dialogue derived from the stakeholder process in general set an example that others can follow. One novel feature of our discussions was the stakeholders' request that we periodically brief them on the legislative and regulatory advocacy activities of the plant and the corporation. This exercise provided information that allowed stakeholders to evaluate the company's regulatory philosophy, and its consistency with the spirit of Project XL. Our stakeholder process also demonstrated the value of having early involvement of state, regional and national environmental group representatives.

There were also other tangible benefits. As a result of our XL discussions, several "common sense" projects were identified that, while not requiring XL-type flexibility, were facilitated by our participation in Project XL. With the help of EPA, LADEQ and stakeholders:

1. redundant waste analyses were reduced,
2. we achieved a better understanding of how to minimize costly and environmentally unnecessary coating of secondary containment structures when dealing with surface cracks, and
3. temporary storage requirements for certain wastes were interpreted to facilitate the use of new technology.

These projects maintained or improved environmental protection and resulted in modest cost savings for the Taft Plant.

We have learned much from our experience with Project XL, and have worked closely with EPA to transfer that knowledge into EPA efforts to improve the XL process. For example, knowledge gleaned from our stakeholder process is being used in the design of a Stakeholder Involvement Guide that EPA is currently developing.

We appreciate the collegial atmosphere fostered by the stakeholder process, and the good faith efforts by all involved to move the project forward, and regret that we are unable to conclude a Final Project Agreement. We understand that experimentation is difficult, and that learning is advanced regardless of the outcome. We will continue to support reinvention, and hope to participate in future activities.

Sincerely,

Zulma Boroughs

Zulma Boroughs
Plant Manager

cc: Frederick Barrow - DEQ
Adele Cardenas - EPA
Dale Givens - DEQ
Lisa Lund - EPA