

**COMMONWEALTH OF VIRGINIA**

**METAL FINISHING**

**STRATEGIC GOALS PROGRAM**

**Program Description**

**FINAL**  
**June 13, 2000**  
**Version 4.2**

The Undersigned have jointly developed this Framework Document and are committed to seeing the implementation of a program consistent with this outline. We recognize that the nature of this program is a dynamic one and that its content evolves day by day and month by month. All of us embrace the values and the substance contained herein and will only look to improve this Framework in the months ahead and through the life of the VA SGP.

\_\_\_\_\_  
Name:  
Alexandria Metal Finishers

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Name:  
C.R. Hudgins Plating

\_\_\_\_\_  
Name:  
South Central Wastewater  
Authority

\_\_\_\_\_  
Name:  
Brenco Inc.

\_\_\_\_\_  
Name:  
Electroplate-Rite Corp.

\_\_\_\_\_  
Name:  
US EPA HQ

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Deborah A. Harsh  
Engineering Assistant  
Chesterfield County

\_\_\_\_\_  
Name:  
Hampton Roads Sanitation  
District

\_\_\_\_\_  
Name:  
US EPA R3

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Name:  
City of Lynchburg

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Name:  
Lombard Technologies, Inc.

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Name:  
VA DEQ

\_\_\_\_\_  
George Kolb  
Dir. of the Dept. of Utilities  
City of Richmond

\_\_\_\_\_  
Name:  
Newport News Shipbuilding

\_\_\_\_\_  
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Watson Metal Products

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## **PURPOSE OF THIS DOCUMENT**

The purpose of this document is to establish the program framework for the Metal Finishing Strategic Goals Program in the Commonwealth of Virginia. The Virginia Metal Finishing Stakeholders may ultimately develop a companion “Operating Plan and Program Document,” which will provide the details necessary to implement the Virginia Strategic Goals Program (VA SGP).

This document and, in fact, the implementation of the VA SGP are evolutionary in nature. The document has been crafted with the knowledge that it will change in the short, mid and long terms. But it will change only through a collaborative process with all stakeholders agreeing on its evolution.

## **PROGRAM OVERVIEW**

The guiding focus of the VA SGP is the National SGP. The national program centers on environmental compliance and the achievement of the national performance goals, which will ultimately help to move the metal finishing industry toward cleaner, cheaper, smarter practices. The National SGP was developed through a “stakeholder process” spanning several years and involving a broad base of interested parties.

The VA SGP is a voluntary, multi-stakeholder program aimed at improving environmental performance and reducing environmental compliance costs at metal finishing facilities. At its core are a set of environmental performance goals for metal finishers and a set of “enabling actions” other stakeholders will undertake to help metal finishers achieve the goals. (See Attachment A).

Metal finishing companies participate in the program by signing up (there is no fee), working to achieve the goals, and submitting annual worksheets to the National Center for Manufacturing Sciences (which operates the National Metal Finishing Resource Center (NMFRC)) summarizing their progress. In return, government and other participants sign up (again, no fee) and agree to work collaboratively with these companies; providing technical assistance, access to capital for companies otherwise unable to get it, expedited or simplified regulatory procedures (where possible), and public recognition.

The program also serves as a forum in which government, metal finishers, and other participants can collaboratively and constructively address environmental issues relating to the industry. The VA SGP is designed to serve the interests of all its participants — metal finishers, government agencies, and non-governmental public-interest organizations. The SGP can serve as a model for interacting with other industry sectors and for improving relations with specific facilities.

- Industry - should expect a number of benefits when they sign on to the program and attain the goals. Job shops can improve their environmental performance AND get a competitive edge through the development and use of environmental management systems tailored to the needs of metal finishing shops, new material substitution and conservation technologies. The VA SGP intends for the goals and the benefits to be applied to the captive shop portion of larger industrial facilities. These

industrial facilities need to collect captive-specific data for determination of their placement on the Program's benefit ladder. As time passes, those who may otherwise have difficulty obtaining capital for environmental equipment may be able to do so – or receive benefits for installing such technologies. In time, participating companies will benefit from any proposed regulatory modifications that will reduce compliance costs.

- Government Agencies and Publicly Owned Treatment Works (POTWs) - should expect improved regulatory compliance from participating facilities thereby allowing them to concentrate their future compliance efforts on other industrial users of concern. They can learn about the metal finishing industry and how it can best improve environmental performance in ways that also improve their competitiveness. Agencies may identify and implement changes in reporting and permitting that will save staff time and other resources. Agencies may also coordinate the inspection processes with other government entities so as to create regulatory efficiencies. In time, participating POTWs may be eligible for expedited review of their Enforcement Response Plans (ERP's).
- Public Interest Groups - can learn how metal finishing facilities are striving to improve environmental performance in their communities. These groups can also learn just how VA DEQ and the POTWs are working with industry to improve environmental performance and protect the environment. They can take this opportunity to work with metal finishers in these areas and share success stories with the broader public.
- VA Department of Environmental Quality (VA DEQ) – should see a crossover effect in their Virginia Environmental Excellence Program. As metal finishing facilities achieve gains in environmental performance and toward environmental management systems, the numbers of facilities eligible for these programs will, naturally, increase thus providing VA with dual successes.
- Utilities - water, electric and gas companies provide technical and administrative support and economic incentives towards participant's energy and water reduction goals. Utilities can share economic benefit and public recognition of improved environmental performance.

## **PROGRAM HISTORY**

The VA SGP will implement the National Metal Finishing Strategic Goals Program (National SGP), which was established by participants in the Metal Finishing Sector of the US EPA Common Sense Initiative. These parties — US EPA, States, POTWs, the metal finishing industry and its suppliers, the environmental and environmental justice communities, and labor — spent three years developing the national program through a collaborative strategic planning process. The process culminated in December, 1997 when the parties unanimously endorsed and agreed to implement the program as described in the document entitled *Metal Finishing Strategic Goals Program: National Performance Goals and Action Plan*. (Available at [www.strategicgoals.org](http://www.strategicgoals.org))

Implementation of the National SGP is taking place at various levels. Some of the enabling actions

involve consideration of changes in federal regulatory programs. These, as well as administration of a system for measuring and tracking progress towards the goals, are being implemented at the national level.

Much of the work, however, is taking place at the regional level in areas of the country where stakeholders have indicated a strong interest in developing “regional” or “State-based” SGPs. The VA SGP is one such regional effort. Over the past several months, Virginia stakeholders have been meeting regularly to design and begin implementing the VA SGP.

## **PROGRAM GUIDING PRINCIPLES**

The Virginia SGP is founded on the guiding principles and assumptions of the national program. These include:

1. The VA Stakeholders recognize the evolutionary nature of this program. Aside from the programmatic aspects of the SGP, the stakeholders are creating a program that is expected to change over time based upon the feedback and experiences of the participants;
2. That the VA Environmental Excellence Program may ultimately come together with the SGP. All stakeholders will work collaboratively to overcome the points of divergence. Although the SGP is directed at the Electroplating and Metal Finishing industry, it is complementary to the Virginia Innovations in Pollution Prevention (VIP2) Initiative. Interested companies can participate in and receive recognition from both programs;
3. The development and implementation of the SGP is to be collaborative, involving all interested stakeholders, including the environmental community, on a regular basis;
4. Participation in the VA SGP is voluntary. Working together cooperatively is the most effective way for the industry, government agencies, and others to identify priority environmental issues, strategies for improving environmental performance, and efficiencies in environmental regulatory programs. In instances where participation is not beneficial for all parties, facilities and/or POTWs are free to exit at any time;
5. Companies are welcomed into the program regardless of compliance record. The designers of the Virginia SGP recognize the national program's four tiers of platers but have designed the VA SGP to address only three SGP tiers: top-performers (Tier 1), companies that are in or near compliance (Tier 2), and companies transitioning out of the business (Tier 3). This framework document does not address those companies that do not intend to comply with environmental laws (Tier 4).
6. Companies can improve their environmental performance in ways that also will improve their economic performance. The Virginia Stakeholders all subscribe to the “cleaner, cheaper, smarter” principles of the Common Sense Initiative.
7. Incremental benefits for incremental progress. The full achievement of all the National SGP goals will take even the best metal finishers some time. The performance ladder process contained in the SGP is designed to accomplish this by setting stages of partial achievement of the national goals and regional compliance concerns with established benefits at an associated

- level. The benefits are structured to act as inducements to make continual progress.
8. Neither the letter nor the spirit of the VA SGP is in violation or conflicts with any known federal, state or local laws.

## **PROGRAM ADMINISTRATION AND OVERSIGHT**

The Virginia SGP is designed to require some administration at BOTH the national level AND the regional/state level. In the early stages, the administrative “burden” is national. The sign-up process is centralized and worksheet submittal activities are managed by the NMFRC. Later, there is a transition to state-based administration with a multi-constituency, stakeholder panel responsible for review and placement of facilities on the ladder. Further, various participating organizations and newly established institutions have taken on responsibility for aspects of regional program implementation.

### *The Stakeholder Group*

The Commonwealth of Virginia, the population of companies and POTWs who have signed on to the national SGP have worked together in an informal consensus-driven process. This group will continue to develop the program through June of 2000 via monthly meetings and more frequent conference calls. Beyond the June timeline, the Stakeholder Group will:

1. Maintain and evolve the program;
2. Review the distribution of benefits;
3. Market to POTWs and Industry;
4. Meet at least semi-annually with the Stakeholder Review Committee to review program status; and,
5. Delegate responsibilities to develop proposed benefits among smaller working groups.

### *The Stakeholder Review Committee (SRC)*

“Operational” responsibility for the VA SGP will fall to the Stakeholder Review Committee (SRC). Administratively, the role of the SRC will be to:

1. Refine the VA SGP as necessary, consistent with the letter and the spirit of the process;
2. Place facilities on the performance ladder and move them up or down over time;
3. Perform annual reviews of a facility’s status on the ladder; and,
4. Other duties as they arise.

To the extent possible, the composition of the SRC will include 9 members:

2 – POTW	2 – VA DEQ
2 – INDUSTRY	2 – ENVIRONMENTAL & CIVIC COMMUNITY
1 – EPA	

Members of the SRC will serve two year terms and will be appointed by the constituency that they

represent. In the first year of operation, those "blocks" with two seats will appoint one SRC member for one year and one SRC member for two years. This will ensure a "rolling" process where institutional memory is maintained each year.

This subcommittee at this time will be of the current members of VA SGP Stakeholders Group plus the environmental representation. This committee at a later date may be able to take on a more regional (rather than statewide) appearance with a statewide steering committee meeting semi-annually to assure consistence among the regions.

Subcommittee members will operate with a set of universally accepted by-laws and will have rolling 2-year terms. Initially the group will strive toward consensus-based decision making, though it may adopt more liberal decision making rules as part of the by-laws process.

#### US EPA

US EPA Region 3 has been taking the lead organizing and convening meetings as needed and working to assure balanced stakeholder representation. They are the liaison to those at EPA Headquarters responsible for the management of the national SGP. As time goes on, US EPA will be co-conveners and co-sponsors of this program alongside VA DEQ.

#### Virginia DEQ, and the POTWs

VA DEQ's Office of Pollution Prevention will develop a VA SGP website that provides information for and recognition of participating entities. Virginia DEQ and the local *POTWs* will share responsibility for verifying the compliance history of participating facilities. VA DEQ's Office of Pollution Prevention provides free, voluntary, non-regulatory pollution prevention and technical assistance. VA DEQ's Pollution Prevention staff will not keep any confidential business information used to develop baseline and worksheet data. In time, VA DEQ may utilize the services of Agency mentoring resources.

As time goes on, VA DEQ will be co-conveners and co-sponsors of this program alongside US EPA.

#### Industry

Of course, industry will take responsibility for achieving the goals and reporting their progress.

### **PROGRAM "SCORECARD"**

SGP participants are committed to make progress toward the following National Strategic Goals:<sup>1</sup>

- 98% metals utilized on products;<sup>2</sup>

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<sup>1</sup> Source: "'How To' Guide for Participants," June, 1999 p.6.

<sup>2</sup> At the October 29, 1999 National SGP Steering Group meeting, agreement was reached to examine a second, alternative measure for the 98% utilization goal and allow companies to select either method of tracking progress toward achieving this goal. At the recommendation of the Steering Group, a data subgroup recently reviewed and approved the alternative measure. The 98% utilization goal can now be achieved in one of two ways:

- 50% water reduction;
- 25% energy reduction;
- 90% reduction in organic Toxic Release Inventory emissions;
- 50% reduction in metals emissions to air and water;
- 50% reduction in land disposal of hazardous sludge and a reduction in sludge generation; and,
- Reduction in human exposure to toxic materials in the facility and the surrounding community.

Progress in achieving these goals will be measured against a 1992 baseline<sup>3</sup>.

## **PROGRAM “SYSTEM”**

Placement on the ladder is a function of progress along the goals and compliance.

### Performance

Facilities must submit their data to the NMFRC for the previous year each February. The NMFRC will provide a "report card" no later than May of the same year.

The data and performance will be “normalized” against any one of a number of legitimate factors including possibly (but not limited to): square footage of parts (or work) processed, labor hours and revenues. All normalization data must be verifiable and supported.

Facilities will report their progress to the SRC when they elect to be placed on the performance ladder and annually thereafter. The SRC will evaluate performance across each of the seven goals based upon the percent of the goal achieved. See Example 1 in Attachment B.

The SRC will use the NMFRC report card and its calculations of the percentage achievement relative to each and every goal listed above. A facility will be assigned a percentage number BETWEEN zero and 100%.<sup>4</sup> A facility can not be penalized for backsliding relative to its 1992 baseline, nor can it receive extra credit for overachieving relative to the goals. The percentages will be summed and then an average will be taken. This will yield a percentage achievement number or “placement score” which will be used (in concert with compliance data) to place a facility on the ladder. Please see Example 2 in Attachment B.

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- a. The 98% utilization goal is met when a facility is land disposing less than 2% of the metals it purchases (existing measurement); or,
  - b. The 98% utilization goal is met when a facility reduces OVERALL wastewater treatment sludge generation by 50% (dry weight basis) or more from their 1992 baseline year (a new additional measurement).

<sup>3</sup> A facility can “appeal” to mark performance against a baseline other than 1992 if significant investments in technology were made prior to that year. The SRC will consider all such appeals on their merit.

<sup>4</sup> A facility will be assigned a percentage number BETWEEN zero and 100% - regardless of performance beyond these parameters. Thus, facilities will not be “penalized for backsliding relative to 1992 nor will they be rewarded for super-exemplary performance as demonstrated by achievement of more than 100% of a goal.

Compliance

The following table captures the compliance and performance sides of the ladder:

<b>LEVEL of RUNGS</b>	<b>Major Non-Compliance<sup>5</sup></b>	<b>NOV<sup>6</sup> (per year)</b>	<b>Consent Order Penalties DEQ/EPA AIR/RCRA/NPDES</b>	<b>Percentage of Goals Achieved</b>
<b>GOLD</b>	0	0	0	100%
<b>SILVER</b>	0	2	0	60%
<b>BRONZE</b>	0	4	0	30%
<b>SIGN-UP</b>	N/A	N/A	N/A	0%

“Caps” will be placed on the number of NOVs:

- a. Silver – 3 NOVs is the cap for a two year period
- b. Bronze – 5 NOVs is the cap for a two year period

The group defined the following requirements with regard to certification and verification of data for placement on the ladder and annual review.

<b>LEVEL of RUNGS</b>	<b>DATA (Verified in Years Indicated)</b>	<b>INSPECTION</b>
<b>GOLD</b>	1-4-7-10 Independent data	Request a: RCRA/Air inspection if no current NOI/NOVs pending- <i>During the placement year only.</i>
<b>SILVER</b>	1-4-7-10 Independent data	NONE
<b>BRONZE</b>	Self verification	NONE
<b>SIGN-IN</b>	Self verification	NONE

Base Line 1992 – Auditing to verify – by using water, electric billing, etc.

<sup>5</sup> Major non-compliance is defined as significant non-compliance (SNC) EXCEPT that it excludes minor reporting violations aside from those that involve effluent violations.

<sup>6</sup> NOV is defined in Chapter 2 of VA DEQ's General Enforcement Procedures. A Notice of Violation (NOV) is a written notice to a facility informing it of facts that suggest a possible violation of the law or regulations may have occurred, coupled with an invitation to respond. An NOV is not a "case decision" or determination that violations have in fact occurred (this would require some type of administrative process like an Informal Fact-finding or Formal Hearing). Once an NOV is issued, the Regional Office enforcement staff initiates talks with the facility if it has not done so already, to achieve compliance as expeditiously as possible.

The regulating community will not be held responsible for the company's data, which the industry is ultimately responsible for reporting accurately. Industrial facilities must self-certify the information for accuracy.

For the years that the regulating community verifies data, responsibility is divided as follows:

1. DEQ – can submit verification of most TRI's – SARA Title III
2. DEQ: Biennial verification of RCRA
3. OSHA: Reporting provides verification of data on – Human Health, Waste & Reduction
4. POTWs: Inspections and Verification of Compliance with Pretreatment Regulations
5. DEQ: Verification of Compliance with Air, Water and Waste Regulations

## **THE VA SGP PROGRAM PROCESS**

Upon sign-up, SGP participants must submit their 1992 baseline data (within 60 days). At the next immediate opportunity, facilities must complete their worksheets for the most current year and annually thereafter (February 15<sup>th</sup>) in accordance with the nationally established timelines referenced above.

When ready (and at any point during the year), a facility may notify VA DEQ's Office of Pollution Prevention that it wishes to be placed on the performance ladder by the SRC. To do so, the facility will need to submit the "Report Card" (received by the facility by June 1 for the prior year). The staff will notify the SRC that a facility has applied and is eligible for placement on the ladder and provide a written report to the SRC on the company, noting the level at which it might be placed on the ladder.

The SRC will utilize the annual reports submitted to the NMFRC by SGP participants, along with compliance data from EPA, VA DEQ, and the appropriate POTW when determining to move a facility on, up or off the ladder. Regulatory members of the SRC will verify the compliance history of the facility. The SRC may and can involve other groups when assistance and/or information is needed or requested. Such groups may include but not be limited to EPA staff, VA DEQ staff, and other local POTWs. These groups shall not have voting rights with respect to a company's movement on the ladder.

The SRC will place the facility on the ladder at the next schedule meeting. Typically, the SRC meets on a quarterly basis though this schedule could change over time. Benefits are typically awarded for the period October 1 to September 30 of the following year, though the period may only cover a residual portion of the year if there have been delays in notifying VA DEQ, SRC placement or for other reasons.

Each year, or even at interim points during the year, SRC members can vote on moving a company

on, up, or off the ladder. If a facility falls into NOV or MNC status, all assigned corrective actions (imposed by EPA, VA DEQ or the POTW) supercede all benefits tied to a facility's placement on the ladder. Facilities may be asked to leave the program entirely if there are egregious violations and if there is a unanimous SRC vote to remove the facility from the program entirely.

Any SRC member employed by a facility that is being reviewed must recuse himself/herself when voting on any issue where there is a conflict or an appearance of a conflict of interest. If a facility desires, SRC decisions may be "appealed" back to the VA SGP Stakeholder Group for recommendation back to the SRC for an additional review. SRC decisions will be made in accordance with the Operating Procedures Document.

### **THE VA SGP PERFORMANCE LADDER**

Participants in the development of this program have recognized that the benefits that might be given to exemplary facilities under today's laws may be different than those that may be provided under tomorrow's laws. Thus, the list of benefits includes items that can be given to industry today as well as benefits that might be provided as time goes on. These latter benefits are listed in *italics*.

Participants in the program can expect the benefits listed below unless local government or POTWs can produce local ordinances that preempt their distribution.

The VA SGP program as of the date of this document is captured in Table 1 below:



**TABLE 1**  
**VIRGINIA STRATEGIC GOALS PROGRAM**

Level	Requirements	Menu of Possible Benefits
<p><b>Initial/Sign-up – Industry</b></p>	<p>Signed form</p> <p>SGP Baseline established</p> <p>Most recent year SGP worksheet submitted</p>	<p>Certificate of membership - Public recognition from EPA, VA DEQ and POTW</p> <p>Membership on Virginia Stakeholder Group</p> <p>Welcome aboard kit</p> <p>Technical assistance to facilities for completing the data worksheets (provided as a "Train the Trainer" service by the NMFRC to VA DEQ, POTWs and Others) resulting in</p> <ul style="list-style-type: none"> <li>• Support from VA DEQ P2</li> <li>• VA DEQ sponsored mentoring programs</li> </ul> <p>Technical Training in P2, Energy Audits, Hazardous Waste Management provided by:</p> <ul style="list-style-type: none"> <li>• VA DEQ P2 (Coordinated with VA Mines, Minerals and Energy) and US EPA Region 3</li> <li>• Mentors</li> </ul> <p>Small Business loans of up to \$50,000 are available through the Small Business Compliance Assistance Program to participating metal finishers for purchasing Air Pollution Control and also Pollution Prevention (P2) equipment. Currently the financial underwriting parameters (payment period, interest rate) are fixed for all applicants (3% as of this date). SGP Participants can flag involvement in the program in the project summary. VA DEQ will provide assistance in filling out the loan application.</p> <p><i>In the future, more favorable terms may be available to SGP participants.</i></p> <p>Discounted access to workshops and technical training supported by EPA and VA DEQ's Pollution Prevention staff. These workshops may focus on pollution prevention, regulatory compliance and process improvements (related to environmental gains). Currently, these workshops include: SHARPENING THE COMPETITIVE EDGE (Working to reduce sludge, putting more metal to product, learning environmental technology. This is geared towards Managers and Finishers;</p>

		<p>BEST PRACTICES FOR LINE OPERATORS: Working on different dipping and hanging methods, monitoring time results and determining work productivity. This is geared towards the labor or line workers.</p> <p>VA DEQ to provide assistance to industry for gaining access existing tax credits, loans and exemptions</p> <p>Participation in collaborative efforts to identify and appeal to the General Assembly for new financial incentive programs unique to the metal finishing industry</p> <p>Environmental Management System (EMS) template and training. An EMS template designed for small and medium sized metal finishers is available to SGP participants, as are workshops on how to customize and implement an EMS (funded by US EPA). Adaptations may be made for larger finishers as well as captive facilities.</p> <p>Free access to EPA's Metal Finishing Benchmarking Study</p>
<p><b>Initial/Sign-up – POTWs</b></p>	<p>Signed form</p>	<p>Public recognition from EPA and VA DEQ</p> <p>Membership on Virginia Stakeholder Group</p> <p>Welcome aboard kit</p> <p>Free "Train the Trainer" Training for POTW Staff in completing the SGP Worksheets so that the POTW can provide assistance to the metal finishers in completing the SGP Worksheets.</p> <p><i>Expedited VA DEQ process for amendments to Enforcement Response Plans</i></p>

Level	Requirements	Menu of Possible Benefits
<b>Bronze</b>	<p>30% Completion of SGP Goals</p> <p>0 Major Non-compliance and less than 4 serious violations for preceding year. No more than 5 in a two year period</p>	<p>Bronze level recognition</p> <p>Minimum enforcement response for infrequent minor violations<sup>7</sup></p> <p>New Project Start Up Benefits Including:</p> <ul style="list-style-type: none"> <li>• <i>Expedited Air Permit Review ("Top of the Pile")</i></li> <li>• One-stop permitting for air and water permits (<u>not</u> a multi-media permit) issued by the Commonwealth. Waste personnel will be available to attend cross-media meetings for SGP bronze level performers</li> </ul> <p>Reduced wastewater monitoring requirements for pollutants NOT at the facility for parameters regulated at the local limit</p> <p>A DEQ "Single Point of Contact" (at a specified phone number) who becomes the regulatory contact for any and all state environmental issues for the facility.</p> <p>Reduced wastewater monitoring for pollutants PRESENT at the facility (schedule to be developed on a case-by-case basis.</p> <p>Slight reductions in fees where legally appropriate.</p> <p>Initial/Sign Up Level Benefits and Recognition</p>

<sup>7</sup> POTWs may apply discretion as allowed in the enforcement response plan

Level	Requirements	Menu of Possible Benefits
Silver	<p>60% Completion of SGP Goals</p> <p>0 major non-compliance and Less than 2 serious violations for the preceding year. No more than 3 in the preceding two years</p>	<p>Silver level recognition</p> <p>Reduced inspections to Federal Minimums</p> <p>If the facility can demonstrate that its F006 listed hazardous waste sludge is legitimately recycled through metals recovery, then the facility will be eligible for the 180 day accumulation exemption under 40 CFR 262.34</p> <p>Reduced wastewater monitoring to Federal Minimums for all present parameters.</p> <p><i>Dialogue with DEQ Regional Directors/Senior Officials for fines, BEFORE the NOV is finalized</i></p> <p>Shared monitoring costs (between POTW and Industry) for all NON-PRESENT parameters (where the ERP has been amended) where legally appropriate.</p> <p>New Technology Start Up Agreements including:</p> <ul style="list-style-type: none"> <li>• Negotiated compliance schedules;</li> <li>• <i>Tolerance for excursions and upsets</i></li> <li>• Minimum enforcement response in ERP's by POTWs<sup>8</sup></li> </ul> <p>Coordinated wastewater inspections between POTW and VA DEQ</p> <p><i>After dialogue with senior officials (and in conjunction with federal, state and local approval) application of discretionary authority for fines, penalties and remedial actions associated with minor NOVs.</i></p>

<sup>8</sup> Each POTW needs to determine what streamlining works best for its pretreatment program. The idea for this incentive is to work with a facility in making the testing and installation of new technology less burdensome than the current process. A consent agreement could be a good mechanism for establishing the framework for a metal finishing facility's installation of additional equipment. Interim limits can be given, within the consent agreement, specifically for the startup and testing period that are higher than the categorical limits. If the facility exceeds categorical limits but remains within the interim limits during startup, enforcement can be minimal. Details regarding expiration of interim limits and enforcement responses can be outlined in a consent agreement. Review and modifications to the ERP may be needed in this instance to allow for a less severe enforcement during testing or startup. A non-substantial modification to the ERP may be needed to be approved by the US EPA.

Level	Requirements	Menu of Possible Benefits
		Bronze and Initial/Sign Up Levels of Recognition and Benefits

Level	Requirements	Menu of Possible Benefits
<b>Gold</b>	<p>100% Completion of SGP Goals</p> <p>No major or serious violations for preceding year</p>	<p>Gold level recognition</p> <p>Recognition ceremonies including awards</p> <p>Change 3 year industrial wastewater discharge permits to 5 year – extend permit term to maximum allowed and where legally allowable</p> <p>For POTW Districts where lab fees are shared, cost reductions as specified by the POTW where legally allowable</p> <p><i>Utility (water, wastewater and energy) rate reductions for environmental improvements</i></p> <p><i>Insurance premium reductions associated with environmental gains</i></p> <p><i>POTW bears the burden for sampling on all PRESENT and NON PRESENT parameters with the exclusion of re-sampling for exceedances and only where legally appropriate</i></p> <p><i>Elimination of permit fees where legally possible</i></p> <p>Silver, Bronze and Sign Up Levels of Recognition and Benefits</p>

## **PROGRAM PLAN AND MILESTONES**

The multi-stakeholder group that has designed and is overseeing the Virginia SGP will continually assess the success of the program in achieving its objectives; increasing the number of participating companies and helping them make substantial progress towards the goals. Program elements will be evaluated on this basis, as will any proposed additional elements.

The group will pay particularly close attention to whether the current approach to incentives and rewards for progress towards the goals by participating companies is effective. The VA SGP currently relies heavily on the inherent — and often hidden — economic advantages of achieving the environmental performance goals. The extent to which this will provide sufficient incentives for companies to participate and work to achieve the goals is unknown. The oversight group is committed to evaluating this on an ongoing basis and making changes as needed to make the program a success.

At the same time, the group recognizes that both the program as a whole and its various elements are dynamic and stakeholder driven (as is the oversight group itself); it will evolve in the direction deemed best by those involved at any given time.

Specific milestones the oversight group has established include:

1. In five years, a participation goal of 100% of all applicable POTWs and all eligible companies;
2. All participating companies submitting their worksheets annually to the NMFRC;
3. All government agency and other (non-metal finisher) participants submitting a brief description of their contributions to the SRC annually; and,
4. A jointly prepared annual report from the Virginia SRC showing progress on the part of participating companies towards achieving the goals and progress on the part of participating government agencies in reducing costs relating to the regulatory process. This report might also include affected legislative changes that would improve participation and produce further success toward meeting the SGP goals.

These tasks will ensure that the program remains viable, progressive and responsive as time goes on. If the program fails in any or all of these areas, it will become readily apparent.

## Attachment A

### The National Strategic Goals Program

### Environmental Goals

Facility-Based Performance Goals (By Year 2002)	Sector-Wide Performance Goals (By 2002)
<p><b>(1) Improved Resource Utilization ("Smarter")</b></p> <ul style="list-style-type: none"> <li>(a) 98% of metals ultimately utilized on product.</li> <li>(b) 50% reduction in water purchased / used <i>(from 1992 levels)</i>.</li> <li>(c) 25% reduction in facility-wide energy use <i>(from 1992 levels)</i>.</li> </ul> <p><b>(2) Reduction in Hazardous Emissions and Exposures ("Cleaner")</b></p> <ul style="list-style-type: none"> <li>(a) 90% reduction in organic TRI emissions and 50% reduction in metals emissions to air and water <i>(from 1992 levels)</i>.</li> <li>(b) 50% reduction in land disposal of hazardous sludges and a reduction in sludge generation <i>(from 1992 levels)</i>.</li> <li>(c) Reduction in human exposure to toxic materials in the facility and the surrounding community, clearly demonstrated by actions selected and taken by the facility. Such actions may include, for example, pollution prevention, use of state-of-the-art emission controls and protective equipment, use of best recognized industrial hygiene practices, worker training in environmental hazards, and participation in a Local Emergency Planning Committee.</li> </ul> <p><b>(3) Increased Economic Payback and Decreased Costs ("Cheaper")</b></p> <ul style="list-style-type: none"> <li>(a) Long-term economic benefit to facilities achieving Goals 1 and 2.</li> <li>(b) 50% reduction in costs of unnecessary permitting, reporting, monitoring, and related activities <i>(from 1992 levels)</i>, to be implemented through burden reduction programs to the extent that such efforts do not adversely impact environmental outcomes.</li> </ul>	<p><b>(4) Industry-Wide Achievement of Facility Goals.</b></p> <ul style="list-style-type: none"> <li>(a) 80% of facilities nationwide achieve Goals 1 - 3.</li> </ul> <p><b>(5) Industry-Wide Compliance with Environmental Performance Requirements.</b></p> <ul style="list-style-type: none"> <li>(a) All operating facilities achieve compliance with Federal, State, and local environmental performance requirements.</li> <li>(b) All metal finishers wishing to cease operations have access to a government sponsored "exit strategy" for environmentally responsible site transition.</li> <li>(c) All enforcement activities involving metal finishing facilities are conducted in a consistent manner to achieve a level playing field, with a primary focus on those facilities that knowingly disregard environmental requirements.</li> </ul> <p><i>Note: At facilities where outstanding performance levels were reached prior to 1992, the percentage-reduction targets for Goals 1(b) and (c) and 2(a) and (b) may not be fully achievable, or the effort to achieve them may not be the best use of available resources. In these instances, a target should be adjusted as necessary to make it both meaningful and achievable. See the discussion of these Goals at <a href="http://www.strategicgoals.org">www.strategicgoals.org</a></i></p>

## Attachment B

### Calculating Facility Performance and Placement on the Ladder Examples of Each

Example 1:

Facility X used 10,000,000 Kilowatt Hours (kwh) in 1992. The National Goal implies that once normalized, energy usage must be 7,500,000. In 1999, Facility X reports normalized energy use of 8,000,000 kwh – a 20% reduction and 80% of the achievement of the goal.

Facility X gets credit for 80% along this criterion.

Example 2:

Placement on the ladder is based on an average achievement rate. Facilities “score” their progress as indicated above. They then add and average their performance across the seven goals.

Goal	Score
98% metals utilized on products	15.0%
50% reduction in water use	50.0%
25% reduction in energy use.	80.0%
90% reduction in organic Toxic Release Inventory emissions;	25.0%
50% reduction in metals emissions to air and water;	0.0%
50% reduction in land disposal of hazardous sludge and a reduction in sludge generation;	10.0%
Reduction in human exposure to toxic materials in the facility and the surrounding community	90.0%
<b>Average and “Placement Score”</b>	<b>30.0%</b>

## Attachment C

### Glossary of Abbreviations

ACRONYM	DEFINITION
ERP	Enforcement Response Plan
NMFRC	National Metal Finishing Resource Center
NOV	Notice of Violation
OSHA	Occupational Safety and Health Administration
P2	Pollution Prevention
POTW	Public Owned Treatment Works
SGP	Strategic Goals Program
SRC	Stakeholder Review Committee
US EPA	United States Environmental Protection Agency
VA DEQ	Virginia Department of Environmental Quality
VA SGP	Virginia's Strategic Goals Program
VIP2	Virginia Innovations in Pollution Prevention