

MICHIGAN METAL FINISHING STRATEGIC GOALS PROGRAM

PROGRAM DESCRIPTION

May 1, 2000

The Michigan Metal Finishing Strategic Goals Program is in the early stages of development. This document describes its current form, providing a blueprint upon which to continue building an effective statewide program. As the program evolves, so will this document.

BACKGROUND: THE NATIONAL STRATEGIC GOALS PROGRAM

The National Metal Finishing Strategic Goals Program (SGP) is a voluntary program for both job shop and captive metal finishers — companies within SIC codes 3471 and 3479, and/or regulated by Publically Owned Treatment Works (POTWs) under 40 CFR 413 or 433. The national program was established in 1998 by a multi-stakeholder group that included state regulators; United States Environmental Protection Agency (USEPA); POTWs; metal finishers and their suppliers; and environmental, environmental justice, and labor groups. Its objective is to get metal finishers, government agencies, and other stakeholders working collaboratively to improve the metal finishing industry's environmental performance and reduce its environmental management costs.

To accomplish this, the program defines a set of environmental performance and cost reduction goals for individual metal finishing facilities and the industry as a whole. It also sets forth enabling actions that all stakeholders agree to undertake to help metal finishers achieve the goals. Finally, it establishes a forum in which participants — metal finishers, government agencies and others — can communicate directly and openly with one another about how to address environmental management and regulatory issues.

The environmental performance goals for individual metal finishing facilities are:

Key National SGP Environmental Performance Goals...

- 1a. 98% of metals ultimately utilized (i.e. less than 2% going to landfills)
- 1b. 50% reduction in water used*
- 1c. 25% reduction in facility-wide energy use*
- 2a. 90% reduction in organic TRI emissions*
50% reduction of metal emissions to air and water*
- 2b. 50% reduction in land disposal of hazardous sludges and a reduction in sludge generation*
- 2c. A reduction in human exposure to toxic materials in the facility and the surrounding community

The Michigan SGP, like other regional SGPs, has established additional goals relating to compliance status and the adoption/use of environmental management systems (EMSs).

* Reductions are measured from 1992 (or more recent) “baseline” levels, unless

significant reductions were made earlier, in which case the target level should be modified to make it meaningful yet achievable.

The enabling actions cover a broad range of matters such as increasing R&D; developing strategies for improving and reducing the cost of electroplating sludge management; considering changes in certain compliance-assurance requirements (e.g. in the areas of monitoring and reporting) for top-performers; providing compliance, technical, and financial assistance; and pursuing enforcement activities against chronic non-compliers. A complete list of the program goals and enabling actions, along with further explanation of each, can be obtained at the national program's web site: www.strategicgoals.org or through the Michigan Association of Metal Finishers.

Implementation of the program is taking place primarily in regions of the country with high concentrations of metal finishers, government agencies, and others interested in exploring innovative approaches to environmental management and regulation for this industry. Michigan is one such area, with many key players interested in working together in this effort.

OVERVIEW: THE MICHIGAN STRATEGIC GOALS PROGRAM

The Michigan SGP is a voluntary, multi-stakeholder program open to companies engaged in metal finishing, government agencies with responsibilities relating to metal finishing operations, and other entities such as technical and financial assistance providers, and environmental and community groups, that can contribute to the achievement of the program's goals.

First and foremost, the program offers participants opportunities for improved communication with one another. Using existing resources, the program plans to provide a more systematic means of disseminating information and to help identify opportunities and tools, and address systemic issues, relating to improved environmental performance within the metal finishing industry. Furthermore, the program offers opportunities for metal finishers' environmental accomplishments to be recognized and, where possible, for consideration of relief from certain regulatory burdens for top-performing facilities.

The Michigan Strategic Goals Program (MISGP), Michigan Metal Finishers Pollution Prevention Initiative, and Clean Corporate Citizen Program

The MISGP shares many of its core principles and objectives with two related programs that the Michigan Department of Environmental Quality (MDEQ) has established: the Michigan Metal Finishing Pollution Prevention Initiative (MFP2I) and the Clean Corporate Citizen (C3) Program. [The three

programs work side-by-side with one another, providing metal finishing companies with complementary support and incentives for improved environmental performance.]

The MFP2I is designed to improve coordination and strengthen the delivery of pollution prevention services to Michigan's metal finishers. These services include waste audits; technical, compliance and financial assistance; and demonstration projects. It can provide guidance and support for metal finishers working to achieve their MISGP goals through pollution prevention. It is the primary means through which MDEQ is contributing to the MISGP.

The Clean Corporate Citizen program establishes regulatory benefits for companies that excel in their environmental management practices and performance. It provides the mechanism through which metal finishing companies achieving the MISGP goals can receive such benefits from MDEQ. This is possible because the MISGP goals incorporate those of the C3 program.

Summary of How the MISGP Works

The MISGP works as follows. Metal finishing companies sign up for the program, thereby committing to work towards achievement of the goals. The companies then submit annual worksheets providing information on their progress. As they progress towards achievement of the goals, they move through four "performance levels", from *Sign-Up* to *Bronze*, *Silver*, and finally the *Gold* level. At each level, companies become eligible for a menu of assistance and/or benefits, with the benefits increasing as a company moves up through the performance levels.

Government agencies and non-governmental organizations also sign up for the program, thereby committing to assist participating metal finishers achieve the goals. Assistance government and non-governmental agencies may provide includes: technical and financial assistance, recognition, and consideration of the various regulatory and other benefits (incentives) that are available to metal finishers at each performance level.

The chart below sets forth (1) the performance levels, (2) what a participating metal finisher needs to do to achieve each level, and (3) examples of "assistance and benefit" strategies that may be available to participants depending on the situation.

PERFORMANCE LEVEL	PROGRESS TOWARDS GOALS	EXAMPLES OF “ASSISTANCE & BENEFIT” STRATEGIES*
<i>Sign Up Level</i>	<i>Progress Towards Goals:</i> Sign up for MISGP and MFP2I and submit MISGP baseline and annual worksheets	<i>Examples of Technical Assistance Strategies:</i> workshops, onsite RETAP P2 assessment (including assistance completing worksheets), compliance assistance, EMS template and assistance <i>Examples of Financial Assistance Strategies:</i> P2 loan program and technical demonstration grants
<i>Bronze Level</i>	<i>Progress Towards Goals:</i> 33% progress towards goals; and in “good compliance standing” as determined by the MISGP Stakeholder Review Panel	<i>Examples of Recognition Strategies:</i> MISGP certificate, press release, letter to local government, and award ceremony <i>Examples of Regulatory Benefit Strategies:</i> reduced parameters and/or frequency of self-monitoring
<i>Silver Level</i>	<i>Progress Towards Goals:</i> 66% progress towards goals; a documented EMS; and “good compliance standing” as determined by the MISGP Stakeholder Review Panel	<i>Examples of Recognition Strategies:</i> MISGP certificate, press release, program flag, letter to local government, and award ceremony <i>Examples of Regulatory Benefit Strategies:</i> extended permit terms (where current permit terms are less than statutory maximum); reduced/coordinated inspections; negotiated start-up schedules for new technologies; coordinated review of plans (spill prevention, chemical management, 4012P HW reports; reduced frequency of the Michigan Air Emissions Reporting System to once every two years
<i>Gold Level</i>	<i>Progress Towards Goals:</i> 92% progress towards goals and; designation as a C3 participant or a “demonstrated history of compliance” as determined by the MISGP Stakeholder Review Panel	<i>Examples of Recognition Strategies:</i> MISGP certificate, press release, program flag, letter to local government, and award ceremony <i>Examples of Regulatory Benefit Strategies:</i> simplified permits; reduced frequency of the Michigan Air Emissions Reporting System to once every three years; C3 regulatory benefits (expedited review of, and flexibility in, state and certain Federal permits, reduced monitoring and reporting in certain areas)

* The “assistance and benefit” strategies listed in this chart are examples of the sorts of steps that participating regulatory agencies and other organizations can employ at each performance level to recognize and further promote a participating metal finisher’s achievement of the program goals. The decision to employ these or other strategies rests with the participating regulatory agency or other organization. They will be employed as appropriate on a case-by-case basis in consultation with a participating company as it achieves each of the three performance levels.

DESCRIPTION OF THE MICHIGAN STRATEGIC GOALS PROGRAM

WHO IS PARTICIPATING

To date, participation in the program has been concentrated in southeastern Michigan, with a number of metal finishers and POTWs, and MDEQ and USEPA, actively involved in getting the program up and running. Ultimately, the goal is active participation statewide, with metal finishers, POTWs, and others from around the state getting involved.

The program is open to all metal finishers and any government agency or non-governmental organization with an interest in metal finishing. The requirement for participation is the same for all: a commitment to work with one another towards the program goals of improved environmental performance and reduced environmental management costs for participating metal finishers.

HOW THE PROGRAM WORKS

The Michigan SGP establishes a framework and process for regulatory agencies, metal finishers, and other organizations to work together towards shared environmental performance and cost reduction goals for the metal finishing industry. It is a voluntary, free program, but one that depends on the active involvement of its participants to produce results.

Signing up and getting involved

Participants sign up by submitting a letter of commitment. Metal finishing companies that sign up are committing to work towards achieving the program's water, energy, emission reduction and other environmental performance goals at their facilities. They are also committing to submit a baseline and annual worksheets providing information relating to a facility's performance with respect to each goal. In addition, participating metal finishers are asked to sign up for the Metal Finishing Pollution Prevention Initiative as this will enable MDEQ to help them achieve the MFSGP's P2 goals. Other participants that sign up are committing to assist participating metal finishers achieve the goals through technical or financial assistance, or providing regulatory and other benefits such as public recognition.

Upon signing up, the first step for a participant is determining how it will work to achieve the goals. For a metal finishing company, this means (1) deciding how it will utilize the technical (and possibly financial) assistance available through the program, and (2) developing a plan for achieving each of the goals (technical assistance is available for this). For other participants, the first step upon signing up is to determine how they can assist metal finishers achieve the goals. This will depend on the type of participant and its available resources. Regulatory agencies may be able to provide "regulatory

benefits” such as reduced monitoring, inspection, or reporting frequency or simplified permitting to metal finishers that reach superior environmental performance levels. MDEQ and other government agencies and non-governmental organizations may be able to provide technical assistance in the form of waste audits, guidance on developing environmental management systems, information about goal-specific technologies (e.g. water reduction strategies), and financial assistance.

All participants are also welcome to get involved in the operations and oversight of the program. A MISGP Oversight Committee is responsible for the overall well being of the program. The Oversight Committee is made up of program participants and seeks to include representatives of the industry, government agencies, environmental and community perspectives. Program participants can participate on it and its various workgroups. It holds open meetings at which it sets program policy.

Participants also administer the program; with various participating organizations voluntarily taking on functions such as conducting outreach, organizing and hosting meetings and workshops, and implementing public recognition activities. Currently, the Michigan Association of Metal Finishers is playing a key role organizing meetings and getting information out to potential participants. USEPA is providing facilitation services for the MISGP Oversight Committee during this first, “program design,” stage.

Achieving the Bronze, Silver, and Gold Performance Levels

The performance levels The program is based on a “performance ladder” framework. As each participating metal finisher works towards achieving the program’s environmental performance goals, it “climbs” through a series of performance levels: bronze, silver and gold. The program defines these levels as follows:

<i>Bronze</i>	A facility qualifies for the bronze level when it is 33% of the way to fully achieving the goals and is in “good compliance standing.”
<i>Silver</i>	A facility qualifies for the silver level when it is 66% of the way to fully achieving the goals, has a documented EMS, and is in “good compliance standing.”
<i>Gold</i>	A facility qualifies for the gold level when it is 92% of the way to fully achieving the goals, has attained Clean Corporate Citizen status from the MDEQ, and has a “demonstrated history of compliance”.

The 33%, 66%, and 92% levels are reached when a facility fully achieves two, four, or all 6 of the goals respectively; or when it can be shown that, in the aggregate or on average, this much progress has been made. “Good compliance standing” (bronze and silver levels) and a “demonstrated history of

compliance” (gold level) are standards intended to track those used in the Clean Corporate Citizen (C3) program.

Requesting bronze, silver, or gold level status When a participating company reaches one of these levels, it submits a request to the MISGP SRP to be recognized as having attained the bronze, silver, or gold level. With the request, it submits copies of its program worksheets showing its progress towards the goals and a brief written description of how it has made the progress (a company need not divulge information it deems confidential).

The SRP refers the request to a local Technical Review Panel. These panels are convened on an as-needed basis and will be made up of representatives of one or more participating metal finishers, MDEQ, USEPA, and the relevant POTW. They will conduct a preliminary review of the information and make a recommendation to the SRP on whether the facility qualifies for the level in question. The SRP will then make a decision on whether the facility has attained the performance level.

Technical and financial assistance Participating government agencies and non-governmental organizations are providing numerous forms of technical assistance, and some financial assistance, to participating metal finishing companies. When a metal finishing company signs up for the program, it can begin to take advantage of this assistance:

Initial Planning Assistance: Soon after signing up, a participating company will be contacted by MAMF or MDEQ to determine what sort of assistance would be helpful, particularly with respect to assessing and planning how to achieve the program goals.

Workshops: Workshops will focus on cost-effective P2 strategies that can be employed by metal finishers and the development and use of effective EMSs by small metal finishers

Onsite RETAP P2 Waste Audits: Retired engineers with expertise in P2 are available to conduct on-site pollution prevention waste audits and to assist with completing the annual worksheets.

EMS Template and Assistance: MDEQ can provide assistance in the development of EMSs utilizing EMS guidance manuals and an EMS template for metal finishers

P2 Loans: Participating metal finishing companies may be eligible for the Small Business Pollution Prevention Loan Program which provides low interest loans of up to \$100,000.

P2 Technology Demonstration Grants: Participants may qualify to participate in two pilot projects sponsored by the MDEQ that demonstrate the economical and technological feasibility

of implementing P2 technologies.

Regulatory benefits and public recognition At each of the performance levels, there is a menu of regulatory benefits and public recognition from which a metal finisher and its regulators can develop a package of “benefits” tailored to the specific needs of the facility and capabilities of its regulators. Regulatory benefits that will be considered and may be awarded include:

A reduction in the parameters and/or frequency of self-monitoring for water discharged to a POTW. (Bronze level)

Extended permit terms where possible within statutorily mandated timeframes. (Silver and Gold levels)

A reduction in the overall number of inspections by coordinating the timing of various types of inspections. (Silver and Gold levels)

Negotiated start-up schedules for new technologies. (Silver and Gold levels)

Coordinated review of plans (e.g. spill prevention, chemical management, 4012P HW reports. (Bronze and Silver levels)

Reduced frequency in the Michigan Air Emissions Reporting System (Silver and Gold levels)

Simplified permits that succinctly set forth the permit conditions and requirements. (Gold level)

C3 regulatory benefits, including accelerated review of state permits, reduced monitoring and/or reporting frequencies in various circumstances, extension of permit durations, plant-wide air emissions limits that allow new processes to be installed without a construction permit (as long as the plant-wide limits are not exceeded) — for more information, contact MDEQ’s Clean Corporate Citizen Program. (Gold level)

Again, these regulatory benefits are not automatically bestowed upon facilities when they reach the bronze, silver, or gold performance levels. Rather, when a facility reaches one of these levels, it can approach its participating regulators about them. Participating agencies are committed to exploring these and other ways of reducing compliance costs and otherwise providing incentives to facilities that are working successfully towards achievement of the program’s goals. As the program evolves, additional benefits may become available.

Public recognition strategies are currently being developed by a workgroup of the SRP. Strategies

under consideration include: a letter of recognition from the MISGP SRP and its participants; press releases listing participants that have achieved the bronze, silver, and gold level; certificates and/or flags indicating the performance level achieved; and an annual, statewide award ceremony for companies achieving new performance levels.

PROGRAM OBJECTIVES AND MEASURES OF SUCCESS

Michigan SGP stakeholders have focused on three key questions in designing the program:

1. How to make participation in the program attractive to potential participants, both for those companies that make progress towards the goals and for other participants (regulators, technical assistance providers, and non-governmental organizations) who help participating companies achieve the goals
2. How to provide participating companies with the technical, financial, and in some instances regulatory assistance they need to achieve the goals
3. How to redefine the relationship between top-performing companies, regulators, and other stakeholders so as to (a) promote continuous “beyond-compliance” improvements in environmental performance and (b) reduce the costs of environmental management and compliance-assurance activities related to these companies

Each of these questions has played a role in shaping the program, and in defining its objectives and measures of success.

Current goals and measures of success

1. Finalize MISGP Program Description and the application package by April 1, 2000.
2. Hold a “Kick-Off” meeting (and have the Program up and operational) by the end of June, 2000.
3. Get fifty companies signed up to the program during year 2000.
4. Have several companies achieving the silver or gold levels during year 2000.

APPENDIX 1: CONTRIBUTIONS OF STAKEHOLDER GROUPS TO THE MISGP

The MISGP's success hinges on the contributions of its participants. These contributions are wide ranging. For example, all participants commit to working with one another to build a program that promotes open, collaborative communication and good working relationships between the industry, government agencies and other relevant organizations. They also commit to participating in overseeing and administering the program. Set forth below are additional examples of the types of contributions current participants are committing to undertake. They are organized by stakeholder group.

Metal Finishers Metal finishers participating in the program commit to working towards achieving the program goals at their facilities and to promoting the program and its goals among the metal finishing community.

Government Agencies Participating government agencies commit to working with participating metal finishing facilities; providing technical assistance or directing them to organizations that provide such assistance, and considering strategies for rewarding facilities that achieve higher performance levels both through public recognition and, where appropriate, reduced regulatory requirements.

Other Participants, Including Metal Finishing Suppliers, Technical Assistance Providers, Public Interest Organizations, and Academia Other participants commit to assessing how best they can contribute to the program and achievement of its goals. This may include providing technical assistance to participating companies; assisting companies with efforts to communicate with its neighbors and local community about its environmental activities; and providing mechanisms and support for public recognition of participating companies' successes.

GLOSSARY OF ACRONYMS

<i>C3</i>	MDEQ's Clean Corporate Citizen Program
<i>CFR</i>	Code of Federal Regulations
<i>MAMF</i>	Michigan Association of Metal Finishers
<i>MDEQ</i>	Michigan Department of Environmental Quality
<i>MFP2I</i>	MDEQ's Metal Finishing Pollution Prevention Initiative
<i>MISGP</i>	Michigan Strategic Goals Program
<i>POTW</i>	Publicly-Owned Treatment Works
<i>RETAP</i>	Retired Engineers Technical Assistance Providers
<i>USEPA</i>	United States Environmental Protection Agency