



Project XL: Imation Corporation



WHAT IS



Project XL, which stands for “eXcellence and Leadership,” is a national initiative that tests innovative ways of achieving better and more cost-effective public health and environmental protection. The information and lessons learned from Project XL are being used to assist EPA in redesigning its current regulatory and policy-setting approaches. Project XL encourages testing of cleaner, cheaper, and smarter ways to attain environmental results superior to those achieved under current regulations and policies, in conjunction with greater accountability to stakeholders. It is vital that each project tests new ideas with the potential for wide application and broad environmental benefits. As of December 1999, sixteen pilot experiments are being implemented and thirty-five additional projects are in various stages of development.

SUMMARY OF THE IMATION PROJECT

PROJECT XL?

Imation Corporation produces magnetic data-storage tapes, primarily for the computer industry, at its plant in Camarillo, California. Magnetic tape manufacturing employs high-technology processes and caters to a rapidly evolving worldwide industry. To stay competitive in this fluid international environment, Imation must be able to make changes to existing production processes or begin producing new advanced products without delay. However, Clean Air Act regulations require manufacturers to obtain approval for each prospective change to plant processes and/or new equipment addition. This is typically done through a preconstruction review procedure and revision of the plant’s operating permit. Following these traditional procedures impedes Imation’s ability to respond rapidly to the marketplace, particularly since Imation anticipates numerous changes over the next several years. Through Project XL, EPA is employing a broader interpretation of existing preconstruction review and permit rules to preapprove changes Imation anticipates making in the future. The preapproval strategy is meant to satisfy the preconstruction review and permit revision requirements that otherwise would apply, while allowing Imation to make changes without delay. The Final Project Agreement, EPA’s seventeenth XL project, was signed on December 21, 1999.

The project provides the following environmental benefits:

SUPERIOR ENVIRONMENTAL PERFORMANCE

- C Imation will comply with emissions caps on volatile organic compound (VOC) emissions, which produce smog, and other air pollutants. The VOC cap is below the baseline level of current actual emissions. Emission reduction credits generated through imposition of the VOC cap will in part be retired by Imation and in part donated to Ventura County. Ventura County will sell the credits and use the proceeds to fund clean air projects that would not have been funded otherwise.
- C Imation equipment emitting VOCs will comply with the most stringent federal emission reduction requirements of all those that apply at the plant, even though many plant operations are subject to less rigorous requirements.
- C VOC emissions will be tracked through a state-of-the-art continuous emissions monitoring device, which is not otherwise required. This will provide the best

available compliance information.

FLEXIBILITY

Traditional case-by-case preconstruction review processes are meant to ensure that plant changes (1) do not jeopardize attainment and maintenance of national ambient air quality standards or (2) reasonably further progress toward attainment. In this Imation experiment, the VOC cap will be established at a level specifically to serve those functions, and individual preconstruction reviews will not be triggered. Also, the changes anticipated by Imation will be described and preapproved in their operating permit expanding the use of alternate operating scenarios. Although alternate operating scenarios are already allowed under current permitting rules, they commonly allow only precisely defined changes to existing equipment. The innovation in this project is to use alternate operating scenarios to preapprove classes of changes to existing equipment and additions of new equipment, thereby avoiding the need to revise Imation's permit prior to such changes.

STAKEHOLDER INVOLVEMENT

The project details and draft Final Project Agreement are products of an active stakeholder group that consists of EPA, California Air Resources Board, Ventura County Air Pollution Control District (APCD), and community representatives. Several Ventura County organizations offered valuable input, including the Environmental Coalition, the American Lung Association, and the Ventura County Economic Development Association. An ongoing stakeholder group will participate in evaluating the project, recommending changes to the project, assisting in bringing out community concerns, and maintaining a dialogue with Imation to ensure transparency of project-related operations and continued superior environmental performance.

APPROACHES TO BE TESTED

- C Will the preapproval approach to accommodating changes at a plant produce environmental compliance better than the traditional case-by-case review of changes? Are enforcement officials able to follow changes and determine compliance as easily?
- C Will Imation experience decreased time to implement changes under this experiment?
- C Are permitting "transaction" costs reduced for the environmental agency and Imation compared to the traditional system?

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FOR ELECTRONIC INFORMATION

More information about Project XL is available on the Internet at <http://www.epa.gov/ProjectXL>, or via Project XL's Information Line at 202-260-5754.