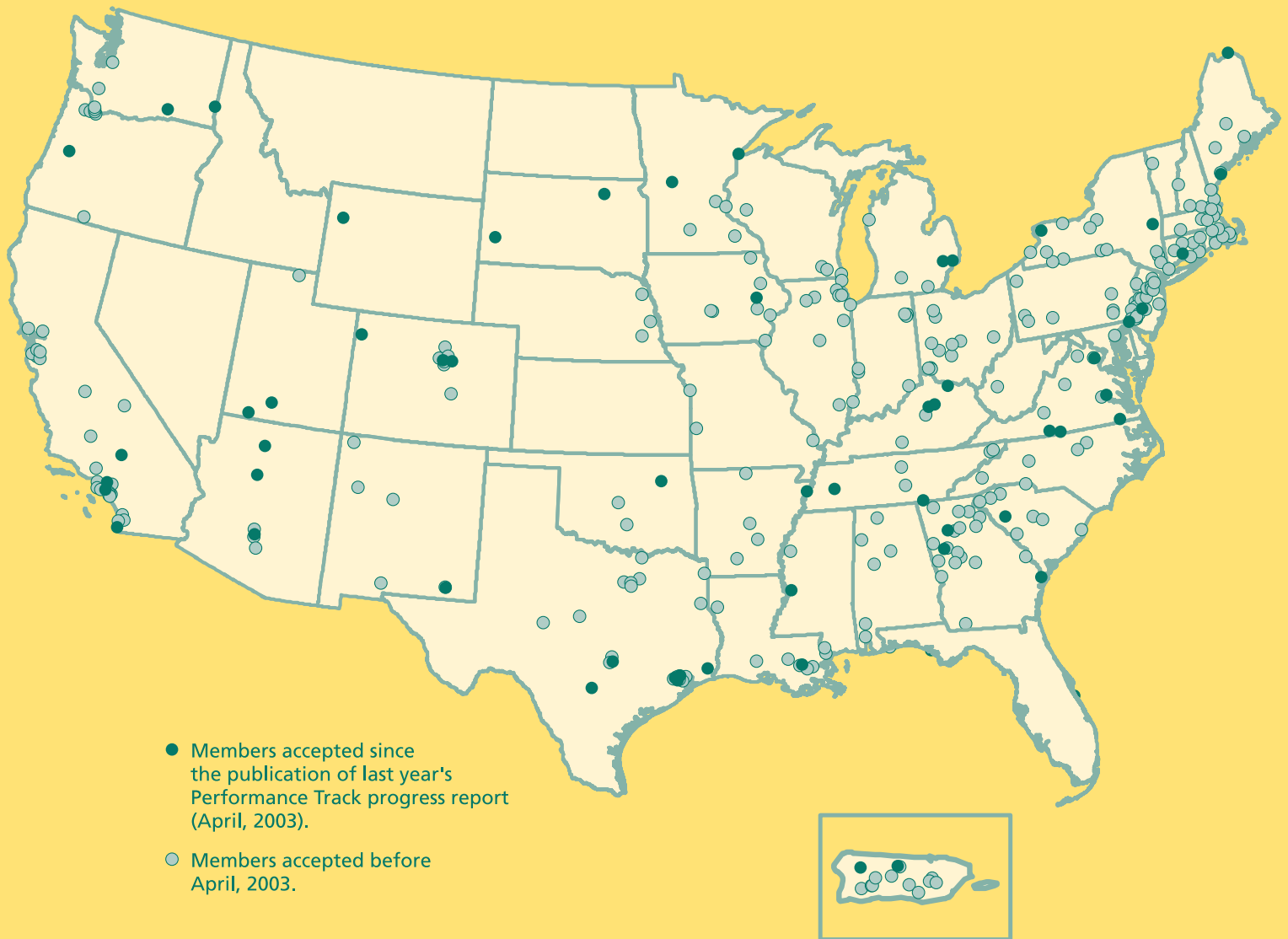


Building on the Foundation



Location of Performance Track Members

Table of Contents

Executive Summary	2
Why Performance Track?	3
Building on Experience	3
Program Structure and Criteria	4
The First Year of Progress	7
Performance Track Member Goals	7
Performance Track Member Achievements in 2002	7
Caveats to the Results for 2002	15
Performance Track Members' Cumulative Achievements, 2000–2002	16
Promoting Continuous Improvement	17
Recognition and Awareness	17
Creating a Learning Network	18
Regulatory and Administrative Incentives	19
Working With State, Industry, and NGO Partners	22
State Programs	22
Performance Track Network Partners	23
Federal Partners	25
Performance Track Assistance	26

Executive Summary

This report describes the mission and activities of Performance Track, its members' achievements to date, and the goals for the future of the program.

In the less than four years since it was launched, Performance Track has:

- Grown to include 344 members, from among the more than 500 that have applied;
- Enlisted broad corporate support from more than a dozen major companies;
- Engaged 23 trade, professional, and environmental organizations in the Performance Track Network;
- Improved environmental management systems at member facilities through site visits and outreach;
- Advanced the measurement of environmental performance;
- Created a learning community of members, government, associations, and prospective members;
- Strengthened links among federal and state performance-based excellence programs; and
- Developed proposals for regulatory and policy changes that allow for better environmental and business performance.

Commitment to continuous environmental improvement is a core value of Performance Track. Since the program's inception, Performance Track members have gone beyond legal requirements to reduce:

- Energy use by 3.1 million MMBTUs
- Water use by 775 million gallons
- Hazardous materials use by 17,996 tons
- Solid waste by 176,126 tons
- Hazardous waste by 6,558 tons
- Emissions of greenhouse gases by 40,193 tons
- Emissions of nitrogen oxides (NO_x) by 2,152 tons
- Emissions of sulfur dioxide (SO₂) by 13,621 tons
- Toxic discharges to water by 6,834 tons

Members also increased their use of reused and recycled materials by 13,760 tons and preserved or restored 4,485 acres of habitat.

EPA will continue to build Performance Track by increasing the environmental and the business value of the program, increasing membership, and expanding program ownership among Agency programs, states, corporations, and trade and environmental groups.

Why Performance Track?

The U.S. Environmental Protection Agency's (Performance Track) program recognizes and rewards facilities that consistently exceed regulatory requirements, work closely with their communities, and excel in protecting the environment and public health.

Performance Track is based on the premise that government should complement existing programs with new tools and strategies that not only protect people and the environment, but also capture opportunities for reducing costs and spurring technological innovation. The program's mission is to improve environmental performance, transform relationships, and encourage innovation. Performance Track encourages performance improvements by supporting environmental goals that go beyond compliance, offering recommendations during site visits, and providing opportunities for the sharing of information among members. The program transforms the relationship between regulators and regulated facilities to make them more collaborative, cooperative, and focused on results. Innovation is encouraged through peer networking, regulatory changes, and the program's focus on fostering a culture of continuous improvement.

Launched in June 2000, Performance Track currently has 344 members in 44 states and Puerto Rico, representing virtually every manufacturing sector as well as facilities in the public sector. All U.S. facilities, large and small, public and private, may apply for membership. Applicants must meet a set of criteria to be accepted into the program. Once accepted, members receive a range of benefits and incentives to motivate and enable them to make further improvements.

EPA is pleased to present this second progress report, which describes the mission and activities of Performance Track, its members' achievements (both for 2002 and cumulative since the program's inception), and highlights of program benefits.

Building on Experience

Performance Track builds on lessons that EPA has learned from state environmental leadership programs and from its own efforts, such as the Common Sense Initiative, the Environmental Leadership Program, and EPA Region 1's Star Track program. Through these early initiatives, EPA learned the importance of keeping program design simple, keeping transaction costs low, and delivering measurable results.

EPA's initial proposal to develop Performance Track was published in its July 1999 report, *Aiming for Excellence*. The Agency consulted extensively with stakeholders and state environmental agencies to develop and refine the proposal. The program was launched officially on June 26, 2000. EPA accepted 228 facilities as Charter Members during its first round of applications, welcoming them at a ceremony in Washington, DC, on December 13, 2000.

“Performance Track provides recognition, regulatory flexibility, and other incentives that promote high levels of environmental performance, and provides a learning network where best practices can be shared. The results captured in this report demonstrate the value of such collaborative approaches between government and industry. Performance Track is delivering value to the environment and to its member facilities.”

Mike Leavitt
EPA Administrator

Program Structure and Criteria

The structure of Performance Track consists of a core staff in EPA's Office of Policy, Economics, and Innovation and of regional Performance Track Coordinators in each of the Agency's 10 regional offices. EPA staff work with state environmental agencies to review applications to the program, conduct site visits at member facilities, promote Performance Track and similar state performance-based programs, and develop program policy.

Performance Track accepts applications twice each year: from February 1 to April 30, and from August 1 to October 31. The Performance Track application can be found at www.epa.gov/performance-track/apps/app.htm.

The application was designed to be as clear and user-friendly as possible while gathering enough information to demonstrate that an applicant meets Performance Track's criteria in four key areas:

1. Establishing and maintaining a comprehensive environmental management system (EMS);
2. Going beyond legal requirements as evidence of its commitment to continuous environmental improvement;
3. Informing and seeking input from its local community about the facility's environmental performance; and
4. Maintaining a record of sustained compliance with environmental requirements.

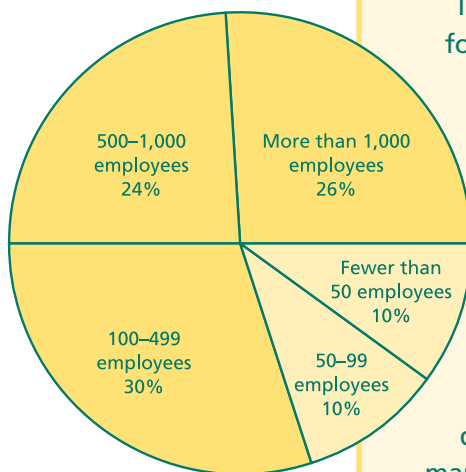
In meeting the second criterion, applicants commit to four quantitative goals for improving their environmental performance. Small facilities commit to two goals. Facilities choose these goals from among the indicators listed in Table A (page 6), such as water use, hazardous waste generation, or emissions of nitrogen oxides.

Facilities are accepted into Performance Track for a three-year period, after which they can renew their membership by committing to four new goals (or two, for small facilities).

Each year, members submit an annual performance report documenting progress toward meeting their goals and major activities undertaken as part of their EMS. This report is due on April 1 for the preceding calendar year. EPA reviews each report to monitor progress and continued conformance with Performance Track membership criteria. Results from the annual performance reports for 2002 are presented on pages 7–15.

EPA designed Performance Track's admission process to be simple and low in cost to both the Agency and facilities. Because the process does not include a site visit before each facility is selected into the program, EPA Performance Track staff and state officials visit up to 20 percent of Performance Track member facil-

Size of Performance Track Facilities



ities each year, based on available resources. A site visit provides EPA with the opportunity to verify the information presented in a facility's application, particularly the quality of its EMS, and to review progress toward its performance goals. EPA provides an assessment of the facility's programs and progress relative to other facilities in the Performance Track program and may suggest opportunities for improvements or partnerships with other firms and sources of technical expertise. The site visit also helps EPA and states to establish a relationship with the facility's key environmental staff and top management. These relationships then can facilitate an ongoing dialogue between EPA and facilities on ways to improve Performance Track and its benefits.

EPA conducted site visits at 24 facilities in 2003. The Agency focused these visits on facilities without ISO 14001 certification (the International Organization for Standardization's environmental management standard), because the first two years of site visits suggested that the EMSs at such facilities were less robust than those at certified facilities. Of the 24 facilities, only two were ISO 14001 certified. EPA found areas for EMS improvement at 15 of the 22 non-ISO facilities. These findings are consistent with previous years' results: because non-ISO facilities typically are not regularly evaluated by an independent auditor, they often are unaware of deficiencies in their EMS. The overwhelming majority of the 24 visited facilities are making good progress on their performance commitments and are maintaining active communication with their respective communities. Based on the findings from the first three years of site visits, EPA has revised the entry criteria for Performance Track to require facilities to have had an independent assessment of their EMS before they apply to the program.

By the end of January 2004, Performance Track had reviewed seven rounds of applications, receiving 508 applications and accepting 409. A total of 65 facilities have left the program since its inception. Facilities may be removed from Performance Track at their own request, for failing to continue to meet the program entry criteria, or for failing to submit a complete annual performance report. The most common reasons for leaving were: EMS deficiencies found during site visits (23 facilities), facility closure, sale, or reorganization (20 facilities), and failure to submit an annual performance report (9 facilities). Thirteen facilities have left the program for other reasons. Note that facilities that left due to EMS deficiencies joined the program before the criteria for membership were revised to include an independent assessment of the applicant's EMS. In all cases, EPA encourages facilities to reapply to Performance Track when they are again able to meet the program criteria.

Distribution of Performance Track Members Across Sectors

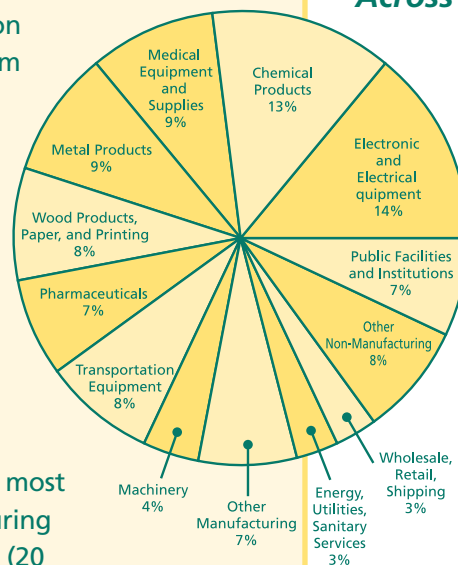


TABLE A: Performance Track Environmental Performance Table

Category	Indicator	Units
Stage: Upstream		
Material Procurement	Recycled content	Pounds, tons
	Hazardous/toxic components	Pounds, tons
Suppliers' Environmental Performance	Any relevant indicators from the Inputs or Nonproduct Outputs stages	As specified for the particular indicator
Stage: Inputs		
Material Use	Materials used	Pounds, tons
	Hazardous materials used	Pounds, tons
	Ozone depleting substances used	CFC-11 equivalent tons, CFC-11 equivalent pounds
	Total packaging materials used	Pounds, tons
Water Use	Total water used	Gallons
Energy Use	Total (non-transportation) energy use by fuel type	kWh/MWh or Btu/MMBTU
	Transportation energy use	kWh/MWh, gallons, cubic feet
Land Use	Land conservation	Square feet, acres
Stage: Nonproduct Outputs		
Air Emissions	Total GHGs	Pounds, tons
	VOCs	Pounds, tons
	NO _x	Pounds, tons
	SO _x	Pounds, tons
	PM10	Pounds, tons
	CO	Pounds, tons
	Air toxics	Pounds, tons
	Odor	European Odour Unit
	Radiation	Curies, Becquerels
Discharges to Water	Dust	Pounds, tons
	COD	Pounds, tons
	BOD	Pounds, tons
	Toxics	Pounds, tons
	Total suspended solids	Pounds, tons
	Nutrients	Pounds, tons of Total N or P
	Sediment from runoff	Pounds, tons
Pathogens	MPN/ml, CFU/ml	
Waste	Non-hazardous waste generation, broken down by management method	Pounds, tons
	Hazardous waste generation, broken down by management method	Pounds, tons
Noise	Noise	dBA
Vibration	Vibration	Inches per second
Stage: Downstream		
Products	Expected lifetime energy use	kWh/MWh or Btu/MMBTU
	Expected lifetime water use	Gallons
	Expected lifetime waste (to air, water, land) from product use	Pounds, tons
	Waste to air, water, land from disposal or recovery	Pounds, tons

The First Two Years of Progress

Performance Track members commit to making good-faith efforts to meet their performance goals within three years. Facilities commit to at least four environmental goals (two for small facilities), which they select from the categories and indicators shown in Table A on page 6. Table A is the Performance Track Environmental Performance Table and contains environmental indicators and measurement units organized by the stage in the life-cycle of a facility's process in which the environmental impact occurs. For example, the upstream stage contains those environmental impacts that occur before a facility's processes begin. Each facility chooses its goals based on its individual environmental impacts. For example, paper mills use large amounts of water, so many of the paper mills in Performance Track have committed to reducing water discharges. Facilities that use large amounts of solvent often commit to reducing their use of hazardous solvents or to reducing solvent emissions.

Performance Track Member Goals

Table B (see page 10) presents the three-year goals set by Performance Track members that were accepted through 2003. By fulfilling these goals, Performance Track members collectively will:

- Reduce their emissions of volatile organic compounds by 704 tons, equivalent to the effect of *taking approximately 45,000 cars off the road*;
- Reduce their annual energy consumption by 4.9 million MMBTUs, equivalent to the energy used by *approximately 47,000 households in a year*;
- Reduce their generation of solid waste by 457,293 tons, *roughly 2,000 times the weight of the Statue of Liberty*;
- Reduce their water consumption by 5.2 billion gallons, *enough to fill 5,200 Olympic-size swimming pools*; and
- Increase preserved or restored habitat by 5,500 acres, *an area 6.5 times the size of New York's Central Park*.

Performance Track Member Achievements in 2002

Performance Track facilities improved their environmental performance significantly during their first years in the program. All improvements reported to the program exceeded those required by law. Some of these achievements were in areas such as air pollution, water pollution, and solid waste, which have been the focus of environmental regulations and industry efforts for many years. Other achievements reduced impacts in areas that are recent or emerging environmental priorities and are essentially unregulated, such as materials use, water use, energy use, and habitat preservation. One of Performance Track's key environmental benefits is its ability to promote voluntary progress on unregulated environmental issues.

“We’re very proud of our environmental management system. Joining Performance Track allows us to demonstrate our environmental performance to others, and to continue to go above and beyond regulatory compliance.”

Rick Rupert
Environmental Engineer,
Pro-Tec Coating Company

This report presents results from the 2002 annual reports submitted by member facilities, as well as cumulative results for the program since its inception in June, 2000. Results are presented only for members admitted by the end of 2002.

EPA received data on progress on 26 types of environmental impacts. Aggregate performance in 2002 improved in the following areas:

- Air emissions (volatile organic compounds, nitrogen oxides, greenhouse gases, carbon monoxide, sulfur oxides, air toxics, particulate matter, ozone-depleting chemicals);
- Discharges to water (suspended solids, biochemical oxygen demand, chemical oxygen demand, toxics);
- Hazardous and nonhazardous waste;
- Consumption of energy, water, materials, recycled/reused materials, and packaging materials; and
- Habitat preservation and restoration.

The graphs in this section may understate the aggregate achievements of Performance Track members. They do not include some results reported in non-standard terms that could not be converted to common measures. EPA worked closely with many members to standardize their reporting so that their achievements could be included in this report, but not all data could be standardized before the report went to print. The graphs starting on page 11 show how many facilities contributed to the results shown.

In addition to aggregate data, this section also presents achievements of individual Performance Track facilities that have improved their “eco-efficiency” by reducing their environmental impacts per unit of production. For example, member facility LSI Logic of Gresham, Oregon, in 2002 made more than 10 times the amount of semiconductors it made in 1999, but it used less than 4 times as much hazardous material. Thus from 1999 to 2002, LSI Logic reduced its use of hazardous material per unit by 66 percent, representing a significant improvement in eco-efficiency.

One way of aggregating the eco-efficiency gains of individual facilities is to calculate the environmental impacts they have avoided. This is done by multiplying the actual impact during the baseline year by a normalizing factor (taking into account changes in production) in the reporting year to estimate what the environmental impact would have been in the reporting year without environmental improvements. The reported actual environmental impact is then subtracted from this estimate, and the result is the environmental impact avoided through the facility’s environmental performance improvements.

Performance Track members showed eco-efficiency improvement in 62 percent of the impacts included in their 2002 reports. In 59 percent of the cases, they showed absolute reductions in impacts. Note that a facility with increasing production could increase its eco-efficiency while also increasing its environmental impact.

Each facility's Annual Performance Report is available at the Performance Track Web site www.epa.gov/performance-track/particip/index.htm. The following pages present Performance Track members' progress during 2002 by type of environmental impact.

Energy Use

Members reported an overall 4 percent decline in energy consumption between 2001 and 2002, saving 2.9 million MMBTUs. On a normalized basis (taking changes in facilities' production into account), Performance Track members avoided 5.1 million MMBTUs of energy use in 2002, equivalent to the amount used by more than 48,000 homes in a year.

Water Use

Members reported a 1.4 percent decline in water use, saving 300 million gallons of water. On a normalized basis, however, members avoided 2.5 billion gallons of water, enough to fill almost 2,500 Olympic-size swimming pools.

Materials Use

Members reported a 23 percent decrease in materials use in 2002, a 54 percent decrease in the use of hazardous materials, and a 2 percent increase in the use of recycled or reused materials.

Air Emissions

Members reported decreases in nearly all areas of air emissions. The one exception was in toxic emissions to air, which increased 5.6 percent. However, on a normalized basis (accounting for changes in production), members avoided emitting 22 tons of air toxics. In addition to the results shown here, four members reduced their emissions of ozone-depleting compounds by 60 percent.

Solid Waste

Members' reports show that their generation of solid waste remained essentially flat in 2002, declining by less than one percent. On a normalized basis, however, members avoided 149,000 tons of solid waste in 2002, a 3.6 percent reduction from the reported level in 2001. Members reduced their use of packaging materials by 11 percent (21 percent decrease in avoided use on a normalized basis).

Hazardous Waste

Members reported a 22 percent reduction in their generation of hazardous waste, eliminating 5,866 tons of hazardous waste.

Habitat Preservation and Restoration

Members preserved or restored an additional 1,786 acres of habitat.

Discharges to Water

Members reported decreases in discharges to water, as measured by reductions in biochemical oxygen demand (BOD), chemical oxygen demand (COD), total suspended solids (TSS), and toxics.

TABLE B: Performance Track Members' Goals Accepted Through 2003

	Number of Members With Goals	Projected Reduction In Year 3 of Membership
Energy Consumption	162	4.9 million MMBTUs ¹
Water Consumption	147	5.2 billion gallons ²
Materials Use		
Total Materials Use	82	39,955 tons ³
Hazardous Materials Use	51	15,487 tons ⁴
Recycled/reused Materials Use	49	132,057 tons (increase) ⁵
Air Emissions		
Greenhouse Gases	58	178,749 tons ⁶
Volatile Organic Compounds	60	704 tons ⁷
Air Toxics	18	166 tons ⁸
Nitrogen Oxides	21	3,426 tons ⁹
Particulate Matter	14	41 tons ⁹
Sulfur Dioxide	11	10,197 tons
Ozone-depleting Compounds	7	9 tons
Carbon Monoxide	2	0.1 ton ¹⁰
Solid Waste Generation	220	457,293 tons ¹¹
Hazardous Waste Generation	121	21,999 tons ¹²
Habitat Preservation	29	5,493 acres (increase) ¹³
Remediation	5	7,224 acres (increase) ¹⁴
Discharges to Water		
Biochemical Oxygen Demand (BOD)	12	900 tons ¹⁵
Chemical Oxygen Demand (COD)	5	12,271 tons
Total Suspended Solids (TSS)	5	113 tons ¹⁵
Toxics	15	9,937 tons ¹⁶
Product Packaging Materials Use	12	1,348 tons ¹⁷

¹ Represents commitments from only 138 members due to missing or nonstandard data.

² Represents commitments from 102 members due to missing or nonstandard data.

³ Represents commitments from 55 members due to missing or nonstandard data.

⁴ Represents commitments from 44 members due to missing or nonstandard data.

⁵ Represents commitments from 42 members due to missing or nonstandard data.

⁶ Represents commitments from 37 members due to missing or nonstandard data.

⁷ Represents commitments from 54 members due to missing or nonstandard data.

⁸ Represents commitments from 20 members due to missing or nonstandard data.

⁹ Represents commitments from 8 members due to missing or nonstandard data.

¹⁰ Represents commitments from 1 member due to missing or nonstandard data.

¹¹ Represents commitments from 156 members due to missing or nonstandard data.

¹² Represents commitments from 102 members due to missing or nonstandard data.

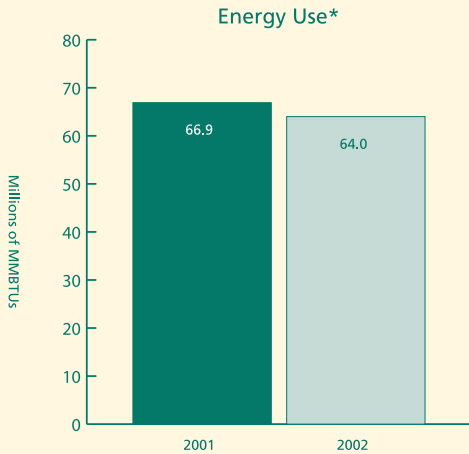
¹³ Represents commitments from 26 members due to missing or nonstandard data.

¹⁴ Represents commitments from 3 members due to missing or nonstandard data.

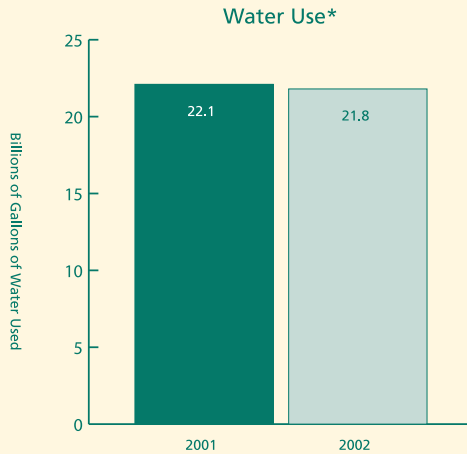
¹⁵ Represents commitments from 11 members due to missing or nonstandard data.

¹⁶ Represents commitments from 14 members due to missing or nonstandard data.

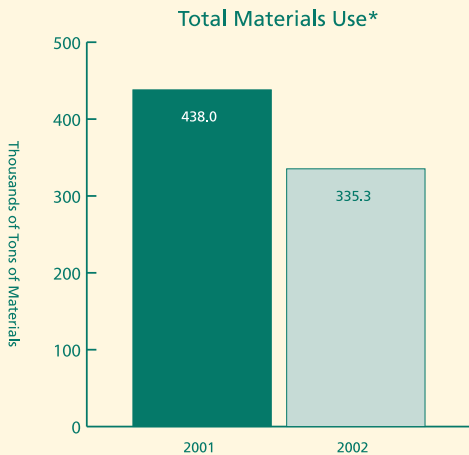
¹⁷ Represents commitments from 9 members due to missing or nonstandard data.



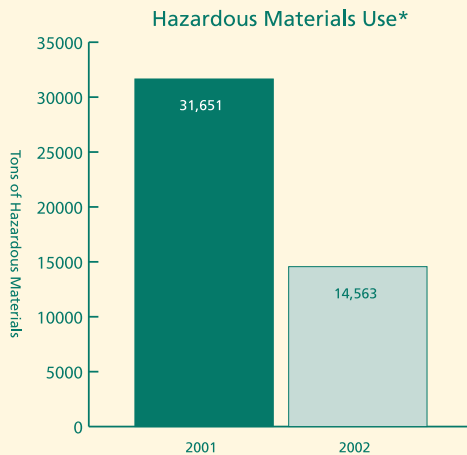
*Based on data received from 103 members



*Based on data received from 76 members



*Based on data received from 43 members



*Based on data received from 39 members

FEATURED FACILITY

BASF Belvidere

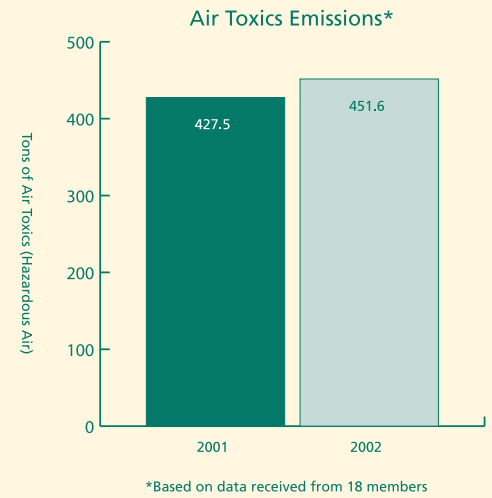
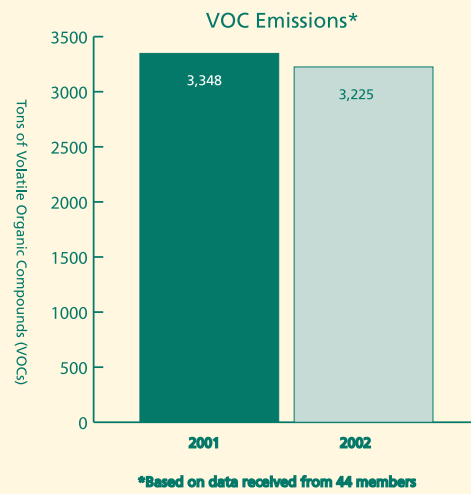
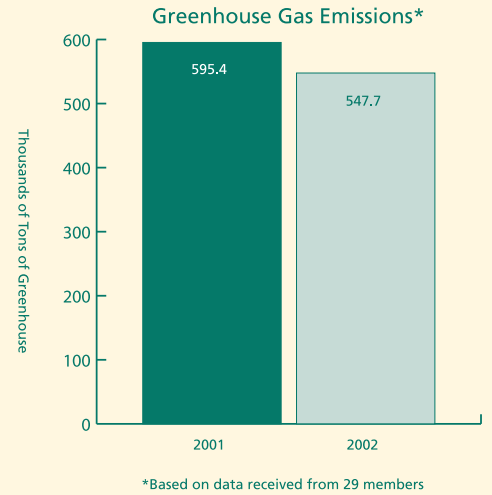
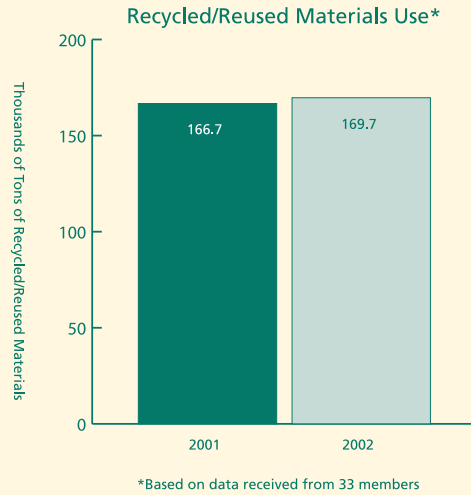
BASF Belvidere, an automotive coatings plant in Belvidere, New Jersey, has far exceeded its own goal for reducing the amount of hazardous materials used in its production processes. When the facility was accepted into Performance Track, it committed to cut its use of hazardous cleaning materials by 25 percent over three years. But just one year later it already had decreased its use of the substances by 85 percent on a normalized basis (taking into account changes in production). This means that over its two years of membership, the facility avoided the use of 346,800 pounds of hazardous cleaning materials. The facility replaced two circulating shot mills (used for grinding pigment) with dispersion equipment that requires much less material to clean between batches. The cleaning materials consist of resins and organic solvents containing a variety of volatile organic compounds.

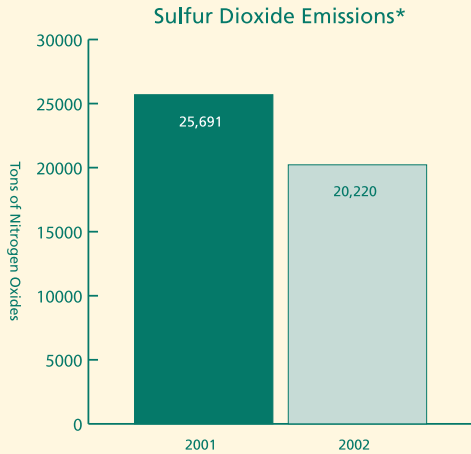
FEATURED FACILITY

U.S. Department of Energy, Kansas City Plant

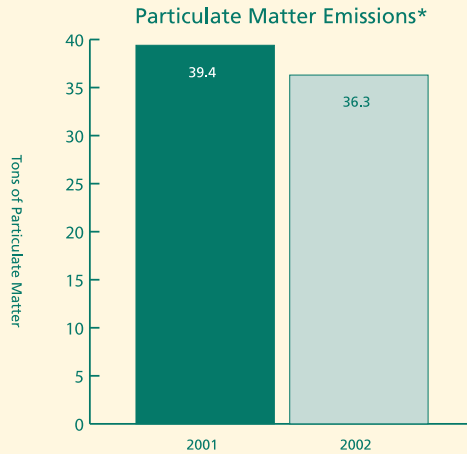
The U.S. Department of Energy's Kansas City Plant, operated by Honeywell Federal Manufacturing and Technologies, manufactures non-nuclear electrical and mechanical components for national defense. A charter member of Performance Track, the plant has made great strides in reducing its water use, avoiding 5.7 million gallons on a normalized basis from 2001–2002.

The facility achieved its savings by installing a reverse osmosis system that treats industrial wastewater and recycles the treated effluent for use in the plant's cooling towers. The treatment system not only reduces the facility's water demand, but also places a lower demand on the city's sanitary sewer.

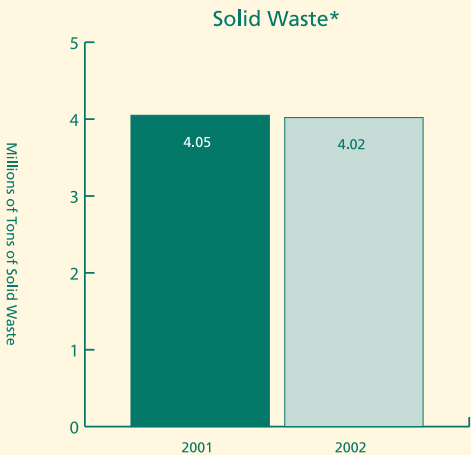




*Based on data received from 5 members



*Based on data received from 4 members



*Based on data received from 129 members



*Based on data received from 86 members

FEATURED FACILITY

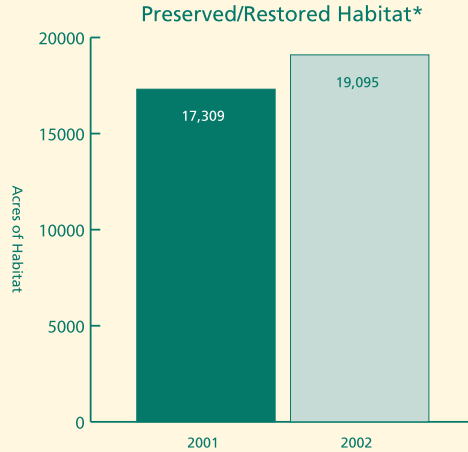
Pfizer Inc.

Pfizer Inc.'s facility in Lititz, Pennsylvania, has done an exemplary job of pollution prevention, monitoring, and reporting. Pfizer Lititz was the first pharmaceutical facility in the nation to achieve ISO 14001 certification, and is a charter member of Performance Track. The facility set challenging three-year goals and exceeded all of them during its first two years in the program. Between 2000 and 2002, on a normalized basis (taking into account increases in production), Pfizer Lititz reduced its generation of solid waste by 30 percent, hazardous waste by 47 percent, energy use by 25 percent, and biological oxygen demand discharges to water by 62 percent. The facility achieved its results through improvements in cleaning processes and manufacturing controls, and by implementing an energy cost reduction program. Pfizer Lititz also has begun developing an environmental accounting system and implemented or upgraded a number of other systems, procedures, and databases to further improve its environmental management and recordkeeping.

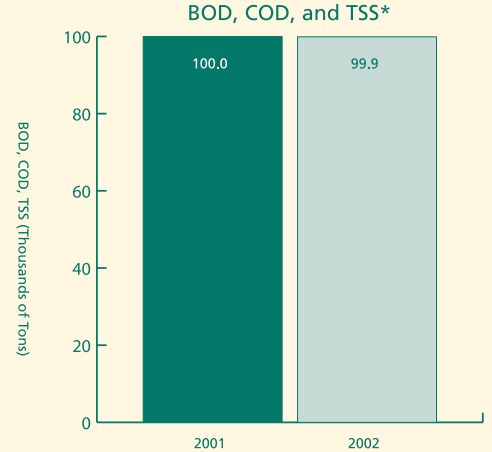
FEATURED FACILITY

USGen New England, Inc.

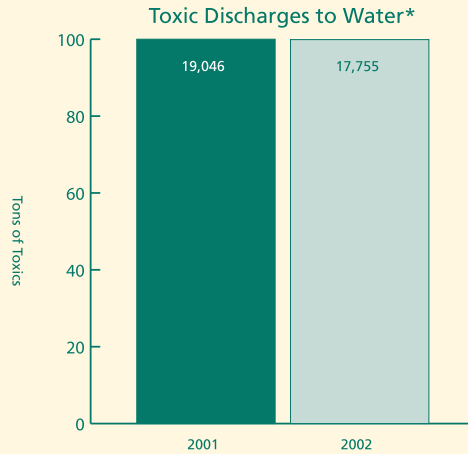
USGen New England, Inc., a hydroelectric firm based in Concord, New Hampshire, engages actively with communities and organizations in its service area. In 2002, USGen representatives met with several regional and community groups to describe Performance Track, USGen's environmental progress under the program, and a variety of environmental issues of concern to the public. The company also distributed the Performance Track progress report to its visitor centers, local and regional environmental groups, and interested individuals. USGen is involved in community and regional environmental organizations, and has a team of employees who coordinate the company's interactions with 53 host communities and local, regional, state and federal stakeholders.



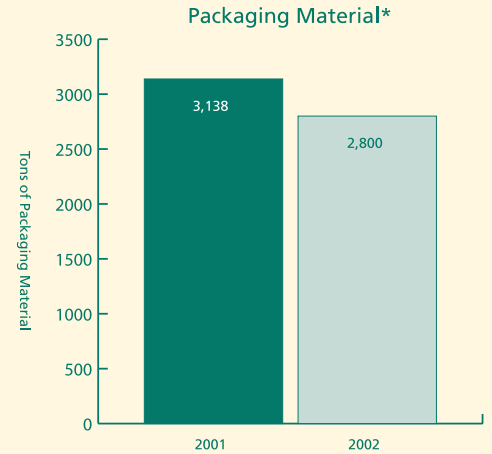
*Based on data received from 21 members



*Based on data received from 18 members (BOD=Biochemical Oxygen Demand; COD=Chemical Oxygen Demand; TSS=Total Suspended Solids)



*Based on data received from 15 members



*Based on data received from 9 members

Caveats to the Results for 2002

1. Data are self-reported by member facilities and not verified by EPA.
2. Although EPA asks for exact figures, some facilities appear to round their data.
3. The baseline year for members that entered the program in Rounds 3 and 4 is 2000. Their results actually represent changes occurring over a two-year period.
4. These numbers represent the number of members included in the analysis rather than the total number of members that have made commitments under the particular aspect. Some members' results are not included in the analysis because their 2002 Annual Performance Reports were not completed by a cut-off date.
5. The avoidance figures are based on the normalizing factors calculated and provided by individual facilities. A facility's avoidance figures for 2002 were calculated by dividing the 2002 normalizing factor by the 2001 normalizing factor, multiplying that result by the 2001 performance level, and then calculating the difference between that product and the actual 2002 results. Thus, the accuracy of the avoidance figures depends on both the accuracy of the reported actual results and the reported 2001 and 2002 normalizing factors. Normalizing is an inexact science. Normalizing factors often tell an incomplete story about changes in production in facility, and they often fail to explain fully the causes of environmental pollution or resource consumption. Additionally, in cases where a facility did not provide a normalizing factor in 2001, we assumed a 2001 normalizing factor of 1.0. This assumption could lead to both under- and over-estimates of the 2002 avoidance figures.
6. Approximately 15 percent of facilities' commitments relate to a specific process rather than to the facility as a whole. For example, a facility may have committed to reducing its VOC emissions from a particular production line by 50 percent. The numbers reported in this document therefore reflect the commitments made and the results relevant to those commitments. It would be a misinterpretation of the data to assume that a demonstrated improvement is, or could be projected to, represent the performance of entire facilities.
7. Similarly, facilities' commitments may relate to one "component" of an environmental aspect rather than to the aspect as a whole. For example, a facility may commit to reducing one particular waste stream or one particular toxic air emission rather than to reducing its total solid waste or all releases of toxic chemicals. The parameters of each facility's commitments may be determined by viewing its application and/or annual performance reports at www.epa.gov/performance-track/particip/alphabet.htm.

FEATURED FACILITY

The Aaron Oil Company

The Aaron Oil Company, of Saraland, Alabama, is an industry leader in public outreach and education on the recycling of used oil. An oil recycler and petroleum reclamation company, Aaron Oil has hosted two nationally broadcast video productions to better educate the public about oil recycling. The company participated in community-sponsored Recycling Day/Earth Day events, and supports local nonprofit organizations that collect used motor oil at collection centers throughout Alabama. Aaron Oil provides its services to the collection centers at no cost.

FEATURED FACILITY

Ricoh Electronics'

Ricoh Electronics' Office Machine Group, in Tustin, California, has remanufactured more than 2,000 copier systems since 1996. More than 95 percent of the disassembled parts are recycled and used again during reassembly. Cover parts are cleaned with high-pressure water, which is 100 percent recycled. Empty document feeder boxes from copier production are given to remanufacturing for slide modification and reuse, saving \$30 per box.

Performance Track Members' Cumulative Achievements, 2000–2002

The results presented on the previous pages show Performance Track members' achievements for one year only (2002). Since the program's inception in 2000, Performance Track members have cumulatively achieved the following environmental results:

- Reduced energy use by 3.1 million MMBTUs, enough to power nearly 30,000 homes for a year.
- Reduced water use by 775 million gallons, enough to fill 775 Olympic-size swimming pools.
- Reduced hazardous materials use by 17,996 tons, a weight equivalent to 60 Washington monuments.
- Reduced solid waste by 176,126 tons, which is 787 times the weight of the Statue of Liberty.
- Reduced hazardous waste by 6,558 tons.
- Reduced emissions of greenhouse gases by 40,193 tons, equivalent to planting more than 11,000 acres of trees.
- Reduced emissions of nitrogen oxides (NO_x) by 2,152 tons, more than that emitted by 112,000 passenger cars in a year.
- Reduced emissions of sulfur dioxide (SO₂) by 13,621 tons.
- Reduced toxic discharges to water by 6,834 tons.
- Increased use of reused and recycled materials by 13,760 tons.
- Preserved or restored 4,485 acres of habitat.

Promoting Continuous Improvement

EPA seeks to establish Performance Track as a “gold standard” for environmental performance—a standard that facilities will strive to attain. To encourage facilities to aim for this standard, EPA adds value to Performance Track membership through recognition, networking, and regulatory and administrative incentives.

Recognition and Awareness

With today’s heightened awareness of environmental concerns, facilities value their environmental reputations among their regulators, peers, investors, customers, employees, and local communities. Performance Track provides recognition for facilities, raising their environmental profile among these key constituents.

Facilities admitted to the program are recognized by the EPA Administrator at the Performance Track Annual Members Event. They receive a certificate from the Administrator and may use the Performance Track logo to demonstrate their commitment to environmental excellence to their employees, customers, and their neighboring community. Many members display the logo on a flag outside their facility, and some facilities have produced caps, shirts, and other Performance Track logo items for their employees. The program’s new Member Services site provides art files for hardhat stickers, fleet signage, a flag, and other Performance Track logo items.

EPA highlights members’ participation in Performance Track in letters sent to elected officials at the local, state, and national levels. Members’ achievements also appear in trade publications read by facilities’ peers and customers.

In 2003, articles featuring Performance Track and its members appeared in 58 publications. Since the program’s inception, Performance Track has been featured in 174 articles, news stories, and other media coverage. The Performance Track Web site has received more than 930,000 hits since it was launched in 2000.

EPA initiated discussions with two social investment advisory firms, Calvert Group and Innovest Strategic Value Advisors, which resulted in both firms adding membership in Performance Track to the factors they consider in their rating analyses of companies. KLD Research & Analytics, Inc., another socially responsible investment firm, also reviews Performance Track data for use in its environmental ratings of companies. In addition, Performance Track has begun distributing press

“Since management quality is the primary driver of stock returns, environmental performance turns out to be an excellent indicator of stock market potential.”

Frank Dixon
Managing Director
Innovest Strategic
Value Advisors



EPA Region 2 Administrator Jane M. Kenny (third from left) presents a Performance Track Outreach Award to Baxter Healthcare Corporation of Puerto Rico.



“We consider a company’s decision to participate in Performance Track a good indicator of its overall corporate environmental management and therefore we give credit in our environmental screening for companies that have enrolled two or more facilities in Performance Track.”

Julie Frieder
Environmental Analyst
Calvert Group, Ltd.

releases through CSRwire, a corporate social responsibility news service that reaches a global network of two dozen syndication partners and more than 5,000 journalists and investment analysts who track socially responsible initiatives.

Performance Track provides special recognition to members who have made outstanding efforts on outreach and recruitment through the program’s annual Outreach Awards. Seven facilities received Outreach Awards in 2003.

EPA continues to build brand recognition for Performance Track by marketing the program at important industry conferences, distributing media kits and video segments, and holding regional workshops. In 2003, Performance Track exhibited at 28 conferences around the United States, reaching approximately 20,850 participants.

Creating a Learning Network

The Performance Track program helps members share best practices and lessons learned, effectively creating a learning network.

Each EPA regional office holds meetings during which members exchange ideas with each other and with regional administrators and staff. These meetings also generate feedback and suggestions for improving and expanding the Performance Track program. Performance Track also holds tele-seminars to feature member facilities’ best practices. For example, representatives from Rockwell Collins and Lockheed Martin Manassas recently discussed their facilities’ efforts to capture and enhance the environmental benefits of lean manufacturing. Another recent tele-seminar featured a discussion of the business case for wildlife habitat improvements, with input from the Wildlife Habitat Council, Bridgestone/Firestone, Invista Corporation, and Rockwell Collins.

Performance Track worked with the National Environmental Education and Training Foundation to develop a leadership practices database that helps facilities share information and learn from one another to improve their environmental performance. The database, which is online at www.greenbizleaders.com, includes all Performance Track members and their commitments. During 2003, the site received an average of 500 hits per day, with each viewer spending an average of 8 minutes on the site.

Every two months, EPA publishes an online publication entitled “P-Track News” for members and other stakeholders. This electronic newsletter contains program updates, member achievements, and information on EPA activities of interest to members.

Performance Track members have formed a private, independent membership association, the Performance Track Participants’ Association, that provides a forum for members, trade associations, and public entities dedicated to improving their environmental performance. Additional information on the Performance Track Participants’ Association may be found at www.ptpaonline.org.

Regulatory and Administrative Incentives

Members clearly value the recognition, networking, and learning benefits of participating in Performance Track. The program goes further, however, by working within EPA and with state agencies to offer regulatory and administrative benefits. Performance Track members' history of strong compliance, commitment to measurable improvement, and effectiveness in environmental management distinguishes them from other regulated facilities, and EPA believes they should be eligible for special benefits.

These benefits help members focus on continuous improvement by reducing some of the routine administrative costs of regulation and allowing them additional procedural flexibility in certain cases. Performance Track's regulatory and administrative incentives allow member facilities to operate more efficiently and to respond more rapidly to changes in their business environment. The benefits also enable members to dedicate more of their efforts to developing best practices and identifying opportunities for innovation.

The regulatory and administrative changes described below, some of which are still under development, benefit government as well as members of Performance Track. They enable agencies to focus their assistance, inspection, and enforcement resources on other higher priorities if they choose, such as facilities that require closer oversight. These agencies may exchange certain kinds of routine information (which is necessary for facilities with less exemplary records and capabilities) for information related to performance and management that may offer more value for government, customers, communities, and others.

Cross-Media Incentives

Low Priority for Routine Inspections

Performance Track facilities are deemed by EPA to be a low priority for routine inspections. Generally, this means that Performance Track facilities will not be inspected unless there is reason to believe that a serious violation or threat to human health or the environment may exist at a facility. Senior enforcement officials in each EPA region are responsible for ensuring that this policy is implemented and incorporated appropriately into internal planning and accountability processes. EPA will work with states to implement the low inspection incentive at the state level, although currently only a few states implement this incentive.

The First Performance Track Final Rulemaking

In Spring, 2004, EPA will finalize a regulation that is available only to members of Performance Track. This rule includes the following incentives:

Extended Hazardous Waste Accumulation Period—The regulation allows large-quantity generators of hazardous waste who are Performance Track members up to 180 days to accumulate their hazardous waste without a Resource Conservation and Recovery Act (RCRA) permit or interim status.

Reduced Reporting Frequency for Air Sources—The regulation reduces the frequency of reports required under the Maximum Available Control Technology (MACT) provisions of the Clean Air Act such that semi-annual reports may be submitted annually, and in certain cases members may submit an annual certification for these requirements in lieu of an annual report.

Performance Track Outreach Award Recipients, 2003

- *Baxter Healthcare Corporation* (Puerto Rico-Aibonita) was instrumental in recruiting three Baxter facilities into Performance Track, securing management support for the program, and introducing Performance Track to key trade groups in Puerto Rico.
- *Ideal Jacobs Corporation* (Maplewood, NJ) promoted Performance Track during numerous speaking engagements, provided many outreach opportunities for EPA, and promoted Performance Track in the small business community and within the printing industry.
- *Lockheed Martin Naval Electronics and Surveillance Systems* (Manassas, VA) provided mentoring and technical assistance to prospective Performance Track members, developed education programs in the local community, and assisted EPA in promotional activities.
- *Madison Chemical Company* (Madison, IN) conducted a direct mail campaign for Performance Track, spoke at conferences about the benefits of Performance Track, and targeted its communications toward facilities that fit the Performance Track model of excellence.
- *Motorola-IL02* (Schaumburg, IL) employees spoke regularly at Performance Track and other innovation events, hosted recruitment events, educated other Motorola facilities about program benefits, and helped forge relationships between Performance Track and key groups.
- *Norco Cleaners* (Dolton, IL) made creative use of the Performance Track logo, participated in many speaking engagements, and increased Performance Track program awareness in community and political arenas.
- *Nucor Steel Auburn, Inc.* (Auburn, NY) made creative use of the Performance Track logo, placed strategic articles on Performance Track, promoted Performance Track to key trade organizations in New York State, and was instrumental in the recruitment of a new Performance Track Network partner.

“We’re looking at this as the future of how EPA and companies can work together.”

Tom Day-
Environmental Health and-
Safety Specialist, Heidelberg-
Web Systems, Inc.-

Air Incentives

Flexible Permitting

EPA is developing a number of flexible air permits for Performance Track facilities that are “major sources” under the Clean Air Act. The flexible permits typically include provisions that approve in advance process changes that otherwise would require a major permit modification. Flexible permits save facilities and states time and money, and may allow facilities to make advance approved process changes based on business conditions rather than permit conditions.

Faster Agency Turnaround and a Designated Contact for Member Facilities

The Clean Air Act and the National Emissions Standards for Hazardous Air Pollutants currently require sources of air pollutants to use MACT. EPA has proposed a rule that provides compliance alternatives for sources that reduce or eliminate their hazardous air pollutants. These alternatives are available to all facilities, not just Performance Track members. However, the ruling also proposes two provisions for Performance Track facilities only:

Designated Contact—State permit engineers handling MACT flexibility applications from Performance Track members will be provided with a designated EPA Headquarters contact who will offer technical support and help expedite the application process.

Faster Agency Turnaround—Performance Track facilities will receive a shorter turnaround time by EPA for facility applications for alternative compliance: 30 days instead of 45.

A number of Performance Track facilities are improving wildlife habitat through efforts such as tree-planting projects.



Water Incentives

Reducing Procedural Burden and Adding Greater Flexibility for Top Performers

EPA currently is exploring options to expedite the renewal of water permits and to reduce related monitoring and reporting for Performance Track members. The Agency also is discussing incentives that would be tied to the effluent guidelines planning process and state revolving fund program. As the planning process moves forward and decisions are made, Performance Track will keep members informed and solicit their feedback as appropriate.

Waste Incentives

Benefits to Performance Track Members Subject to RCRA Requirements

Proposed RCRA Rulemaking for Performance Track—EPA intends to propose a new rulemaking in 2004 for Performance Track facilities that generate, treat, store, or dispose of wastes under the Resource Conservation and Recovery Act (RCRA). The rule may provide Performance Track members with flexibility in permitting, performance standards for hazardous waste generators, performance based tank standards, and flexibility in RCRA air requirements as long as controls and management practices are equivalent.

Less Frequent Self-inspections for Performance Track RCRA Facilities—In 2003, EPA published a “Notice of Data Availability” that clarified the Agency’s intent to provide specific benefits for Performance Track facilities. Under this rule, the Agency would provide Performance Track RCRA facilities the opportunity to reduce self-inspections from 52 per year to as few as 12.

Flexibility in RCRA Generator Standards—EPA intends to publish a “Notice of Information” that will solicit public comment on how RCRA standards could be improved. Included in this provision is a section specifically asking the public what provisions could be made that would be appropriate for facilities that are members of Performance Track. EPA will use the public comments received to build the generator provisions in the “RCRA Rulemaking for Performance Track Facilities,” noted above.

Working With State, Industry, and NGO Partners

To promote Performance Track and coordinate it with other programs, EPA has established partnerships with states, trade associations, non-governmental and professional organizations, federal agencies, and other EPA voluntary programs.

State Programs

EPA and state governments are partners in implementing the Performance Track program and delivering benefits to member facilities. EPA works with the states to advance the principle that high-performing facilities should be recognized and rewarded for their accomplishments by enabling them to focus more on environmental progress than on process.

Performance Track complements and builds on the successful environmental performance programs launched by the program's state partners. Some of the state programs were established prior to Performance Track's inception and served as models for the national program. The establishment of Performance Track then helped to spur the development of additional state programs. Although some state programs are rooted in EMSs and others in pollution prevention, they all support environmental performance that goes beyond compliance.

EPA and the states believe they can achieve more by working together than by pursuing their goals independently. Therefore, representatives of EPA and state agencies are in frequent contact as they coordinate the development and implementation of their programs. EPA consults with states on policy issues such as member implementation of EMSs. States participate in site visits to Performance Track facilities, as well as in Performance Track member events at the national and regional levels. EPA considers state input crucial to its decisions on applicants applying to admit facilities into Performance Track. State governments implement and enforce many environmental requirements and frequently have greater knowledge of potential member facilities than EPA has.

States that wish to maximize the coordination of their performance-based incentive programs with Performance Track may enter into a Memorandum of Agreement (MOA) with EPA. To date, EPA has signed MOAs with Colorado, Massachusetts, Tennessee, Texas, and Virginia, and is working with several others to develop state-specific agreements. These MOAs provide a framework for joint recruitment, admissions, and delivery of incentives to program members. Texas and EPA have worked together on a plan to integrate their performance-based programs, which is expected to be implemented incrementally throughout 2004. Beginning in August 2003, Virginia facilities that have been accepted into Performance Track no longer need to follow the traditional admission process for the Virginia Environmental Excellence Program (VEEP). The facility only needs to send a letter to Virginia's Department of Environmental Quality (DEQ) requesting

admission into the VEEP at the top-tier “E3” level. Virginia DEQ has determined that a facility’s Performance Track Annual Performance Report will satisfy E3’s annual reporting requirement, and it will waive the reapplication process for renewal in E3 for a facility accepted for a second term in Performance Track. These are just some of the steps EPA and the MOA States are taking to work together to enhance performance-based programs and reward program members for their leadership in environmental protection. Each step forward serves to affirm the growing strength of the federal-state partnership—the benefits of which will be reaped by the American public and the environment.

Performance Track Network Partners

EPA established the Performance Track Network (PTNet) to help promote Performance Track to key constituencies. Through PTNet, EPA collaborates with select national trade associations, nongovernmental organizations, and professional organizations to inform top environmental performers about Performance Track and the benefits of membership. For example, the Wildlife Habitat Council created a special Performance Track page on its Web site, and WHC Executive Vice President Bob Johnson gave a presentation at a Performance Track teleseminar in September, 2003. More than 20 Performance Track member facilities are also member sites of the Wildlife Habitat Council.

PTNet leverages EPA’s efforts to market and brand Performance Track, retain current members, recruit new facilities, and share environmental insights and expertise with current and prospective program participants.

EPA recognizes network partners by acknowledging their efforts in publications and events, and gives them materials to help them market Performance Track. EPA officials also speak about Performance Track at partners’ conferences and meetings.

Currently PTNet includes 23 partners:

- Academy of Certified Hazardous Materials Managers
- American Chemistry Council
- American Furniture Manufacturers Association
- American Textile Manufacturers Institute
- The Associated General Contractors of America
- The Auditing Roundtable
- Cement Kiln Recycling Coalition
- Global Environment & Technology Foundation & Public Entity EMS Resource Center
- Greening of Industry Network
- International Carwash Association
- National Association of Chemical Distributors

“As a corporation, one of our major objectives is to be a ‘best citizen.’ Performance Track is very well aligned with this goal and gives us the tracking mechanisms and indicators so that we are sure, on a continuous basis, that we are indeed a best citizen for our communities.”

Eladio Alvarez-
Plant Manager, Baxter-
Healthcare Corporation-

“Performance Track underlines the fact that companies that reduce their pollution run more effectively and more profitably.”

Andrew Jacobs
President/Owner, Ideal Jacobs Corporation

- National Defense Industrial Association
- National Paint and Coatings Association
- National Pollution Prevention Roundtable
- National Ready Mixed Concrete Association
- National Stone, Sand, and Gravel Association
- NORA, an Association of Responsible Recyclers
- North American Die Casting Association
- Screenprinting & Graphic Imaging Association International
- Steel Manufacturers Association
- Synthetic Organic Chemical Manufacturers Association
- Voluntary Protection Programs Participants’ Association
- Wildlife Habitat Council

Four of these partners joined the network in 2003:

The Academy of Certified Hazardous Materials Managers, with more than 5,000 members, fosters the professional development of hazardous materials managers. Its members are certified by the affiliated Institute of Hazardous Materials Management.

The Auditing Roundtable is the professional organization for environmental, health, and safety auditors. The roundtable, which currently has 800 members, has established a code of ethics and standards for the performance of environmental audits.

The International Carwash Association, with 3,000 members, serves the needs and represents the interests of carwash and detail shop operators.

The National Defense Industrial Association serves more than 1,100 corporate members and more than 29,000 individuals in the defense and national security industries.

Federal Partners

Performance Track has established agreements with federal agencies that share a common vision. In 2002, EPA signed a Memorandum of Agreement with the U.S. Occupational Safety and Health Administration (OSHA) to coordinate the two agencies' efforts on their respective voluntary incentive and recognition programs: EPA's Performance Track and OSHA's Voluntary Protection Programs. The two agencies have pledged to explore opportunities to jointly recruit facilities into both programs; recognize facilities that participate in both programs; and communicate regularly to share program policies, procedures, and lessons learned.

EPA signed a Memorandum of Understanding with the U.S. Department of Interior (DOI) in 2003. Under the agreement, DOI and EPA will work together to advocate the implementation of EMSs at DOI facilities, encourage the participation of high-performing DOI facilities in Performance Track, promote Performance Track and EMSs to DOI facilities through internal publications, and other activities.

Executive Order 13148 (Greening the Government Through Leadership in Environmental Management) requires federal agencies to provide leadership in the development and implementation of EMSs that help organizations sustain or exceed compliance with environmental regulations. The participation of federal facilities in Performance Track helps agencies fulfill the spirit and intent of Executive Order 13148. More than a dozen federal facilities currently are members of Performance Track, including sites operated by the National Park Service, NASA, the Navy, the Coast Guard, the Department of Energy, and the Postal Service.

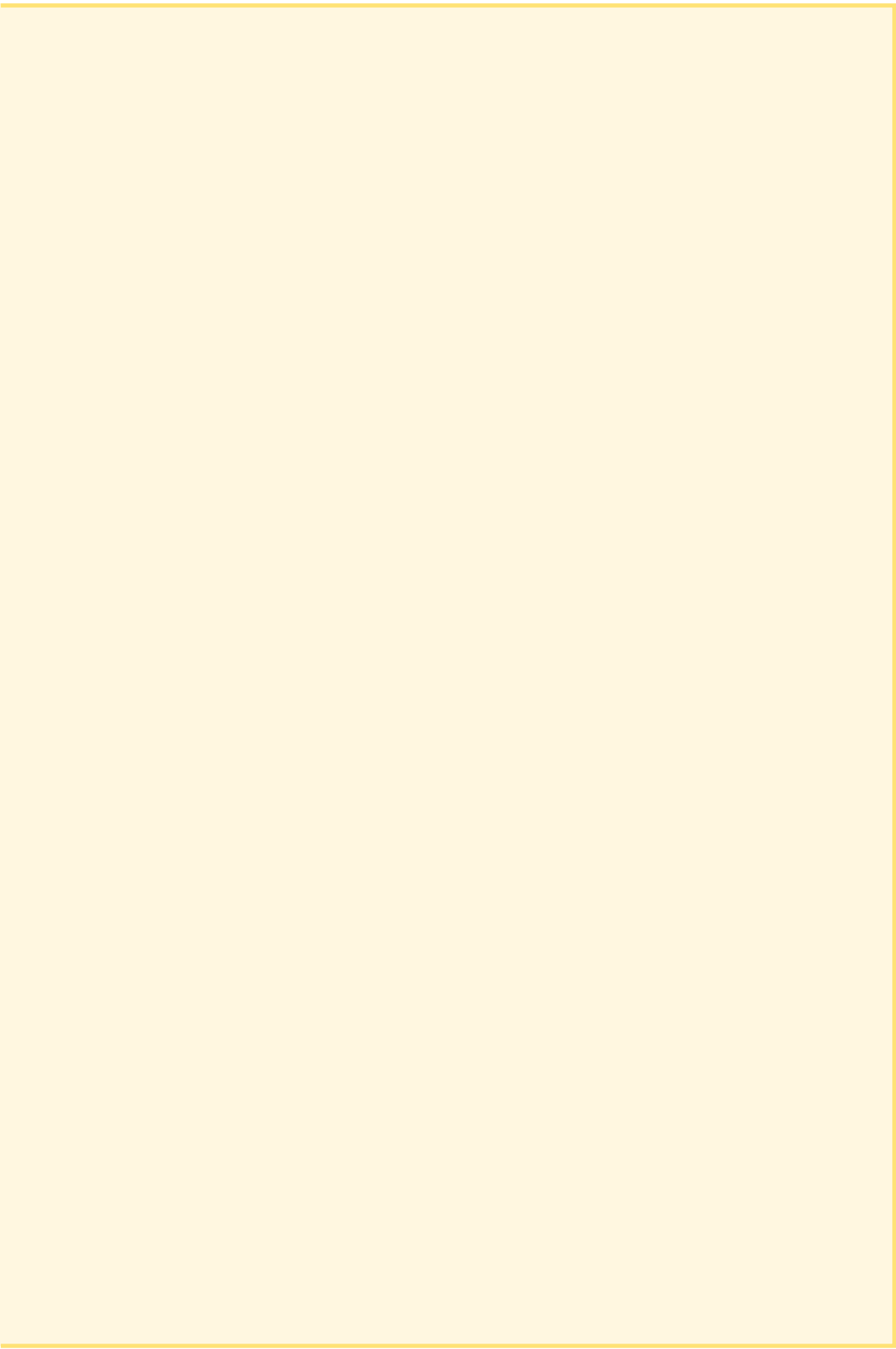
Performance Track Assistance

EPA is creating an “on-ramp” to Performance Track to help facilities qualify for membership. Performance Track works with other EPA programs and with state programs to build capacity among facilities interested in improving their environmental performance, compliance, and management. Through this assistance, businesses may, over time, qualify for higher-level tracks in state programs and for membership in Performance Track.

The Performance Track Assistance Project (PTAP) helps trade associations work with their members to develop “better than compliance” EMSs that will meet the criteria of Performance Track as well as reduce facilities’ costs and increase competitiveness. These efforts are focused particularly on trade associations that work with small businesses. As a result of this work, several trade associations have decided to modify their EMS guidelines so that they meet the Performance Track EMS criteria. The Performance Track Assistance Project coordinates these efforts with state partners and with EPA’s Small Business Office, the Office of Environmental Policy and Innovation, the Design for the Environment Program, the Sector Strategies Program, and the Compliance Assistance Office.

EPA’s Sector Strategies Program works closely with industry sectors to find solutions to the particular environmental challenges faced by facilities in each sector. These sector strategies often involve strengthening facilities’ EMSs, compliance records, community outreach, and continuous improvement efforts—the same qualifications needed for Performance Track membership. The Sector Strategies Program thus helps to nurture and identify good candidates for Performance Track.

The Performance Track Mentoring Program assists facilities as they prepare their Performance Track application. Mentors, who are Performance Track members, help candidate facilities identify appropriate beyond-compliance goals, develop measures of progress, describe community outreach, and otherwise demonstrate that they meet Performance Track criteria.





Notes

Office of Policy, Economics,
and Innovation (MC 1808T)
EPA-100-R-03-004
www.epa.gov/performance-track
April 2004



Recycled/Recyclable
Printed with Vegetable Oil-Based Inks on Recycled Paper
(Minimum 50% Postconsumer) Process Chlorine Free