

Bath Iron Works

A GENERAL DYNAMICS COMPANY



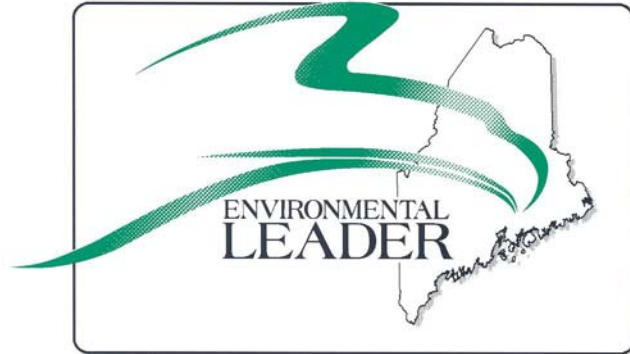
Voluntary Programs

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A good fit with our compliance-plus philosophy

Maine DEP



STEP-UP Program for Sustainability

**Involved in 2
Voluntary
Partnerships**

U.S. EPA



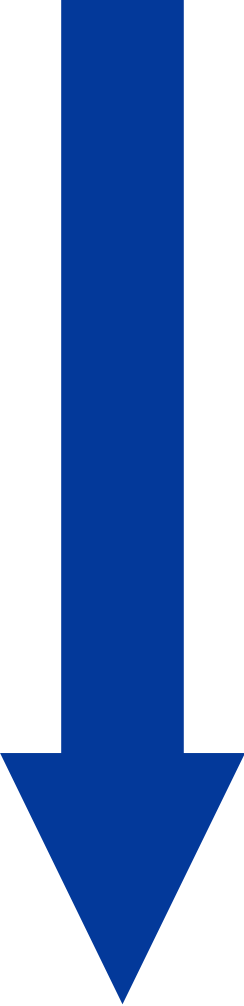
What is STEP-UP?

- The Maine **S**mart **T**racks for **E**xceptional **P**erformers and **U**pward **P**erformers, or STEP-UP Program offers recognition and other incentives to businesses interested in implementing sustainable practices.
- Based on a signed 3-year agreement between the Governor and Company.
 - BIW is in the final year of it's second agreement
- BIW is a Charter Member of the STEP-UP Program.

What is Required?

- Set goals toward sustainability including an energy goal,
- Commit to compliance
- Environmental Management Systems
- Communicate with the employees and community on progress,
- Mentor another business to help them improve their environmental performance; and
- Report on progress annually

Our Commitments

- 
- Reduce total energy use by 8% by 2007, based on 2003 levels
 - Reduce total amount of hazardous waste shipped off site by 5% per DDG ship by 2007, based on 2003 levels
 - Reduce total amount of solid waste shipped off site by 5% per DDG ship by 2007, based on 2003 levels
 - Reduce the amount of paper purchased by 5% by 2007, based on 2003 levels

What's in it for us?

- Recognition
 - Governors Awards for achieving goals
 - Media
- Relationship
 - Single Point of Contact at DEP at the Senior Management Level
 - Staff availability for technical or regulatory assistance
 - DEP participation in Public meetings

What is EPA Performance Track

- U.S. EPA voluntary program that recognizes and rewards top environmental performers that go beyond compliance
- Almost identical to ME DEP STEP-UP Program
- Currently 450 members



EPA Performance Track

Basic Requirements

- Membership for 3 years
- Must have:
 - No Significant violations
 - EMS in place
 - Demonstrated performance in 2 areas
 - 3 references (Citizen / Regulator / Other Community)
 - Signatory approval of Senior Facility Manager
- Must commit to:
 - 4 “beyond compliance” goals from specific EPA list
 - Public outreach & reporting
 - Annual self-certification that we meet PT criteria

EPA Performance Track

Benefits

- Low priority for routine inspections & greater administrative flexibility
- Regulatory Benefits
- Nationally recognized program.
- Offers additional credibility to Environmental Program
- Periodic recognition and publicity via EPA

EPA Performance Track

Regulatory Benefits

- New rule available only to PT members:
 - ↗ Extended onsite hazardous waste storage under RCRA
 - ↗ Reduced reporting of hazardous air pollutants – annual, not 2x MACT (NESHAP) reports
 - ↗ Simplified reporting for POTWs regulated by CWA.
 - ↗ A discretionary factor in the assessment of penalties by EPA – indication of good faith effort.

EPA Performance Track

Regulatory Benefits (continued)

- Regulations in pipeline:
 - ↗ flexible permits for major sources;
 - ↗ expedited MACT applications;
 - ↗ Reduced self-inspections;
 - ↗ reduced reporting requirements
- Future Regulations considered:
 - ↗ reduced reporting/monitoring under Discharge Monitoring Report;
 - ↗ faster permit modifications under NSR;
 - ↗ Streamlining of pretreatment regs.

EPA Performance Track

Additional Benefits

- Single contact at EPA HQ on environmental issues
- Mentoring Program -- connects you with top-performing members for Tech assistance.
- Regional Roundtables – BMP, recognition
- Tele-Seminars – Bi-Monthly on BMP, regulatory changes, e.g. flexible permitting

EPA Performance Track

Recognition Benefits

- Right to use PT logo – brochures, newsletters, annual reports, company gear, websites, etc.
- EPA letters to trade magazines, elected officials at all levels, major customers
- EPA Recognition at Annual Members event, in EPA promo materials, at industry conferences, website, workshops, etc.
- Listed on PT website, membership directory, GreenBiz.com

Final Thoughts

“I have found no greater satisfaction than achieving success through honest dealing and strict adherence to the view that, for you to gain, those you deal with should gain as well.

- Alan Greenspan