INDUSTRIAL FOOTPRINT PROGRESS REPORT

Date: May 10, 2007
Recipient: Carolyn Gangmark, EPA Region 10
Cc: Kristina Heinemann, EPA Headquarters
Agreement Number: EI-96028401
Report Number: 4
Reporting Period: February 3, 2007 – May 1, 2007
Agreement Project Period: May 3, 2006 – April 1, 2009
Recipient Contact Person: Angela Fritz
Project Coordinator/Project Manager: Marc Crooks/Carol Kraege

I. Progress Achieved in Accomplishing Project Goals/Objectives, Outputs, and Outcomes:

Milestone/Task# 1:
Secure agency resources. Task 1 is 100% complete, as described in Quarterly Report Number 2.

Milestone/Task# 2:
Secure mill participation. See attached milestone/task chart to view changes made to the Project Schedule.

Planned:
Partner with 8 Pulp and Paper mills and secure participation.

Actual Work Completed:
Continued contact with mills underway. Participation letter finalized. Visited Gray's Harbor Paper and Simpson Tacoma Kraft Company LLC (Simpson Tacoma).

Output and/or Outcome Achieved:
Visited Gray's Harbor Paper and Simpson Tacoma. Gray's Harbor Paper and Simpson Tacoma agreed to participate. Weyerhaeuser Longview is actively monitoring the project to determine its interest in participation. Participation letters not yet issued. Appreciation plaque award under development for individual presentations at all participating mills. Task 2 is 40% complete

Unit Cost thus far to accomplish this goal/objective:
Approximately $7700 to date, approximately $1775 for this reporting period

Milestone/Task# 3:

Select sector indicators. See attached milestone/task chart to view changes made to the Project Schedule.

Planned:
Develop draft sector indicators. Work with 8 mills and Northwest Pulp and Paper Association (NWPPA) to finalize sector indicators. Refine draft environmental indicators. Draft social and economic indicators.

Actual Work Completed:
Draft Sector indicators selected. Draft environmental indicators refined. Social and economic indicators drafted.

Output and/or Outcome Achieved:
Draft sector indicators include costs of goods and services, community involvement, raw materials, energy, air, water, waste, biodiversity and natural habitat, remediation projects, compliance, labor practices and decent work, safety, human rights, environmental justice, social awards, and odors/nuisances/noise. Task 3 is 80% complete.

Unit Cost thus far to accomplish this goal/objective:
Approximately $7300 to date, approximately $1070 for this reporting period

Milestone/Task #4:
Conduct community outreach.

Planned:
Establish community contacts, create website, develop and implement community involvement plan. Conduct community outreach. Deploy webpage and update as necessary. Send update of project progress to all mills, in order to encourage participation and for the purposes of informing participating mills of what the others are doing.

Actual Work Completed:
Webpage published. Community involvement plan integrated into draft stakeholder plan. Received Gray's Harbor Paper community mailing list.

Output and/or Outcome Achieved:
Webpage published on February 14, 2007. According to webtrends website tracking database, webpage received 87 views for the second half of February, 113 views in March, and 204 views in April. Webpage is monitored weekly and updated as necessary. Received Gray's Harbor Paper community mailing list during visit. Task 4 is 40% complete.

Unit Cost thus far to accomplish this goal/objective:
Approximately $6800 to date, approximately $946 for this reporting period

<u>Milestone/Task #5:</u>
Secure contractor support. See attached milestone/task chart to view changes made to the Project Schedule.

Planned:
Draft and issue Request for Proposal (RFP) to procure contractor support of data analysis and public involvement. Award contract. RFP process will be completed by May 2007.

Actual Work Completed:
RFP solicitation developed and published.

Output and/or Outcome Achieved:
RFP finalized and published. Advertisement in Tacoma News Tribune and on Ecology's Contract webpage. Six Interested party letters sent out. No questions were asked pertaining to the RFP, so the Pre-Proposal Conference was cancelled and no addendum to the RFP was necessary. To date, twelve contractors have expressed interest in submitting a proposal. Task 5 is 65% complete.

Unit Cost thus far to accomplish this goal/objective:
Approximately $7030 to date, approximately $5530 for this reporting period

<u>Milestone/Task #6:</u>
Select indicators for 8 mills. See attached milestone/task chart to view changes made to the Project Schedule.

Planned:
Partner with 8 mills and 8 mill communities to develop mill specific indicators. Select indicators for mills. As mills other than Boise Wallula come on board, select their indicators.

Actual Work Completed:
Partnerships established with Gray's Harbor Paper and Simpson Tacoma to develop mill specific indicators.

Output and/or Outcome Achieved:
Mill collaboration continues. Draft indicators include costs of goods and services, community involvement, raw materials, energy, air, water, waste, biodiversity and natural habitat, remediation projects, compliance, labor practices and decent work, safety, human rights, environmental justice, social awards, and odors/nuisances/noise. Task 6, as it pertains to indicator analysis, is 55% complete.

Unit Cost thus far to accomplish this goal/objective:
Approximately $860 to date, approximately $460 for this reporting period

<u>Milestone/Task# 7:</u>
Amend the Quality Assurance Project Plan (QAPP). See attached milestone/task chart to view changes made to the Project Schedule.

Planned:
Develop data quality objectives for 8 individual mill footprints. Amend QAPP. The QAPP will be amended to include individual mill indicators, using the indicators selected for Boise as a starting point.

Actual Work Completed:
QAPP amendment I submitted to and accepted by EPA Region 10.

Output and/or Outcome Achieved:
QAPP developed, submitted, and accepted. Task 7 is 50% complete.

Unit Cost thus far to accomplish this goal/objective:
Approximately $3200

<u>Milestone/Task #8:</u>
Develop stakeholder involvement plan. See attached milestone/task chart to view changes made to the Project Schedule.

Planned:
Develop a community stakeholder involvement plan. With CERES guidance, establish written roles and expectations of stakeholder group. Determine budget and timeline for meetings. (Meetings will vary between public meetings, focus groups, and workshops.)

Actual Work Completed:
Draft stakeholder involvement plan developed.

Output and/or Outcome Achieved:
Developed a draft plan template, including goals/objectives, written roles, approach and methods, and schedule. Establishing budgeting requirements for outreach and involvement. Identification of potential stakeholders for Boise Wallula, Gray's Harbor Paper and Simpson Tacoma underway. Task 8 is 65% complete

Unit Cost thus far to accomplish this goal/objective:
Approximately $ 1350 to date, approximately $550 this reporting period

<u>Milestone/Task #9:</u>
Develop baseline footprints for 8 mills. See attached milestone/task chart to view changes made to the Project Schedule.

Planned:
Collect and analyze data to complete 8 baseline footprints. Once QAPP is amended, work with participating mills on data selection. Waste indicator portion of Boise Wallula footprint complete. Next indicator selected.

Actual Work Completed:
Waste data for development of the waste indicator received from Boise Wallula.

Output and/or Outcome Achieved:
Boise Wallula waste data reviewed for comprehensiveness.

Unit Cost thus far to accomplish this goal/objective:
$0.00

II. Difficulties Encountered:

<u>Milestone/Task# 1</u>:
Secure agency resources. Completed as described in Quarterly Report 2.

<u>Milestone/Task# 2</u>:
Secure mill participation.

Problem(s):
Number of mills participating is lower then projected. Most of the major facilities continue to see this project as a burden that will not benefit them.

Resolution/Corrective Action Plan and Schedule:
See attached milestone/task chart to view changes made to the Project Schedule. Securing participation is likely to be an iterative process. End date changed from May 2007 to April 2008, in order to ensure that all footprints are completed and added to the final report. We will proceed with those mills that have agreed to participate and continue to pursue others. We expect the more reluctant mills will become more interested as our efforts to integrate the footprint project with ongoing agency incentives work continues. A future update of the project progress will be sent to all mills, in order to encourage participation and for the purposes of informing participating mills of what the others are doing.

<u>Milestone/Task# 3</u>:

Select sector indicators.

Problem(s):
Need input for pulp and paper sector on sector indicators

Resolution/Corrective Action Plan and Schedule:
See attached milestone/task chart to view changes made to the Project Schedule. End date changed from February 2007 to July 2007. Conduct collaboration meeting with all participating mills to determine if draft indicators are appropriate and representative of the pulp and paper sector footprint. Meeting will take place in late May or early June 2007.

Milestone/Task #4:
Conduct community outreach.

Problem(s):
The contractor responsible for the development and implementation of the stakeholder/community involvement plan has not been selected. Therefore, community outreach did not take place as anticipated. Update of project progress was not sent to mills.

Resolution/Corrective Action Plan and Schedule:
Contractor will be in place June 2007, and a final community involvement plan will be developed and instituted after that time. Send update of project progress to all mills, in order to encourage participation and for the purposes of informing participating mills of what the others are doing.

Milestone/Task #5:
Secure contractor support. See attached milestone/task chart to view changes made to the Project Schedule.

Problem(s):
Due to time spent defining work scope of the RFP, contractor support was not secured according to the project schedule. The project schedule has been updated to reflect a new time frame of January 2007 – June 2007 for this milestone/task.

Resolution/Corrective Action Plan and Schedule:
See attached milestone/task chart to view changes made to the Project Schedule. End date changed from May 2007 to June 2007. Contractor support will be secured by June 2007.

Milestone/Task #6:
Select indicators for 8 mills.

Problem(s):
Number of mills participating is lower than projected.

Resolution/Corrective Action Plan and Schedule:
See attached milestone/task chart to view changes made to the Project Schedule. End date changed from July 2007 to December 2007, to account for time needed on mills currently participating. Mill specific indicators will be developed as each new mill agrees to participate. Collaboration meeting with all participating mills, to discuss draft indicators, will take place in late May or early June. We continue work to secure mill participation. Pursue contact with Weyerhaeuser Longview, as they have expressed interest. A future update of the project progress will be sent to all mills, in order to encourage participation and for the purposes of informing participating mills of what the others are doing.

Milestone/Task# 7:
Amend QAPP.

Problem(s):
Amendment II did not occur

Resolution/Corrective Action Plan and Schedule:
See attached milestone/task chart to view changes made to the Project Schedule. Amendment II date changed from April 2007 through May 2007 to June 2007 through August 2007. This will accommodate indicator development on the mills currently participating. Indicators will be developed one at a time. QAPP will be amended to reflect quality objectives for individual mill footprint data as data collection takes place. More amendments than were originally scheduled may need to take place, based on the data presented.

Milestone/Task #8:
Develop stakeholder involvement plan.

Problem(s):
Require contractor expertise to fully develop and implement stakeholder involvement plan. Budget and timeline for meetings not yet determined.

Resolution/Corrective Action Plan and Schedule:
See attached milestone/task chart to view changes made to the Project Schedule. End date changed from April 2007 to August 2007 in order to facilitate the contractor's work scope. Contractor support will be secured by June 2007. Stakeholder involvement plan will be developed and implemented by August 2007, to include budget and meeting schedule.

<u>Milestone/Task #9:</u>
Develop baseline footprints for 8 mills

Problem(s):
Number of mills participating is lower than projected. Waste indicator portion of Boise Wallula footprint was not completed as anticipated. QAPP needed to be developed and approved.

Resolution/Corrective Action Plan and Schedule:
See attached milestone/task chart to view changes made to the Project Schedule. End date changed from July 2007 to December 2007. This will allow time for baseline footprint development on currently participating mills. Continue work to secure mill participation. An update of the project progress will be sent to all mills, in order to encourage participation and for the purposes of informing participating mills of what the others are doing. Now that QAPP is approved, we will accept data from the mills and development of baseline footprints can take place, one indicator at a time.

III. Activity Anticipated During Next Reporting Period:

<u>Milestone/Task # 1:</u> Task 1 complete, as described in Quarterly Report Number 2.

<u>Milestone/Task# 2</u>: Continue to secure mill participation. Invitation to participate and project updates will be sent to Kimberly-Clark (Everett), Nippon Paper Industries (Port Angeles), Georgia Pacific West (Bellingham), Georgia Pacific (Camas), Port Townsend Paper, Sonoco (Sumner), Weyerhaeuser (Longview), and Longview Fiber Paper and Packaging.

<u>Milestone/Task# 3</u>: Conduct mill collaboration and stakeholder involvement meetings to finalize indicators.

<u>Milestone/Task #4</u>: Hire contractor. Develop and implement community/stakeholder outreach plan. Send update of project progress to all mills, in order to encourage participation and for the purposes of informing participating mills of what the others are doing.

<u>Milestone/Task #5</u>: RFP Proposals due May 10, 2007; Proposal evaluation complete May 17, 2007; Oral interviews with finalists complete May 24, 2007; Announce "Apparent Successful Contractor" and send notification via fax or e-mail to unsuccessful Consultants by May 31, 2007; Negotiate contract June 6, 2007 – June 11, 2007; File contract with OFM June 11, 2007; Begin contract work June 25, 2007.

<u>Milestone/Task #6</u>: Work with mills and stakeholder groups on indicator selection. Indicator selection for individual mills 80% complete.

<u>Milestone/Task# 7</u>: Amend QAPP as necessary.

<u>Milestone/Task #8</u>: Hire contractor. Develop and implement stakeholder involvement plan. Determine budget and timeline for meetings. (Meetings will vary between public meetings, focus groups, and workshops.)

<u>Milestone/Task #9:</u> Work with participating mills on data selection. Waste indicator portion of Boise Wallula footprint complete. Data collection for indicator development for one indicator will be completed for both Gray's Harbor Paper and Simpson Tacoma.

<u>Future Quarterly Report due dates</u>:

August 10, 2007
November 10, 2007
February 10, 2008
May 10, 2008
August 10, 2008
November 10, 2008
February 10, 2009
Close-out - April 4, 2009

IV. Financial Report

Financial Information removed by EPA as confidential business information.

Signature (Recipient Authorized Official): _____Carol Kraege _____
Date:____May 9, 2007_____
(If progress report is transmitted by e-mail, please save the e-mail as part of the official project file).

Note: Upon receipt of progress report, the EPA project officer should make a notation on report as to whether it is acceptable or not and provide guidance to the grantee on changes that will be required for subsequent reports and amendment to the current report.