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NEW JERSEY CHEMICAL INDUSTRY PROJECT

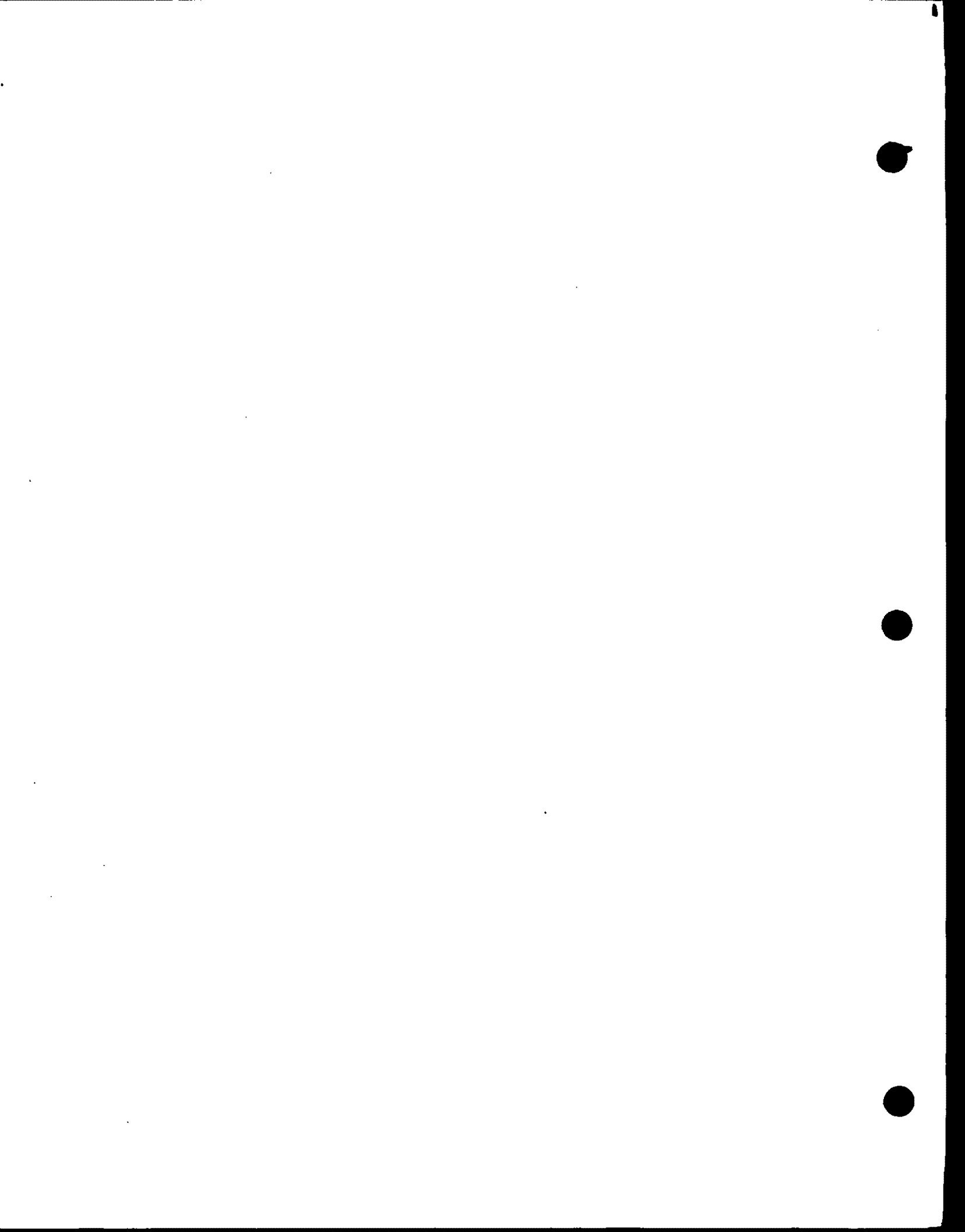
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LIST OF FACILITY ISSUES

October 10, 1996

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**NEW JERSEY CHEMICAL INDUSTRY PROJECT
LIST OF FACILITY ISSUES**

Table of Contents

<u>ISSUE CODE</u>	<u>ISSUE TOPIC</u>	<u>PAGE #</u>
I. AIR		
A-1	Permit Requirements for Upgrading to More Energy Efficient Equipment or Equipment with Lower Environmental Emissions <i>Upgrading/Changing Equipment without Revising Permits</i>	1
A-2	Costs of Stack Compliance Demonstrations <i>Decreasing Costs for Stack Compliance Demonstrations for Small Facilities</i>	5
A-3	<i>De minimis</i> Threshold for CAA Title V Operating Permit <i>Establishing De minimis Threshold for Process Equipment</i>	8
A-4	New NESHAP Requirement, Title III of CAA <i>New NESHAP Rule as It Applies to Wastewater Treatment Plants</i>	11
A-5	Emissions from Mobile Sources vs. Those from Stationary Sources <i>NOx and VOC Trading between Stationary and Mobile Sources</i>	14
A-6	Accidental Releases under NJ TCPA and CAA 112	17
A-7	Potential to Emit Calculations	21
A-8	Bubble Air Permit <i>Bubble Air Permit for a Production Section</i>	25

**NEW JERSEY CHEMICAL INDUSTRY PROJECT
LIST OF FACILITY ISSUES**

Table of Contents

<u>ISSUE CODE</u>	<u>ISSUE TOPIC</u>	<u>PAGE #</u>
II. HAZARDOUS WASTE		
HW-1	Waste Handling <i>Pollution Prevention Credits for Out of Process Recycling</i>	1
HW-2	Out of Process Recycling of Hazardous Wastes <i>Incentives for Out of Process Recycling of Hazardous Wastes</i>	4
HW-3	Cross Facility Reprocessing/Recycling <i>Reprocess/Recycle Materials Across Facilities</i>	7
HW-4	Land Ban Prohibition of Wastewater Alcohol Reuse <i>Establish Protocols to Evaluate Reuse of Aqueous Alcohols</i>	10
HW-5	Listing of Waste from Dye Production as Hazardous	12
HW-6	Recirculation of Wastewater as Cooling Water <i>Reusing Treated Wastewater in Plant and an Adjoining Cogeneration Plant</i>	14
HW-7	Difficulty of Site Remediation for Small Companies	17
HW-8	Solid/Hazardous Waste Definition	19

**NEW JERSEY CHEMICAL INDUSTRY PROJECT
LIST OF FACILITY ISSUES**

Table of Contents

<u>ISSUE CODE</u>	<u>ISSUE TOPIC</u>	<u>PAGE #</u>
III. WATER		
W-1	Pharmaceutical Effluent Guidelines	1
W-2	Cost Effectiveness of Pretreatment Requirements <i>Pretreatment of Organics Before Discharge to a POTW</i>	3
W-3	NJPDES Permit Concerns <i>Revise Five-Day Biochemical Oxygen Demand (BOD₅) and Sludge Flow Requirements under Stormwater Permits</i>	6
W-4	Effluent Requirements for Organic Chemicals <i>Minimizing Waste Load of Facility</i>	8
W-5	Laboratory Analysis of All Effluent Discharges to POTW <i>Minimizing the Frequency of Laboratory Analysis of Facility Effluent Streams</i>	10
W-6	Trading Pollution Limits-Water Discharges <i>Trading Pollution Limits for Copper</i>	12
W-7	Trading Neutralization Chemicals <i>Trading Acidic/Alkaline Substances between Facilities</i>	15
W-8	Waste Minimization <i>Implementation of a Large Scale Waste Minimization Project</i>	18

**NEW JERSEY CHEMICAL INDUSTRY PROJECT
LIST OF FACILITY ISSUES**

Table of Contents

<u>ISSUE CODE</u>	<u>ISSUE TOPIC</u>	<u>PAGE #</u>
IV. MULTI-MEDIA		
MM-1	Flexible Track: Reporting <i>Frequency of Reporting</i>	1
MM-2	Flexible Track: Inspections <i>Implementation of a Tiered Approach to Facility Inspections</i>	6
MM-3	Flexible Track: Permitting	10
MM-4	Paperwork Reduction <i>Consolidating Similar Reporting Schemes</i>	13
MM-5	Turnaround Time for Permit Modifications or Approvals <i>Minimizing the Waiting Period for Permit Modifications</i>	16
MM-6	Registration for Storage Tanks	19
MM-7	Compliance Assistance: Notification of Regulatory Changes <i>Running Notification of Promulgated Regulations</i>	22
MM-8	Compliance Assistance: Guidebook <i>Availability of a Compliance Guidebook</i>	26
MM-9	Assistance for Schools <i>Environmental Partnership with Private/Public Schools</i>	30
MM-10	Amnesty for Voluntary Facility Audits <i>Amnesty for a Voluntary Facility Inspection</i>	33
MM-11	International TSCA Concerns <i>International Registration of Chemicals</i>	37

**NEW JERSEY CHEMICAL INDUSTRY PROJECT
LIST OF FACILITY ISSUES**

Table of Contents

<u>ISSUE CODE</u>	<u>ISSUE TOPIC</u>	<u>PAGE #</u>
MM-12	TRI Expansion	41
MM-13	Label Requirements for Product Containers	43
MM-14	Duplication of Regulations between EPA and Other Agencies <i>Reducing Overlap between Rules of Different Agencies</i>	46
MM-15	Mentoring of Small Businesses <i>Having a Large Corporation Assist a Small Facility in the Batch Permitting Process</i>	49
MM-16	Recognition for Businesses to Achieve Good Environmental Performance	52
MM-17	Shift to Performance-based Standards and Goals	55
MM-18	Different Lists of Chemicals with Different Requirements	58
MM-19	Supplier/Customer Relationship	60
MM-20	Regulatory Testing Procedures	62
MM-21	Compliance with Site-wide Permitting <i>Permitting for Emissions/Discharges on a Facility-Wide Basis</i>	65



NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-1. Permit Requirements for
Upgrading to More Energy Efficient
Equipment or Equipment with Lower
Environmental Emissions**

Possible Pilot Project: Upgrading/ Changing Equipment without Revising Permits

Category: Air

General Issue Statement:

- **Current:** The permitting process provides a disincentive for companies to replace current equipment with equipment that is more efficient. When companies replace equipment with a different model, even if it is more efficient or lower emitting, they have two permitting choices, both of which are less attractive than simply replacing equipment with the same unit. First, they may totally rewrite the permit and thus increase their work load. Alternatively, they may operate with the new equipment and proceed at their own peril. Under this option the company is liable to pay a fine for using the new equipment if it is not eventually approved. Another disincentive to upgrading equipment with a lower emitting unit is the potential for the facility to lose credit for emission reductions.
- **Why is this a problem:** We lose the opportunity to reduce emissions and companies lose potential cost savings because the current permitting system provides disincentives for upgrading equipment (e.g., more efficient turbine) when existing equipment needs to be replaced. These disincentives include the fact that the company may have to rewrite the permit, may be fined if they go ahead with new equipment that is not approved down the road, and may lose credit for emission reductions. In addition, facilities needing to replace existing equipment may face costly delays in operation or production relating to the permitting process if the identical replacement is not available in-house.
- **Alternative to Current:** Develop an alternative approach to permitting that will give the facilities flexibility and incentives to choose to install better technology (e.g., more efficient and/or less emitting) than is specified under their current permits when replacing an existing piece of equipment. Possible fixes could include: (i) providing expedited permit review or requiring only notification for facilities replacing old equipment with more efficient/less emitting units without liability if the technology is not approved; (ii) writing more flexible permits (e.g., general permits

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-1. Permit Requirements for
Upgrading to More Energy Efficient
Equipment or Equipment with Lower
Environmental Emissions**

Possible Pilot Project: Upgrading/ Changing Equipment in Relation to Permitting Requirements
(continued)

or general permit modifications); and (iii) providing incentives for reducing emissions by ensuring retention of emission reduction credits achieved during the permit period.

- **General Benefits of Alternative:** Alternative approach will prevent unnecessary delays and will provide an incentive for facilities to replace old equipment with process units that are more efficient and/or emit fewer pollutants.

Relevant Regulations & Permits: CAA

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** EPA Region 2 thinks this project is doable and several pilots are occurring under the New Source Review (NSR) reform for a concept called Plantwide Applicable Limit or PAL (e.g., equipment can be changed without permit revisions as long as the limit is not exceeded). The Region defers to NJDEP's judgment on this issue, and NJDEP believes the Federal rules are already too loose for New Jersey's air conditions.

EPA Region 2 believes that a concept of "general permits" in the case of small simple sources is a feasible approach. Regulatory agencies and the pilot facility must work on including all the necessary requirements of equipment replacement in the facility's general permit. If a facility replaces a unit of equipment that does not change any of the conditions included within the general permit's provisions, a revised permit is not necessary for the facility.

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-1. Permit Requirements for
Upgrading to More Energy Efficient
Equipment or Equipment with Lower
Environmental Emissions**

Possible Pilot Project: Upgrading/ Changing Equipment in Relation to Permitting Requirements
(continued)

In its past experience, EPA Region 2 has found that a new equipment replacement has the likelihood for greater output and emissions. Because of this Region 2 recommends that the pilot project should focus more on expediting new permits and eliminating the disincentive for facilities to upgrade equipment.

New Jersey has stringent regulations requiring facilities to replace old or broken equipment with equipment exemplifying best available control technology (BACT). Therefore, facilities do not have a disincentive to replace old/broken equipment because of the regulatory requirement. In addition, NJDEP has worked continuously during the past few years to revise its permit program to provide expedient review of permits (i.e., generally within three months). The state does not find it necessary to pursue this issue as a pilot project.

- **Potential for Environmental Improvement:** Can lead to greater energy efficiency and/or lower emissions.
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:** EPA Region 2's Air Planning Branch (APB) would be willing to work on this. NJDEP is not willing to consider it.
- **Other:**

Regulatory Agency Contacts: Bill O'Sullivan, NJDEP, Air Program, 609-984-6721

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-1. Permit Requirements for Upgrading to More Energy Efficient Equipment or Equipment with Lower Environmental Emissions

Possible Pilot Project: Upgrading/ Changing Equipment in Relation to Permitting Requirements (continued)

Industry Source:

- Joe Gentile, CasChem
- Dot Kelly, CIBA-Geigy Corporation

Clarification Questions:

- Specify types of permits.
- Are there existing incentive programs for installing more efficient equipment (e.g., DOE and utility incentive programs)? Are these incentives great enough to offset the costs? Can the costs be reduced to shift the balance toward installing better equipment earlier?
- Facilities will expedite the acquisition of critical equipment (e.g., by paying extra processing fees a new turbine can be acquired in less than 2 weeks). Thus, a three month wait for permit renewal can still cause costly production delays. How do facilities compensate for broken equipment if they are still waiting for permit approval? In cases where the facility is in a compromising position, do they use non-permitted equipment?
- Can companies negotiate potential emission reduction credits prospectively while negotiating their permit?
- Are some processes affected by this issue more than others?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-2. Costs of Stack Compliance
Demonstrations**

**Possible Pilot Project: Decreasing Costs of Stack Compliance Demonstrations for Small Batch
Facilities**

Category: Air

General Issue Statement:

- **Current:** Stack compliance demonstrations are performed for each changeover in process and for every five-year permit renewal. These demonstrations involve stack tests and several different engineering methodologies. One Stakeholder reports spending approximately \$100,000 for a single round of stack compliance demonstrations. This cost includes only the cost of engineering consulting services from an outside firm. Internal costs (e.g., costs of administrative and technical resources) for the company are additional. In this scenario, an engineering consulting firm performed stack compliance demonstrations on one stack that serves as the emission point for several process sources.
- **Why is this a problem:** The cost for stack tests are too expensive for so-called "Mom and Pop" businesses. One Stakeholder has reported that source process modeling is also an additional cost for the company. This additional cost can amount to \$100,000 or more. NJDEP has adopted a regulatory position of requiring facilities to conduct stack compliance demonstrations when changing processes or renewing permits. Hence, these compliance demonstrations are proportionally much more expensive for batch producers than for large continuous producers.
- **Alternative to Current:** Adjust regulations to the specific conditions of batch production. For example, one Stakeholder suggested that parametric monitoring -- monitoring temperature, pressure and other parameters during key points of reactions -- is an alternative to stack compliance tests.
- **General Benefits of Alternative:**

Relevant Regulations & Permits: CAA

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-2. Costs of Stack Compliance
Demonstrations**

**Possible Pilot Project: Decreasing Costs of Stack Compliance Demonstrations for Small Batch
Facilities**
(continued)

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** EPA Region 2 believes that this pilot idea is feasible if the pilot facility determines other alternative ways to demonstrate compliance, such as mass balance estimates or continuous emission monitoring (CEM) requirements. Another alternative may be to exempt certain processes on a case-by-case basis.

NJDEP officials agree that stack testing is expensive but note that only 200 stack tests are required annually in the whole state. There are current alternatives to stack tests (e.g., mass balances, equipment operating parameters). Presently, there is a stack testing group that is a collaborative effort between EPA and NJDEP, in connection with the compliance assurance monitoring (CAM) rule. NJDEP will discuss this pilot idea with the group. NJDEP recognizes that batch chemical manufacturers are more affected by stack compliance demonstrations because it is more difficult to test batch processes. NJDEP would also like EPA to give states general guidance on exceptions to stack tests.

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:** Applicable to smaller batch chemical companies and compounders. Check NJ industry profile for distribution of batch chemical companies by size.
- **Staff Availability:** EPA Region 2's Compliance Division would be willing to participate.
- **Other:**

NOTE: In the event that you cannot reach the EPA or IEc lead for this issue, please contact Catherine Tunis at 202-260-2698.

Draft: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-2. Costs of Stack Compliance Demonstrations

Possible Pilot Project: Decreasing Costs of Stack Compliance Demonstrations for Small Batch Facilities (continued)

Regulatory Agency Contacts: Bill O'Sullivan, NJDEP, Air Program, 609-984-6721

Industry Source:

- Wayne Tamarelli, Dock Resins Corporation
- Relevant to other stakeholders from small companies (Fabricolor, Octagon, CasChem?, TRICON, Pilot)

Clarification Questions:

- What happens after stack compliance demonstrations are performed? Are most batch facilities asked to comply with current regulations?
- How often are stack compliance demonstrations performed at batch chemical facilities?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-3. *De minimis* Threshold for CAA
Title V Operating Permit**

Possible Pilot Project: Establishing *De minimis* Threshold for Process Equipment

Category: Air

General Issue Statement:

- **Current:** Companies presently commit large resources to comply with Title V of CAA. The current NJ requirement dictates the need for facilities to have permits that include details related to air emissions on all process equipment if the facility emits more than 25 tons per year (tpy) of VOCs (this applies only to NJ counties that are considered severe nonattainment areas).
- **Why is this a problem:** The resources involved in complying with this rule are tremendous. Most facilities are faced with completing equipment descriptions that are quite onerous.
- **Alternative to Current:** An alternative to this is a *de minimis* threshold in emissions levels for permitting equipment. For example, a facility may not be required to get permits for units with emissions of less than 5 tons per year; rather, it could simply list the equipment with a limited description. This threshold system is currently in place in some states.
- **General Benefits of Alternative:** Companies favor use of *de minimis* thresholds that provide a facility with incentives to emit less in exchange for a reduced administrative burden. This leads to improved operating flexibility and decreased administrative burden. In addition, the alternative is cheaper and smarter.

Relevant Regulations & Permits: CAA

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** EPA has already provided guidance -- White Paper 1 -- that is relevant to this issue. White Paper 1 allows for facilities to briefly identify and describe their emission units and approximate their emissions (e.g., 5 tpy). White Paper 1 requires that the facility provide a detailed emission analysis of its process units only if it qualifies for the *de minimis* requirement by a small margin (e.g., 4.5 tpy emissions for a *de minimis* requirement of 5 tpy) or if the state needs

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-3. *De Minimis* Threshold for CAA Title V Operating Permit

Possible Pilot Project: Establishing *De Minimis* Threshold for Process Equipment (continued)

a detailed inventory to determine fees. Emission units that do not pertain to the facility's *de minimis* requirement program need detailed process, emission and inventory analysis. However, White Paper 1 is not mandatory for states. According to EPA Region 2, White Paper 1 provides a lot of flexibility and any additional flexibility is likely to be explicit in the CAA. The Stakeholder Group needs to discuss White Paper 1 with NJDEP officials to:

- ▶ Determine NJDEP's evaluation of recommendations included in White Paper 1;
- ▶ Determine whether NJDEP requires a New Source Reduction (NSR) permit for sources that fall below the *de minimis* threshold;
- ▶ Review New Jersey's NSR State Implementation Plan (SIP) and determine if this proposal would be seen as "rolling back" requirements (prohibited by CAA).
- ▶ Analyze the effect of a *de minimis* program on New Jersey's efforts to meet the Reasonable Further Progress program in its attainment demonstrations.

EPA Region 2 will defer to New Jersey on this issue if it is pursued as a pilot project.

NJDEP has a current *de minimis* threshold program that is based on measurable engineering standards (e.g., heat input value on boilers) and the chemical emissions listed on the permit. Therefore, NJDEP officials do not believe that a pilot on this issue is necessary. NJDEP is sending additional materials and is interested in discussing this further with facilities that want to participate in this existing program.

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:** EPA Region 2 defers to NJDEP on this issue.

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-3. *De Minimis* Threshold for CAA
Title V Operating Permit**

Possible Pilot Project: Establishing *De Minimis* Threshold for Process Equipment
(continued)

- **Other:** One potential problem for doing a pilot project on this issue is that the implementation of *de minimis* thresholds must happen soon. Several facilities have to complete "process description" paperwork for permit renewals due in August 1997.

There is also concern that a *de minimis* exemption may encourage companies to have more pieces of smaller equipment rather than fewer pieces of larger equipment, potentially leading to increased emissions. The alternative therefore must include a mechanism that ensures that total emissions do not increase. For example, the alternative may be a blanket permit for smaller equipment with a cap that is less than the total would be for each permitted tank. According to one Stakeholder, it is unlikely that facilities will increase the number of their process units because these units are costly.

Regulatory Agency Contacts: Bill O'Sullivan, NJDEP, Air Program, 609-984-6721

Industry Source: Peg Pierce, E.I. Dupont

Clarification Questions:

- Do these thresholds apply to only certain industries? What have been the impacts of these programs -- e.g., environmental, and cost savings for companies and agencies?
- How many previous proposals has Dupont submitted to NJDEP? What was the date of the most recent *de minimis* proposal submitted to DEP? Were all of Dupont's *de minimis* proposals related to batch, continuous or a combination of both processes?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-4. New NESHAP Requirement, Title III of CAA

Possible Pilot Project: New NESHAP Rule as it Applies to Wastewater Treatment Plants

Category: Air

General Issue Statement:

- **Current:** This issue focuses on off-site wastes that are treated in a wastewater treatment plant owned by a manufacturing facility. The NESHAP rule requires treatment plants that are associated with a major emitting facility and accept off-site waste for treatment to treat all waste streams with more than 500 ppm of HAPs before the waste stream enters the plant. In this case, the facility is presented with two options: (1) steam strip the organics prior to their entering into the treatment plant; or (2) cover the tanks and vent the gaseous emissions to a pollution control device.
- **Why is this a problem:** WWTPs that are directly affiliated with a large manufacturing facility and accept off-site waste are regulated and sometimes the combined emissions of the large manufacturing facility and WWTP categorize both as "major sources." In contrast, an independent WWTP (one that is not directly affiliated with a major manufacturing facility) is usually not regulated and is not a "major source." Because of the distinction between these types of plants, WWTPs that are independent will have an unfair advantage over those that are not. Unlike independent WWTPs, non-independent ones face compliance requirements that are costly or even technically infeasible. To meet these requirements, these facilities must either steam strip organics (reducing necessary bio-nutrients for the WWTP) or place covers over aerators, clarifiers, and neutralizers of the WWTP. Dupont has carefully studied both alternatives and has estimated that applying either of the available compliance alternatives to its WWTP will cost the company \$10 million.
- **Alternative to Current:** Allow facilities to consider alternative approaches to reducing HAPs emissions from the whole manufacturing site, not just the wastewater treatment plant. This may lead to more cost-effective reductions.
- **General Benefits of Alternative:** Increased cost-effectiveness in reducing HAPs.

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-4. New NESHAP Requirement, Title III of CAA

Possible Pilot Project: New NESHAP Rule as it Applies to Wastewater Treatment Plants (continued)

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** According to EPA Region 2, the current maximum achievable control technology (MACT) standards do not provide the flexibility that the proposers are seeking. Therefore, Region 2 cannot participate in any activity related to this issue unless EPA's Office of Air Quality Planning and Standards (OAQPS) changes the MACT standards via a new rulemaking. This issue requires a revision of regulations.

NJDEP believes that there can be no emissions trading for hazardous air pollutants and that the facility must follow MACT standards. Furthermore, NJDEP would need to know the level of emissions in question and the costs of control before they could consider this issue.
- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:** The rule affects any manufacturing facility's WWTP that accepts wastes from commercial sources. The number of facilities affected by this rule will determine the transferability of this issue. Although Dupont's Chambers Works facility is the only Stakeholder company affected by the rule, it is important to determine how many other facilities are affected outside of the Stakeholder group.
- **Staff Availability:**
- **Other:** Commercial off-site waste comprises two percent by volume of Dupont's treated waste and 60 percent of its organic load. Although not yet approved, Dupont has submitted an early reduction application to EPA Region 2 that would give it a six year extension in meeting the NESHAP.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-4. New NESHAP Requirement, Title III of CAA

Possible Pilot Project: New NESHAP Rule as it Applies to Wastewater Treatment Plants
(continued)

Relevant Regulations & Permits:

- CAA (Title III)
- Offsite Waste Recovery Operations (OSWRO)
- NESHAP

Regulatory Agency Contacts: Bill O'Sullivan, NJDEP, Air Program, 609-984-6721

Industry Source:

- Peg Pierce, E.I. Dupont
- Jennifer The, E.I. Dupont

Clarification Questions:

- What other plants are affected by this rule? How many are in New Jersey?
- Can Dupont consider other alternatives too? For example, could they cover the part of the WWTP with the worst emissions, then reduce other emissions from other parts of the plant?
- How large are the HAPs emissions and control costs for non-independent WWTPs?
- Can/should flexibility in the current regulations be sought?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-5. Emissions from Mobile Sources
vs. Those from Stationary Sources**

Possible Pilot Project: NOx and VOC Trading between Stationary and Mobile Sources

Category: Air

General Issue Statement:

- **Current:** Presently, regulations have high controls on stationary sources vs. lack of controls on mobile sources.
- **Why is this a problem:** New Jersey is non-attainment for ozone, yet costs of additional controls on stationary sources are relatively high compared to controls on mobile and other sources (e.g., garden equipment). The political climate has not been favorable to placing additional controls on mobile sources.
- **Alternative to Current:** Establish a trading program where a company voluntarily reduces emissions from mobile and/or other sources (or pays others to reduce emissions from these sources) in exchange for flexibility or some increase in allowable emissions from stationary sources. Emissions traded could be VOCs, NOx, or both.
- **General Benefits of Alternative:** The marginal cost of additional emissions reductions from mobile sources is generally less than that for stationary sources.

Relevant Regulations & Permits:

- NJ Subchapter 30 (Open Market Trading Program)

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** EPA Region 2 thinks this project is a good idea. However, a pilot project on this issue will face several challenges:
 - ▶ It is difficult to measure and quantify reductions in VOC emissions.

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-5. VOCs from Mobile Sources vs.
Those from Stationary Sources**

Possible Pilot Project: NOx and VOC Trading between Stationary and Mobile Sources
(continued)

- Many VOCs are hazardous air pollutants (HAPs); any approach to this pilot must address the potential for trading emissions between a less hazardous substance and a more hazardous one.
- Trading NOx emissions for VOC emissions is feasible but is scientifically challenging.
- Trading facilities must devise a way to equate emissions from mobile sources with those from stationary sources.

Region 2 does not see any regulatory prohibitions in undertaking the proposed trading scheme. Most trading schemes undertaken in the Northeast have been coordinated by the Northeast States for Coordinated Air Use Management (NESCAUM) and the Mid-Atlantic Regional Air Management Association (MARAMA). Therefore, a pilot project in this area should include these two associations, since they have initiated trading pilot projects in the past.

NJDEP agrees that this is an excellent idea for a pilot project. Facilities should consult the NJ Emission Trading Rule for more information. NJDEP has suggested that NOx trading is less expensive to perform for stationary sources; and VOC trading is less expensive for mobile sources. According to DEP, Simon Chemical in Philadelphia has past experience in trading and Merck is currently trying to initiate a trading program. If a pilot project is pursued, DEP maintains that a collaborative effort between regulatory agencies and experienced companies will lead to the best results.

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:**

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-5. VOCs from Mobile Sources vs.
Those from Stationary Sources**

Possible Pilot Project: NOx and VOC Trading between Stationary and Mobile Sources
(continued)

- **Staff Availability:** EPA Region 2 would be interested in participating, as would NJDEP.
- **Other:** The company most likely to be in a position to pilot a trading program does not seem interested.

Regulatory Agency Contacts: Bill O'Sullivan, NJDEP, Air Program, 609-984-6721

Industry Source:

- Ed Lloyd, Environmental Law Clinic
- David Mueller, PARAMINS, Exxon Chemical Company

Clarification Questions:

- What are the data sources for VOCs, NOx emissions from stationary vs. mobile sources?
- Exxon claims that trading has occurred in California? What are the exact details behind this trading situation?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-6. Accidental Releases under NJ
TCPA and CAA 112**

Category: Air

General Issue Statement:

- **Current:** New Jersey's Toxic Catastrophe Prevention Act (TCPA) and the Clean Air Act (CAA §112) require facilities to design and implement programs to prevent catastrophic accidental releases, if they use or store certain chemicals (e.g., propane, ammonia and chlorine). These programs include emergency response plans, risk management plans, and estimates of the impact of accidental releases. To estimate the impact of accidental release of a flammable chemical, a company must consider the largest storage unit for the flammable chemical; assume that the entire quantity of the chemical in the storage unit vaporizes; assume a vapor cloud explosion; and estimate the effect of such a release on the surrounding area.
- **Why is this a problem:** Ensuring that the facility adheres to the NJ TCPA and CAA §112 is a large undertaking for a small facility. These are usually facilities too small to take advantage of guidance and/or resources from the Chemical Manufacturers Association (CMA) and the Synthetic Organic Chemical Manufacturers Association (SOCMA). Therefore, hazard assessment and accidental release calculations can be time-intensive and resource-intensive for small facilities. At present, all facilities that qualify under the NJ TCPA and CAA §112 have to perform calculations using two different accidental release scenarios. Although NJDEP has maintained that it will adopt EPA's risk management program (RMP) rule, it also has the flexibility to require additional provisions that are more stringent than the current EPA RMP. With that in mind, facilities may still have to perform two sets of accidental release scenarios.

Besides the time and resources necessary to perform these accidental release estimates, facilities are concerned with possible consequences if EPA allows all these estimates to be released to the public. Facilities feel that releasing this information to the public raises security and confidentiality concerns.

- **Alternative to Current:** Facilities are interested in performing accidental release estimates based on a consolidated set of requirements. This may take coordination between EPA and NJDEP but facilities feel that it is not easy for them to follow two regulatory scenarios. Facilities understand the necessity for all these estimates but believe that a consolidated set of worst case scenario requirements can make their environmental/compliance work more efficient.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-6. Accidental Releases under NJ
TCPA and CAA 112**

(continued)

Facilities also would like to see the accidental release information distributed only to individuals who have legitimate interests. For instance, facilities believe it is necessary for local emergency response personnel (e.g., fire and police) to have this information available but do not feel that all members of the public should have access to this information. Alternatively, perhaps certain public officials and/or community leaders could have access to this information or the local community as a whole could have access to this information under a more controlled setting.

- **General Benefits of Alternative:** By coordinating their efforts in this area, EPA and NJDEP will minimize reporting burden on the regulated community.

Relevant Regulations & Permits:

- NJ TCPA
- CAA §112(r)(7): [Final Rule: 40 CFR Part 68 (Federal Register, Vol. 61, No. 120, June 20, 1996)]

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** In developing its final rule, EPA attempted to ease the regulatory burden associated with accidental release calculations by providing "look-up" tables to assist facilities. EPA's Chemical Emergency Preparedness and Prevention Office (CEPPO) is currently working in conjunction with the Synthetic Organic Chemical Manufacturers Association (SOCMA) to develop model risk management programs and plans for batch operators.

Before EPA finalized the CAA rule on June 20, 1996, it addressed, in several hearings, industry concerns over security and confidentiality. EPA's final rule states that a facility's risk management plan (which includes accidental release information) is accessible to the public, state and local governments, and an EPA officer. Therefore, there may be little or no flexibility on this issue.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-6. Accidental Releases under NJ TCPA and CAA 112

(continued)

EPA Region 2 understands industry's concern over the competing demands of complying with multiple regulations -- NJ TCPA, CAA §112(r) and OSHA's Chemical Process Safety Management Standard -- but it has maintained that NJDEP programs have preceded and have served as models for national programs. NJDEP is in the process of revising NJ TCPA requirements to reconcile them with EPA's Risk Management Program (RMP) rule (Federal Register, June 20, 1996). Ongoing litigation in this process will complicate this reconciliation. To help address regulatory differences between EPA and NJDEP, Region 2 has suggested that Stakeholders should contact NJDEP to identify an appropriate forum to represent their interest as NJDEP develops proposals for revising TCPA requirements to be presented to the state legislature. The deadline for NJDEP to consolidate their requirements with the EPA RMP is June 1998.

NJDEP does not have any further comments on this issue. It has deferred the evaluation of this issue proposal to the EPA's CEPPPO. EPA's CEPPPO comments focus on clarification of the RMP rule: note that "lookup" tables were developed to ease reporting; emphasize the role of public access information; and urge additional discussion to determine if there are opportunities to resolve conflict between EPA and NJ requirements, and if any unique steps required of batch chemical manufacturers can be captured in model risk management programs and plans.

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:** Need to determine where Stakeholder companies fit into EPA's defined program groups so that requirements necessary for companies to fulfill are defined.
- **Staff Availability:** EPA HQ expressed a willingness for discussion, but perhaps not a pilot.
- **Other:** CAA Rule is effective as of August 19, 1996. NJDEP has adopted the EPA rule and has also updated current TCPA rules.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**A-6. Accidental Releases under NJ
TCPA and CAA 112**

(continued)

Regulatory Agency Contacts: Craig Matthiessen, EPA/CEPPO, 202-260-9781

Industry Source:

- Richard Rosera, Pilot Chemical Company
- Other stakeholders mentioned TCPA as well

Clarification Questions:

- Clarify exactly how EPA rule and NJ TCPA are different.
- What modifications does NJ need to make as a result of the EPA RMP requirements?
- Are there additional opportunities to resolve conflict or duplication between EPA environmental requirements or EPA and NJ environmental requirements exposed through the RMP development process?
- What unique steps are required of small specialty or batch chemical process operators to address the RMP requirements (e.g. limited campaigns, sporadic covered chemical use)?
 - ▶ How can these steps be captured in a model risk management program/plan for use by all specialty or batch processors? (Note: EPA has already been in contact with SOCMA on this issue)
- What are the lessons learned in engaging the public in risk communications?
 - ▶ What unique challenges are there for small and medium businesses in this area?
 - ▶ Is there room for more guidance or are there useful tools already available?
- Investigate impact of the new tiered regulatory scheme (i.e., classifying facilities as Program 1, 2, or 3) on NJ batch chemical facilities.
- Does NJ's new statute urging Federal and state conformity apply in this case?
- How will ongoing litigation affect any effort we may undertake?

Issue Leads:

- Fred Talcott (EPA/OPPE), phone: 202-260-2768, fax: 202-260-8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEc lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-7. Potential to Emit Calculations

Category: Air

General Issue Statement:

- **Current:** Current regulations require facilities to perform "potential to emit" (PTE) calculations for process units related to air emissions and also when processes change during the year. These calculations differ from "actual" emissions calculations that also must be performed on the source/unit by facility staff. Actual emissions calculations involve using data directly related to the source and plant operations. An example of actual data is a plant's operating schedule -- a 40 hour per week operating scheme. In contrast, PTE calculations include data that relate to a plant's maximum capacity. Instead of considering the 40-hour per week operations of a facility, PTE calculations will consider the plant as a 168-hour per week facility (or operating on a 24-hour per day, seven day per week basis).
- **Why is this a problem:** Because of how PTE requirements are currently written, air emissions of process units are usually overstated. Specifically, in performing PTE calculations, a facility must: (i) assume that it is operating on a continuous basis, i.e. 24 hours per day; and (ii) use worst case emissions from a materials usage standpoint. For example, a plant operating 50 hours per week must base its PTE calculations on a 24-hour per day (168 hours per week) operating scheme. Furthermore, if a plant uses more than one regulated chemical, it must use data related to the chemical with the highest potential for generating pollutants in its PTE calculations. Facilities have found that their PTE calculations have placed them beyond certain threshold limits and hence classify them as major sources. Some facilities have continuously demonstrated emissions below their PTE calculations and the threshold levels set forth in the Clean Air Act. Therefore, they feel that they should not be categorized as major sources.

Some facilities, especially small ones, have found these calculations to be resource and time intensive. In fact, some small facilities have resorted to using environmental consultants to perform these calculations because of a shortage in their environmental/compliance staff. Calculations may take from one day to one week. The cost has been estimated at \$10,000 to \$25,000 per year for a consultant to perform and complete a facility's PTE calculations. Hence, facilities see the need to balance the high costs of conducting these calculations vs. the potential environmental benefits. Most permits are written for a five-year period, and facilities find themselves verifying calculations annually or more often if process changes occur.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-7. Potential to Emit Calculations

(continued)

- **Alternative to Current:** One alternative would be a "ratcheted-down" version of the PTE requirements that would lead to less overstated emission results. If a facility demonstrates that it continuously has emissions below threshold levels, EPA should allow the facility to ratchet down/limit its PTE calculations by using more reasonable assumptions. A candidate facility for such a program would have to demonstrate that it currently has emissions below its PTE calculations and CAA threshold levels because of the facility's operating conditions, limits on operating schedule, etc.

Another alternative is to have EPA recognize state imposed permit regulations. That is, to allow facilities to perform PTE calculations using state approved methods and assumptions. These calculations would not be "weaker" calculations but calculations that utilize a scenario that would better portray the facility's operations.

- **General Benefits of Alternative:** Facilities will not have overstated PTE calculations for process units that are related to air emissions. Allowable emission limits will be permanently reduced. Even if business expense flows or incurred production causes emissions to increase, the lower PTE limits will require the plant to keep emissions lower than they otherwise would be, either through improved control technology or pollution prevention. Facilities that fall below major source thresholds could avoid Title V permitting. This will lead to saving considerable staff resources for the industry and agency. In addition, a federally enforceable program under EPA will provide an incentive for facilities to limit their emissions to keep their PTE levels below threshold levels.

Relevant Regulations & Permits:

- CAA [40 CFR §70.2]

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** EPA Headquarters (HQ) is currently pursuing efforts to resolve concerns pertaining to PTE calculations. Guidance was recently finalized for batch chemical plants. EPA HQ's current discussions with various stakeholder groups has three purposes: (i) to recognize state limits as long as they are practically enforceable and the source is in compliance with the limits; (ii)

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

Draft: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-7. Potential to Emit Calculations

(continued)

to justify the need for federal enforceability of PTE limits; and (iii) to perhaps streamline the June 1989 criteria regarding the administrative procedures to create a federally enforceable limit in state permits. EPA Region 2 cannot participate in EPA HQ's current undertaking but suggests that the Stakeholder Group become involved in the current activities administered by EPA's Office of Air Quality Planning and Standards (OAQPS). The PTE proposal will be published in the Federal Register and the Stakeholder Group should participate during the public comment period. EPA Region 2 does not believe that a separate pilot project on this issue is necessary.

Under the current NJDEP operating permit program, facilities utilize "ratcheted-down" calculations to perform PTE calculations. According to NJDEP, facilities that currently fall under the Title V permitting program have already used ratcheted-down PTE calculations. These facilities have qualified for the Title V program because their ratcheted-down calculations have still categorized them as a major source of emissions. NJDEP realizes that some industry officials are either unaware of the current PTE guidelines or have misunderstood the current rule. Because of this, NJDEP officials are open to discuss any problems facilities are currently experiencing with their PTE calculations or misinterpretation of the current rule, and NJDEP does not feel that a pilot project is necessary.

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:** Under an EPA "ratchet down" program, a facility that was once considered a major source is no longer considered such. This will decrease the number of resources allocated by the facility to fulfill CAA requirements. In turn, this means less internal costs for the facility.
- **Transferability:** This issue applies to facilities of all sizes.
- **Staff Availability:** EPA and NJDEP are available for discussions, but probably not a pilot.
- **Other:** In a recent decision, a circuit court ruled that EPA limits are "legally enforceable".

Regulatory Agency Contacts: Bill O'Sullivan, NJDEP, Air Program, 609-984-6721

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

Draft: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-7. Potential to Emit Calculations

(continued)

Industry Source: Joe Gentile, CasChem

Clarification Questions:

- Need to get industry documentation that supports the costs and level of effort for performing these PTE calculations.
- How big of an analytical effort would this require?
- Get specifics of recent court decision.
- Check with SOCMA on Title V permit process.

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-274 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-8. Bubble Air Permit

Possible Pilot Project: Bubble Air Permit for a Production Section

Category: Air

General Issue Statement:

- **Current:** Potential to emit (PTE) calculations are performed for each tank in a production section, instead of for a whole section of tanks. Hence, each tank has its own permit, and the company must project the expected uses and emissions for each tank for a multi-year period.
- **Why is this a problem:** Potential-to-emit calculations are very detailed and onerous. They are also very time-intensive. A blending section of a large facility may have many tanks (e.g., Exxon has 80 tanks) each with its separate permit and calculations. Tank-specific permits also reduce a company's flexibility in choosing which tank to use in producing specific products.
- **Alternative to Current:** One bubble permit can accommodate a whole section of process units (e.g., tanks) as opposed to obtaining many process unit permits. Another option would be to expand the bubble to encompass a whole facility rather than just one section.
- **General Benefits to Alternative:** The total estimated potential emissions for a group of tanks will be less than the sum of potential emissions for each of the tanks. Also, this alternative approach would allow a company more flexibility in changing the use of tanks to respond to client demands.

Relevant Regulations & Permits:

- CAA [40 CFR §70.2]
- NJ SIP Permits

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** According to NJDEP, the CAA part 70 Title V permitting program provides a great deal of flexibility for industry, including allowing for bubble air permits. However, there may be a need to develop category-specific guidance for these types of permits.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

A-8. Bubble Air Permit

Possible Pilot Project: Bubble Air Permit for a Production Section (continued)

Exxon, the initial proposer of this issue, also acknowledges that the current NJ Title V permitting program allows for facilities to have a bubble air permit provision in their existing facility permits. Therefore, they do not feel that there is a need to pursue this idea as a possible pilot project.

- **Potential for Environmental Improvement:** This could be a "cleaner" alternative if EPA/DEP programs require lower actual emissions in exchange for flexibility.
- **Cost-Effectiveness Potential:**
- **Transferability:** Bubble air permits are not site-wide. Instead, they are production section-specific. These do not involve controversial equipment but may involve HAPs.
- **Staff Availability:**
- **Other:**

Regulatory Contacts: Bill O'Sullivan, NJDEP, Air Program, 609-984-6721

Industry Source: Pat Parsons, PARAMINS, Exxon Chemical Company

Clarification Questions:

- Is Merck currently pursuing this issue with its Project XL pilot?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEc lead for this issue, please contact Catherine Tunis at 202-260-2698.

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

HW-1. Waste Handling

Possible Pilot Project: Pollution Prevention Credits for Out of Process Recycling

Category: Hazardous Waste, Pollution Prevention

General Issue Statement:

- **Current:** Recycling is currently defined as either in-process or out of process. In-process recycling is considered "pollution prevention" under the NJ Pollution Prevention (P2) law but out of process is not. Thus, companies get "credit" toward the goals in their P2 Plan only for in-process recycling.
- **Why is this a problem:** Batch chemical manufacturers (more than continuous chemical manufacturers) are concerned with the differences between the two categories of recycling. Closed pipes and tanks are needed to qualify for in-process closed recycling. The basic equipment and processes of batch manufacturing do not allow batch manufacturers to recycle using a closed system and, therefore, prevents them from getting pollution credit for their recycling efforts.
- **Alternative to Current:** Develop a regulatory framework that offers companies incentives for out of process recycling. One approach could be to broaden the definition of pollution prevention by relaxing "hard pipe" requirements. This will encourage increased recycling since manufacturers will be allowed to obtain "credit" for "pollution prevention."
- **General Benefits of Alternative:** Batch manufacturers will recycle more when there are additional incentives such as receiving credit toward their P2 goals. Increased recycling also enhances their public image, an important driver of environmental performance.

Relevant Regulations & Permits:

- RCRA 261.2 (Definition of Solid Waste)
- NJ P2 Regulations

Evaluation Factors:

- **Overall Assessment:**

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

HW-1. Waste Handling

Possible Pilot Project: Pollution Prevention Credit for Out of Process Recycling (continued)

- **Room for Flexibility:** EPA is currently revising the Definition of Solid Waste so that it may be more flexible. EPA Region 2's Division of Environmental Planning and Protection (DEPP) recommends that this project be put on hold until the proposed rule is issued so that a determination can be made as to whether the new rule solves the issues identified. Information on the proposed rule may be available within the next few months. EPA Region 2's RCRA Office feels that this is a doable project, but states it is best addressed by NJDEP.

According to NJDEP's Pollution Prevention (P2) Office, NJDEP rules explicitly state that the goal of pollution prevention is source reduction and not recycling. Furthermore, the rules also contain a provision for including out of process recycling in meeting P2 Plan goals if the company has no other alternatives. NJDEP's Hazardous Waste Office thinks this issue should be put on hold until after the Definition of Solid Waste is proposed.

- **Potential for Environmental Improvement:** Allowing more recycling will decrease chemical waste disposal and treatment.
- **Cost-Effectiveness Potential:** Additional recycling will decrease chemical disposal costs for a facility.
- **Transferability:** In-process vs. out of process definitions affects all batch manufacturers in NJ.
- **Staff Availability:** The NJDEP P2 office would not be willing to participate in a pilot project.
- **Other:** CIBA is pursuing the in-process/out of process issue with DEP on its own. Therefore, CIBA may be on a fast track relative to any pilot that we would do. Also, CIBA may not be a good candidate for any pilots because of change in corporate ownership and structure.

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

HW-1. Waste Handling

Possible Pilot Project: Pollution Prevention Credit for Out of Process Recycling
(continued)

Regulatory Contacts:

- Mike Aucott, NJDEP P2 Office, 609-777-4323
- Jeanne Herb, NJDEP P2 Office, 609-777-0518
- Frank Coolick, NJDEP Hazardous Waste Office, 609-633-1418

Industry Source:

- Dot Kelly, CIBA-Geigy Corporation
- David Mueller, PARAMINS, Exxon Chemical Company

Clarification Questions:

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

HW-2. Out of Process Recycling of Hazardous Wastes

Possible Pilot Project: Incentives for Out of Process Recycling of Hazardous Wastes

Category: Hazardous Waste

General Issue Statement:

- **Current:** Current regulations provide a disincentive for out of process recycling. If a facility recycles a RCRA hazardous material out of process that has been generated more than 90 days earlier, it is considered a hazardous waste treatment, storage, and disposal facility (TSDF).
- **Why is this a problem:** Since companies do not want to contend with the regulatory burden of being a TSDF, they dispose of hazardous waste products instead of recycling them, even if the products are usable input. A key opportunity to decrease the quantity of raw materials used, as well as waste disposed, is therefore lost.
- **Alternative to Current:** Develop regulatory framework that allows companies to recycle materials out of process after 90 days of storage without having to comply with all TSDF requirements.
- **General Benefits to Alternative:** The alternative would increase recycling of products that would otherwise be disposed, thus allowing companies to spend less money on waste disposal and raw materials.

Relevant Regulations & Permits:

- RCRA 261.2 (Definition of Solid Waste), 261.3 (Definition of a Hazardous Waste), 261.6 (Requirements for Recyclable Materials)

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** EPA is currently revising the Definition of Solid Waste so that it may be more flexible. EPA Region 2's DEPP recommends that this project be put on hold until the proposed rule is issued so that a determination can be made as to whether the new rule solves the issues identified. Information on the proposed rule may be available within the next few months.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

HW-2. Out of Process Recycling of Hazardous Wastes

Possible Pilot Project: Incentives for Out of Process Recycling of Hazardous Wastes (continued)

NJDEP's Hazardous Waste Office also thinks this issue should be put on hold until after the Definition of Solid Waste is proposed. In addition, NJDEP is already moving to address this issue by changing its rules to be the same as EPA's. This would make the stricter state standards on complying with TSD requirements equal to the federal requirements. According to NJDEP, this would make the issue a federal issue instead of a state issue.

- **Potential for Environmental Improvement:** Allowing more recycling will decrease chemical waste disposal and treatment.
- **Cost-Effectiveness Potential:** Providing flexibility to recycle will decrease chemical disposal and raw material costs for a facility.
- **Transferability:** Out of process recycling is an issue for many batch chemical plants.
- **Staff Availability:**
- **Other:** Note that there is no prohibition for reuse if the material is stored less than 90 days and is inserted back into a primary or secondary process without additional treatment or reformulation.

Regulatory Contacts:

- Mike Aucott, NJDEP P2 Office, 609-777-4323
- Jeanne Herb, NJDEP P2 Office, 609-777-0518
- Frank Coolick, NJDEP Hazardous Waste Office, 609-633-1418

Industry Source:

- Joe Gentile, CasChem
- Dot Kelly, CIBA-Geigy Corporation
- David Mueller, PARAMINS, Exxon Chemical Company
- Barry Bochner, Fabricolor, Incorporated

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-2. Out of Process Recycling of
Hazardous Wastes**

Possible Pilot Project: Incentives for Out of Process Recycling of Hazardous Wastes
(continued)

Clarification Questions:

- Will EPA's proposed changes to the Definition of Solid Waste allow companies to recycle waste out of process without becoming a TSDF?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-3. Cross Facility
Reprocessing/Recycling**

Possible Pilot Project: Reprocess/Recycle Materials Across Facilities

Category: Hazardous Waste

General Issue Statement:

- **Current:** Presently, it is difficult to recycle materials from one facility to another if they have different ownerships. Facilities are compelled to fulfill requirements outlined for TSDFs under RCRA if a waste product from one facility is to be re-used by another facility as a feedstock.
- **Why is this a problem:** Current Federal RCRA rules allow the beneficial reuse of secondary materials that would otherwise be considered wastes. Neither the generator nor the consumer of the secondary material is required to perform any special activities, such as permitting, recordkeeping or reporting. However, current New Jersey rules impose significant burdens upon those who choose to reuse these materials by not exempting the beneficial reuse of secondary materials from its hazardous waste rules.

The waste product from one facility therefore cannot be used as a process material for another facility even if the two facilities are adjoining. Facility A (responsible for the waste product) has to invest in properly disposing the waste. Facility B (who can use the waste product) will have to purchase fresh feedstock from another facility. Both facilities lose an opportunity to decrease their costs and Facility A has to complete manifests for proper disposal and management of the waste (if deemed hazardous). The resource value of the "waste" is lost. This also increases costs to state and Federal agencies since additional waste streams must be tracked.

- **Alternative to Current:** An alternative to the present system involves facilities providing regulators with a formal notification that they have performed a materials transfer for reprocessing. This could involve less stringent permitting or a system built around exception reporting for this type of transfer. A good example is reprocessing or recycling off-spec petroleum products. Waste produced by one facility can be re-used by a neighboring plant as a feedstock for its manufacturing processes. Presently, the facility producing the waste is required to complete RCRA-related paperwork or sell the waste as a "product" before its waste is re-used by a neighboring facility.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-3. Cross Facility
Reprocessing/Recycling**

Possible Pilot Project: Reprocess/Recycle Materials Across Facilities
(continued)

- **General Benefits of Alternative:** Less paperwork burden on facilities. Less cost for both participating facilities.

Relevant Regulations & Permits: RCRA

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** According to Region 2's RCRA Compliance Office, the Alternative would have to take the form of a contractual agreement similar to what is required when exporting a waste. This agreement could specifically address quantity, frequency, and other conditions concerning the transfer and reuse of the material. Region 2's DEPP cautions that upcoming changes in the Definition of Solid Waste may affect this issue. Information on these changes may be available in the next few months.

According to the NJDEP Hazardous Waste Office, New Jersey is adopting federal regulations governing the reuse of secondary materials on November 21, 1996. Under these regulations, direct reuse of secondary materials will not be regulated as long as the materials do not need to be reprocessed.

- **Potential for Environmental Improvement:** Decreased waste disposal and treatment.
- **Cost-Effectiveness Potential:** Benefits of the alternative would be the decrease in disposal costs for one facility and the decrease in costs of purchasing fresh feedstock for the other facility. The cost would be that of negotiating an agreement between the two parties.
- **Transferability:**
- **Staff Availability:** EPA Region 2's RCRA Compliance Office would like to participate.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-3. Cross Facility
Reprocessing/Recycling**

Possible Pilot Project: Reprocess/Recycle Materials Across Facilities
(continued)

• **Other:**

Regulatory Agency Contacts:

- Frank Coolick, NJDEP Hazardous Waste Office, 609-633-1418

Industry Source:

- Dave Mueller, PARAMINS, Exxon Chemical Company
- Pat Parsons, PARAMINS, Exxon Chemical Company
- Wayne Tamarelli, Dock Resins Corporation

Clarification Questions:

- What specific New Jersey regulations prevent this type of cross facility reprocessing/recycling?
- Is this issue limited to transfers between facilities under different ownership or is it also a concern for facilities under the same ownership? (Did this become an issue for Exxon only when the refinery was sold to Tosco?)
- Can Exxon sell off-spec products to the refinery as a usable product?
- How will one facility's waste product be transferred to an adjoining facility for use as a feedstock?

Issue Leads:

- Doreen Sterling (EPA/OPPE), phone: 202-260-2766, fax: 202-260-0512
- Sarah Henricks (Industrial Economics, Inc), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.



NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-4. Land Ban Prohibition of
Wastewater Alcohol Reuse**

Possible Pilot Project: Establish Protocols to Evaluate Reuse of Aqueous Alcohols

Category: Hazardous Waste

General Issue Statement:

- **Current:** Land ban rules currently prohibit the reuse of wastewater comprised of more than 24% alcohols. Presently, some manufacturing facilities are required to reduce the amount of alcohols in their wastewater while the wastewater treatment plant (WWTP) must purchase fresh alcohol to maintain proper operation of a treatment plant.
- **Why is this a problem:** Land ban rules limit facilities from reusing aqueous alcohols to benefit the operation of an off-site wastewater treatment plant. Alcohols and other hydrocarbons are primary nutrients for microbes that perform biodegradation of wastewater.
- **Alternative to Current:** Establish protocols for evaluating whether certain waste streams containing more than 24% of alcohol can be reused to enhance performance of WWTPs.
- **General Benefits of Alternative:** Reusing alcohols will reduce offsite transport of waste and costs for the facility. Reusing alcohols will also decrease the costs for operating the wastewater treatment plant.

Relevant Regulations & Permits: RCRA

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Region 2's Permit Office thinks this is an excellent project that would eliminate unnecessary regulation. NJDEP's Hazardous Waste Office believes that this project has merit.
- **Potential for Environmental Improvement:** Under the alternative, there would be reduced offsite disposal and treatment of chemical wastes. The alternative would need to be implemented in a way that ensures that risks are not increased by introducing other pollutants with the alcohols.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-4. Land Ban Prohibition of
Wastewater Alcohol Reuse**

Possible Pilot Project: Establish Protocols to Evaluate Reuse of Aqueous Alcohols
(continued)

- **Cost-Effectiveness Potential:** Decrease in transportation and disposal costs for facilities.
- **Transferability:** Before pursuing this project, Region 2's DEPP would want to ensure that implementing this proposal applies to other facilities and not just a single facility or company.
- **Staff Availability:** EPA Region 2's DEPP and NJDEP may be interested in participating. •
- **Other:** The proposer of this issue does not currently have the resources to pursue this issue as a pilot project.

Regulatory Agency Contacts: Frank Coolick, NJDEP Hazardous Waste Office, 609-633-1418

Industry Source: Pat Parsons, PARAMINS, Exxon Chemical Company

Clarification Questions:

- Is Exxon's issue here related to ownership of WWTP?
- Are the waste streams hazardous solely because of the alcohol?
- Besides alcohols, what are the primary constituents of Exxon's waste streams?
- Will air emissions increase if effluent streams with alcohol are not pretreated before discharge into the wastewater treatment plant? If so, by how much?
- Will there be significant air emissions around the area where the sewer line runs?
- Would this alternative lead to an increase in the pollutant levels in WWTP effluent?
- How does this compare with the Project XL in Region 1? Would we be required to go through Project XL?
- Can this be an Industrial Ecology pilot?

Issue Leads:

- Doreen Sterling (EPA/OPPE), phone: 202-260-2766, fax: 202-260-0512
- Sarah Henricks (Industrial Economics, Inc), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-5. Listing of Waste from Dye Production as
Hazardous**

Category: Hazardous Waste

General Issue Statement:

- **Current:** The proposed rule under RCRA will list the wastewater and sludge from the manufacture of azodyes and pigments, and certain triphenylmethane dyes that use aniline as a raw material.
- **Why is this a problem:** The cost of compliance may be too expensive for small facilities. In addition, some POTWs have mentioned that they will not take these wastes if they are listed as hazardous.

EPA is going ahead with the rule even though the new regulation does not provide any added benefits to the environment. In its economic analysis of the rule, EPA used a worst case scenario which overstates the benefits of the rule.

- **Alternative to Current:**
- **General Benefits of Alternative:**

Relevant Regulations & Permits: RCRA Part 261 Appendix VII. EPA signed an agreement that it will propose a final rule by January, 1997.

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:**
- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:** Need to know the number of potential companies that will be affected by this proposed rule, if promulgated.

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-5. Listing of Waste from Dye Production as
Hazardous**

(continued)

- **Staff Availability:**
- **Other:** It may be difficult to conduct a pilot related to a proposed rule because it may involve Administrative Procedure Act issues.

Regulatory Agency Contacts:

Industry Source: Barry Bochner, Fabricolor, Incorporated

Clarification Questions:

- Obtain exact title and citation for this rule. (contact Tucker Helms at ETAD for more information).
- Are there specific impacts of this rule on small businesses? (contact Mike Podolski, OPPE).

Issue Leads:

- Doreen Sterling (EPA/OPPE), phone: 202-260-2766, fax: 202-260-0512
- Sarah Henricks (Industrial Economics, Inc), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-6. Recirculation of Wastewater
as Cooling Water**

Possible Pilot Project: Reusing Treated Wastewater in Plant and an Adjoining Cogeneration Plant

Category: Hazardous Waste

General Issue Statement:

- **Current:** Effluent streams from a wastewater treatment plant (WWTP) that treats hazardous wastes are considered hazardous until the point of discharge into a body of water. At that point, the wastewater is no longer considered a RCRA waste.
- **Why is this a problem:** Dupont discharges a large volume of water at the outfall of its WWTP. Dupont and a neighboring cogeneration plant have faced constraints in their operations during droughts and have determined that reusing water from the outfall of the WWTP could be beneficial. For cooling purposes, facilities have to use fresh water from the surrounding lakes, streams, and canals, placing additional pressure on the surrounding water sources. Not reusing newly-treated wastewater also raises water rights issues. Communities have a hierarchical structure for water rights during a drought. Some large manufacturing facilities have primary water rights over other members of the community (i.e., farmers). If the wastewater is recirculated, under current RCRA regulations, all the equipment it comes in contact with will become RCRA hazardous, leading to increased inspection requirements, closure, financial and procedural requirements, and land ban restrictions when piping and disposed.
- **Alternative to Current:** Instead of discharging the newly treated wastewater into a receiving body of water, the point of discharge can be redirected to recirculate the treated wastewater as process cooling. The recirculated wastewater will not be considered RCRA hazardous.
- **General Benefits of Alternative:** This alternative would reduce the impact on the environment. Recirculating treated water would minimize the facility's need to obtain fresh water from neighboring water sources. In addition, Dupont could also share recirculated cooling water with other facilities (e.g., a cogeneration plant that supplies power to the chemical plant) and prevent potential shortages of cooling water during periods of drought. Water from interceptor wells could also be incorporated into this recirculation system.

Relevant Regulations & Permits: RCRA, proposed HWIR rule

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

HW-6. Recirculation of Wastewater as Cooling Water

Possible Pilot Project: Reusing Treated Wastewater in Plant and an Adjoining Cogeneration Plant (continued)

Evaluation Factors:

- **Overall Assessment:**

- **Room for Flexibility:** Dupont had discussed the possibility of making this change with a number of agencies (see regulatory contacts below) last summer and an agreement seemed close. When it rained, however, the issue was dropped.

Region 2's RCRA Compliance Office and DEPP both find this to be a doable project. DEPP thinks that this is the best hazardous waste project proposed. NJDEP's Hazardous Waste Office believes this project has merit if the cooling water is not hazardous.

- **Potential for Environmental Improvement:** Recirculating wastewater will reduce the facility's water demand and minimize impacts to the surrounding bodies of water.
- **Cost-Effectiveness Potential:** This proposal may require additional treatment (i.e. reduction in hardness) of the recirculated water to avoid damaging the existing cooling system.
- **Transferability:** Prior to participating, Region 2's DEPP would like to ensure that this project affects more than one facility or company.
- **Staff Availability:** Region 2's Compliance Office and DEPP would be willing to participate in this project.
- **Other:** This issue may be affected by a proposed rule (HWIR). In addition, there may be Administrative Procedure Act issues given the status of the HWIR proposal.

Regulatory Agency Contacts:

- NJ DEP (Noreen Binder, Frank Coolick, Rich DeWan, Anthony Fontana)
- Delaware River Basin Commission (Tom Fikslin, Ron Rulon)

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis

202 260 2600

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-6. Recirculation of Wastewater
as Cooling Water**

Possible Pilot Project: Reusing Treated Wastewater in Plant and an Adjoining Cogeneration Plant
(continued)

- EPA Region II (Andy Bellina, Joel Golumbek, Barry Tornick)
- EPA Headquarters (Rick Brandes, Barnes Johnson)

Industry Source:

- Peg Pierce, E.I. Dupont
- Jennifer The, E. I. Dupont

Clarification Questions:

- What are the natural resource impacts of this alternative?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

HW-7. Difficulty of Site Remediation for Small Companies

Category: Hazardous Waste

General Issue Statement:

- **Current:** A facility relocating to an urban location without any prior knowledge of the property's history may still be liable for environmental damages that are discovered after the facility relocates to the new property, even if the facility participates in a voluntary cleanup program. The liability scheme and cleanup standards are significant for small facilities. For example, if a facility performs site remediation on its new property, it is still liable for groundwater damages that are discovered five years after the company relocated even though the previous property owner may have caused the groundwater damage. If the previous owner is a defunct company, the new facility may become fully liable for all environmental damages.
- **Why is this a problem:** Although urban communities try to lure chemical companies to relocate into their area, facilities have not found sufficient incentive to reinvest in urban areas. The limitless liability on facilities is a disincentive to reinvest in urban areas.
- **Alternative to Current:** Develop an alternative which limits liability for new owners/tenants. Facilities should not be responsible for the total damages from previous owners/tenants of an industrial site, especially if the facility has performed voluntary cleanup procedures before it has relocated.
- **General Benefits of Alternative:** This will provide an incentive for facilities to relocate to urban areas. Some facilities are expanding and if urban areas are welcoming them, the move will provide new jobs for the area. Furthermore, urban areas are also providing tax incentives for manufacturing firms. The tax incentives and the limit on liability will encourage facilities to relocate in these communities.

Relevant Regulations & Permits:

- CERCLA
- NJ ISRA
- Brownfields Initiative

Evaluation Factors:

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-7. Difficulty of Site Remediation
for Small Companies**

(continued)

- **Overall Assessment:**
- **Room for Flexibility:** According to Region 2's DEPP, this project is not an appropriate project. The issue requires a regulatory change to address the question of who should pay for clean-ups in urban areas.
- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:** Region 2's DEPP would not be willing to participate in a pilot project.
- **Other:** Congress is debating this issue as part of the Brownfields legislation and Superfund Reauthorization efforts.

Regulatory Agency Contacts:

Industry Source: Richard Rosera, Pilot Chemical Company

Clarification Questions:

- What is the specific rule under ISRA (Industrial Site Responsibility Act)?

Issue Leads:

- Doreen Sterling (EPA/OPPE), phone: 202-260-2766, fax: 202-260-0512
- Sarah Henricks (Industrial Economics, Inc), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-8. Solid/Hazardous Waste
Definition**

Category: Hazardous Waste

General Issue Statement:

- **Current:** Facilities are not certain how to determine whether a solid waste is hazardous.
- **Why is this a problem:**
- **Alternative to Current:**
- **General Benefits of Alternative:**

Relevant Regulations & Permits:

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Region 2's RCRA Compliance Office thinks this issue would be best addressed through compliance assistance activities, and DEPP would like to postpone addressing this issue until the new Definition of Solid Waste is proposed. Information on the proposed rule may be available within the next few months.
- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:**
- **Other:** How would this be affected by HWIR activities at EPA?

Regulatory Agency Contacts:

Industry Source:

NOTE: *In the event that you cannot reach the EPA or IEc lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**HW-8. Solid/Hazardous Waste
Definition**

(continued)

Clarification Questions:

- Are there specific waste streams that are of interest to the batch chemical industry?

Issue Leads:

- Doreen Sterling (EPA/OPPE), phone: 202-260-2766, fax: 202-260-0512
- Sarah Henricks (Industrial Economics, Inc), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

W-1. Pharmaceutical Effluent Guidelines

Category: Water

General Issue Statement:

- **Current:** Proposed pharmaceutical effluent guidelines will impose stringent rules on pilot plants and consider them as manufacturing facilities. Pilot plants are facilities that do not make products for sale but are primarily sites where companies test scale-up versions of processes developed from research and development efforts. Only bench scale laboratories are exempt from the proposed rule. For example, one Stakeholder company reported that its Ritalin pilot plant in New Jersey will be subject to guidelines that were originally intended only for Ritalin manufacturing plants.
- **Why is this a problem:** As more guidelines are proposed, the company must put tremendous effort into adhering to these guidelines, yet this effort results in minimal environmental benefits.
- **Alternative to Current:**
- **General Benefits of Alternative:**

Relevant Regulations & Permits:

- Proposed Pharmaceutical Effluent Guidelines
- Current Pharmaceutical Effluent Guidelines: 40 CFR 439
- MACT Standards

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Passaic Valley Sewerage Commissioners (PVSC) support Best Management Practices (BMPs) as an alternative method to current monitoring practices at plants. For example, PVSC has established BMP programs with companies such as Hoffman-LaRoche in the past. In some instances PVSC has also provided more efficient and less costly alternatives to methodologies that companies have recommended. For example, pharmaceutical companies have recommended end-of-process monitoring as the most suitable methodology but PVSC has suggested end-of-pipe monitoring.

PVSC believes the project is doable if EPA would support it and recommends getting AMSA involved. However, Region 2's Water Compliance Office states that effluent guidelines apply to pilot plant effluents as categorical sources since discharges from these operations can be significant.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**W-1. Pharmaceutical Effluent
Guidelines**

(continued)

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:** This applies to only two Stakeholder facilities participating in the project, but applies to other pharmaceutical companies.
- **Staff Availability:** Region 2's Compliance Office would not be willing to participate since the categorical standards apply. PVSC would be willing to participate.

Other: Guidelines were proposed in May 1995. Office of Water/Office of Science and Technology (OW/OST) is working with the Office of Air and Radiation (OAR) to issue final guidance concurrently with the MACT Standards -- probably not until November 1996, according to Don Anderson. There may be EPA sensitivity to working on this issue given status of guidelines (i.e., they are not yet final).

PVSC notes that WEF Research Foundation could study this issue.

Regulatory Agency Contacts:

- Marv Rubin, EPA Office of Water, 202-260-3028
- Frank D'Ascensio, Passaic Valley Sewerage Commissioners, 201-817-5710

Industry Source:

- Dot Kelly, CIBA-Geigy Corporation

Clarification Questions:

- Is this an issue of cost-effectiveness? What makes it so?
- Are there any issues related to coordination between air and water requirements given the linking of guidelines with MACT?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Eric Ruder (Industrial Economics, Inc.), phone: 617-354-0074 x115, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**W-2. Cost Effectiveness of
Pretreatment Requirements**

Possible Pilot Project: Pretreatment of Organics Before Discharge to a POTW

Category: Water

General Issue Statement:

- **Current:** Pretreatment under the CWA seems duplicative of treatment performed by publicly owned treatment works facilities (POTWs) and involves additional costs to the manufacturing facility. Facilities are required to use pretreatment techniques (e.g. air stripping) for organic chemicals before these chemicals are discharged into the sewer system.
- **Why is this a problem:** To construct the pretreatment facility for air stripping organics (as mandated by CWA), facilities must apply for: (1) a county variance, (2) one water permit, (3) three air permits, and (4) the state licensing of and training for treatment operators. In addition to paying the costs for the permits, manufacturing facilities are responsible for fees to release effluent to the POTW. Besides the POTW costs, the manufacturing facility is also responsible for transporting carbon used for air stripping. The carbon material is sent to a facility that cleans it; hence, another factor to cost. Basically, although the CWA mandate leads to cleaner effluent to the POTW from a facility, it does not take into account the high additional financial and environmental costs in implementing it. Furthermore, small plants often do not have the space and/or capital required for pretreatment equipment.
- **Alternative to Current:** Allow all facilities (including small volume dischargers) to discharge directly to sewer where the POTW can handle the load.
- **General Benefits of Alternative:** Organics can be treated much more cost effectively and with less environmental cost.

Relevant Regulations & Permits: 40 CFR 403.7 allows for removal credits under the NPDES program.

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Region 2's Water Compliance Office would not support this project because the discharge of chemicals from industrial users can have significant environmental health and safety effects if not treated properly. Region 2's Water Permit Office adds that to allow companies to discharge directly without treatment would give them an advantage over those companies that have installed treatment.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**W-2. Cost Effectiveness of
Pretreatment Requirements**

Possible Pilot Project: Pretreatment of Organics Before Discharge to a POTW
(continued)

The regulations have a provision for variances that allows a company to request relaxation of the limits if its operations are significantly different from factors considered in the development of the regulations. In addition, the NPDES already has a mechanism (for certain pollutants) to allow industrial users to seek removal credits if a POTW can treat the pollutants.

PVSC would be willing to work on this project if pollutants are separated into two groups: those the POTW can treat and thus permit, and those it can not and may not accept.

- **Potential for Environmental Improvement:** This proposal would save construction, transportation and treatment (of charcoal) costs and energy. This would be a positive savings if the POTW could adequately treat the organics.
- **Cost-Effectiveness Potential:**
- **Transferability:** Since the requirement has been in place for a while, existing facilities in some pretreatment categories have already complied. The alternative may not be applicable to these facilities which have already invested in pretreatment equipment.
- **Staff Availability:** EPA Region 2 would not participate. PVSC would be willing to work on it under the conditions listed above.
- **Other:** There is an issue of fairness between facilities that have already invested in pretreatment vs. those that have not.

AMSA should be involved in any effort taken to address this issue.

Regulatory Agency Contacts: Frank D'Ascensio, Passaic Valley Sewerage Commissioners, 201-817-5710

Industry Source:

- Barry Bochner, Fabricolor, Inc.
- Wayne Tamarelli, Dock Resins Corporation

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

<p>W-2. Cost Effectiveness of Pretreatment Requirements</p>
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Possible Pilot Project: Pretreatment of Organics Before Discharge to a POTW
(continued)

Clarification Questions:

- Is this issue related to use of alternative technology? Is it transferable?
- Are there any companies in a position to try an alternative strategy on this topic?
- Is this proposal allowed under the Clean Water Act?
- Is Best Available Control Technology always required?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Eric Ruder (Industrial Economics, Inc.), phone: 617-354-0074 x115, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

W-3. NJPDES Permit Concerns

Possible Pilot Project: Revise Five-Day Biochemical Oxygen Demand (BOD₅) and Sludge Flow Requirements under Stormwater Permits

Category: Water

General Issue Statement:

- **Current:** NJPDES permit requirements restrict facilities from discharging materials other than rainwater (e.g., slug) into the stormwater system. In addition, they limit the average monthly five-day biochemical oxygen demand (BOD₅) to less than 30 mg/l.
- **Why is this a problem:** For some facilities, adhering to their restricted permits is difficult due to situations beyond their control. Violations are given by DEP even if the cause of the violation is due to an unknown groundwater source. One Stakeholder facility reports that an unknown groundwater source has intermittently infiltrated into its stormwater system, producing random slug discharges and causing its BOD₅ levels to exceed permitted limits. The most recent violation of this kind cost the facility \$15,000.

Because of the uncertainty of the groundwater sources infiltrating into a facility's stormwater system, the flow of random slug and spikes in the BOD₅ levels cannot be predicted. Therefore, to avoid violations, a directly discharging facility must regularly monitor its effluent stream just before the point where it is discharged into a body of water. A plant technician must collect the hourly samples of effluent, submit the samples to a testing facility, and wait two weeks for results to return. This is not only time-consuming and costly, but due to the time lag, specific violations can be discovered only after they have occurred and have most likely ceased.

- **Alternative to Current:** Make allowances under stormwater permits for random spikes in BOD₅ limits and slug flow due to situations beyond a facility's control.
- **General Benefits of Alternative:**

Relevant Regulations & Permits: CWA

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Octagon has discussed this matter repeatedly with NJDEP. In their most recent conversation, NJDEP officials mentioned that by law they cannot provide any flexibility but were willing to decrease future fines by 50 percent since they are now aware of Octagon's dilemma.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

W-3. NJPDES Permit Concerns

Possible Pilot Project: Revise Five-Day Biochemical Oxygen Demand (BOD₅) and Sludge Flow Requirements under Stormwater Permits
(continued)

Region 2's Water Compliance and Permit Offices do not support this project. The offices feel that facilities are responsible for all discharges from their property. From a policy perspective, the offices do not think slug discharges should be allowable. The Region notes that the BOD limit appears to be a NJ requirement.

Frank D'Ascensio (PVSC) thinks it would be difficult for facilities to identify and document discharges from an unknown source. He also thinks the whole stormwater issue would have to be studied to see how it affects the watershed waste load allocation and to identify if the pollutants have chronic or acute effects.

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:** Presently, Octagon has a two-stage carbon adsorption unit that pretreats their effluent stream before discharge into the Hudson River. Installing additional pretreatment equipment would be costly for Octagon.
- **Transferability:**
- **Staff Availability:** PVSC would not be willing to participate.
- **Other:**

Regulatory Agency Contacts: Barbara Cutler, NJDEP, Metro Region, 201-669-3900

Industry Source: Joe Burgard, Octagon Process

Clarification Questions:

- Can DEP provide an addendum to the stormwater permit that includes a provision excluding groundwater flow from an unknown source?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Eric Ruder (Industrial Economics, Inc.), phone: 617-354-0074 x115, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

W-4. Effluent Requirements for Organic Chemicals

Possible Pilot Project: Minimizing Waste Load of Facility

Category: Water

General Issue Statement:

- **Current:** Pretreatment standards require removal of certain chemical substances. This, in turn, requires the addition of materials (e.g., inorganics) to an effluent stream to further decrease the concentration of the chemical stream (e.g., organic stream) before it is discharged into the sewer system.
- **Why is this a problem:** To decrease the concentration of a chemical stream, the facility may have to purchase chemicals, such as inorganics. This poses a problem for some facilities because the combined volume of inorganic and organic chemicals can exceed their maximum waste load to the POTW. This results in higher costs for the facility. As part of its complex user charge system, POTWs charge a biological oxygen demand (BOD) rate and a total suspended solids (TSS) rate. The added waste load to the POTW will increase the BOD and TSS charges levied on the facility. The purchase of additional chemicals to decrease a waste stream's chemical concentration also leads to higher costs for the facility.
- **Alternative to Current:** An alternative to the POTW requirement is to allow higher concentration levels of Organic Chemicals, Plastics and Synthetic Fibers (OCPSF) to be discharged into the POTW. The allowable level of OCPSF chemicals that could be discharged into the sewer system should not exceed the optimum concentration that microbes can adequately biodegrade.
- **General Benefits of Alternative:** This alternative prevents plants from receiving potential overflow violations because of the added waste load caused by the combined volume of organics and inorganics. Furthermore, OCPSF chemicals serve as nutrients for microbes necessary for biodegradation of waste streams; therefore, the POTW can benefit as well.

Relevant Regulations & Permits:

- POTW Guidelines
- OCPSF Effluent Guidelines

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**W-4. Effluent Requirements for Organic
Chemicals**

Possible Pilot Project: Minimizing Waste Load of Facility
(continued)

Evaluation Factors:

- **Overall Assessment:**

- **Room for Flexibility:** According to Frank D'Ascensio (Passaic Valley Sewerage Commissioners), increasing the allowable level of OCPSF chemicals that are discharged into the sewer system will establish regional standards that conflict with current national discharge standards. EPA has pushed uniform national standards for OCPSF chemicals; therefore, there may not be much room for flexibility on this issue. He also states that the specific chemicals in the proposed alternative need to be defined.

The Region 2 Water Permit and Compliance Offices do not support this project, stating that EPA should not seek to undermine the effluent guidelines approach. However, they note that some relief can be obtained through the availability of removal credits under the pretreatment program.

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:** The proposed alternative has the possibility of decreasing chemical and POTW costs for a facility.
- **Transferability:**
- **Staff Availability:** PVSC would be willing to participate if EPA agrees.
- **Other:** AMSA should be involved.

Regulatory Agency Contacts: Frank D'Ascensio, Passaic Valley Sewerage Commissioners, 201-817-5710

Industry Source: Barry Bochner, Fabricolor, Inc.

Clarification Questions:

- **OCPSF guidelines:** Need to determine whether the added waste load leads to the facility receiving a permit violation from the POTW or state agency.

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Eric Ruder (Industrial Economics, Inc.), phone: 617-354-0074 x115, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**W-5. Laboratory Analysis of All
Effluent Discharges to POTW**

Possible Pilot Project: Minimizing the Frequency of Laboratory Analysis of Facility Effluent Streams

Category: Water

General Issue Statement:

- **Current:** All industrial users are required by the POTW to perform periodic laboratory analysis of their effluent streams. User charges are based upon flow rate and measured levels of BOD and Suspended Solids. The users are required to perform monthly monitoring to obtain these measurements. They are also subject to random sampling.
- **Why is this a problem:** For some manufacturing facilities this is very costly. In addition to the high sewer rates, facilities are also responsible for the costs of the laboratory analysis. According to Stakeholders, the industrial user already pays high sewer rates because the POTW apportions the bulk of its rates among its significant industrial users (SIUs).
- **Alternative to Current:** Industrial users should be allowed to conduct lab analyses less frequently if they are not a significant contributor to the overall waste load of the POTW, are consistently within their discharge limits, and have operating conditions that are unlikely to lead to potential upsets to the POTW.
- **General Benefits of Alternative:** Costs for facilities would be reduced with very little risk of increased pollution or spikes to POTW loads.

Relevant Regulations & Permits:

- 40 CFR 403, POTW Guidelines
- OCPSF Effluent Guidelines

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Region 2's Water Compliance and Permit offices find this project doable provided the minimum requirements under the pretreatment program are met. The pretreatment regulations require POTW sampling of the effluent from each SIU at least once a year and the SIU sampling of its effluent at least semi-annually. The proposal is consistent with the Agency's efforts to streamline monitoring. Guidance has been released to reduce monitoring frequency based on compliance history.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**W-5. Laboratory Analysis of All
Effluent Discharges to POTW**

**Possible Pilot Project: Minimizing the Frequency of Laboratory Analysis of Facility Effluent
Streams**
(continued)

According to Frank D'Ascensio (PVSC), this alternative would not comply with the NJ Clean Water Enforcement Act. As the proposal is currently written, it raises concerns over the impact of reducing monitoring frequency on PVSC's ability to prevent effluent discharge limit violations and to assess environmental effects.

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:** Region 2's Water Permit Office may not be able to commit staff resources to this project but thinks it could be done with NJDEP Pretreatment Program. PVSC would be willing on the project despite their concerns.
- **Other:**

Regulatory Agency Contacts:

- Frank D'Ascensio, Passaic Valley Sewerage Commissioners, 201-817-5710
- Jim Murphy, NJDEP Pretreatment, 609-633-3823

Industry Source: Joe Gentile, CasChem

Clarification Questions:

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Eric Ruder (Industrial Economics, Inc.), phone: 617-354-0074 x115, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**W-6. Trading Pollution Limits-Water
Discharges**

Possible Pilot Project: Trading Pollution Limits for Copper

Category: Water

General Issue Statement:

- **Current:** Several manufacturing facilities have mentioned that their POTW permit discharge limits for certain substances, such as copper, are difficult to meet.
- **Why is this a problem:** Adhering to POTW requirements is becoming a tough issue for some facilities. One Stakeholder company has to adhere to a copper limit of less than 3.02 ppm starting in June 1997. Its current effluent stream consists of 500 to 1000 ppm of copper; therefore, it is required to pretreat its waste stream before it discharges to the sewer system. Facilities, such as dye and pigment manufacturers, find it difficult to be competitive and still meet discharge limits. Discharge limits may also be a constraint to increasing production volume.
- **Alternative to Current:** This proposal involves trading between facilities within the same sewer service area. Instead of changing their processes to meet regulatory requirements, facilities would trade pollution discharge limits across facilities (e.g., copper). Although POTWs are interested in pursuing this issue, in the past they have not furnished any information to facilities on possible matches for trading. It is difficult for small manufacturing facilities with limited environmental/compliance resources to invest the time to find possible trading matches, which requires extra resources on the part of the facility. Under this proposal, POTWs would cooperate with manufacturing facilities in finding possible trading matches. This would allow manufacturers to use their resources for other tasks necessary for trading, such as additional laboratory work.
- **General Benefits of Alternative:** Trading facilities can combine their effluent streams and still adhere to POTW permitting requirements while increasing production flexibility and decreasing overall costs for the facilities. A process for trading can be established to avoid any additional work for the POTW. In addition, trades can be structured to provide for overall reductions in loadings to POTW.

Relevant Regulations, Permits and Guidance: NJ POTW Guidelines (OCPSF Rules); Draft Framework for Watershed-Based Trading (EPA 800-R-96-001)

Evaluation Factors:

- **Overall Assessment:** EPA Region 2 and Headquarters (HQ) agree that this proposal is worth considering for trading local limits but not for categorical standards. The local POTW supports the proposal but could not broker deals (computer websites or listservers have been used successfully to set up water trading).

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**W-6. Trading Pollution Limits-Water
Discharges**

Possible Pilot Project: Trading Pollution Limits for Copper
(continued)

- **Room for Flexibility:** Region 2's Water Permit and Compliance Offices, HQ's Water Office, and Passaic Valley POTW think this project is doable and a good idea. It is consistent with EPA initiatives to allow effluent trading. The local limits set by the POTWs should be technically evaluated. The project should be set up within the new Draft Framework for Trading published by EPA.
- **Cost-Effectiveness Potential:** Need to determine how much cost savings would be associated with discharge trading.
- **Transferability:** This is highly transferable.
- **Staff Availability:** NJDEP would be interested in participating. EPA Region 2 would not participate but believes that the project could be carried out with NJDEP Pretreatment staff and the POTW. EPA HQ may wish to observe or participate. The POTW (PVSC) would be willing to participate.
- **Other:** Requires willingness on the part of the POTW. This issue involves a two-part process: determining the specific parameter to trade and evaluating how best to structure trading within a POTW service area to ensure that it will lead to an environmental improvement.

AMSA should be involved.

Regulatory Agency Contacts:

- Frank D'Ascensio, Passaic Valley Sewerage Commissioners, 201-817-5710
- Dennis Hart, NJDEP Water Office, 609-292-4543
- Jim Murphy, NJDEP Pretreatment, 609-633-3823
- Theresa Tuano, EPA HQ Office of Water, Watersheds, 202-260-7059
- Pat Bradley, EPA HQ Office of Water, Permits, 202-260-6963

Industry Source: Barry Bochner, Fabricolor, Inc.

Clarification Questions:

- How much information can POTWs release to their customers about other industrial users within their service area without compromising confidentiality? Can POTWs release a list of SIUs (Standard Industrial Users) to other facilities within their sewer service area to help identify a possible trading match facility?

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**W-6. Trading Pollution Limits-Water
Discharges**

Possible Pilot Project: Trading Pollution Limits for Copper
(continued)

- How does the computer trading site in California work and can a site be developed to work here?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Eric Ruder (Industrial Economics, Inc.), phone: 617-354-0074 x115, fax: 617-354-0463

***NOTE: In the event that you cannot reach the EPA or
IEc lead for this issue, please contact Catherine Tunis
at 202-260-2698.***



NEW JERSEY CHEMICAL INDUSTRY PROJECT

W-7. Trading Neutralization Chemicals

Possible Pilot Project: Trading Acidic/Alkaline Substances between Facilities

Category: Water, RCRA

General Issue Statement:

- **Current:** Facilities spend a large amount of money for neutralization chemicals. Companies that have predominantly acidic discharge streams have to purchase alkaline substances, such as ammonia, for their neutralization systems. This neutralization step is necessary before the facility discharges its effluent stream to the sewer system. Neutralization is an important step in ensuring that the facility remains within a required pH range set by POTW guidelines.
- **Why is this a problem:** The primary problem for the industry behind purchasing neutralization chemicals is cost. Manufacturing facilities (especially small plants) require daily deliveries of neutralization chemicals to treat their waste streams. These facilities do not think it is necessary for them to pay for the transportation of neutralization chemicals or for the chemicals themselves. In addition, the neutralization requirements lead to additional manufacture, transportation, and discharge of chemicals.

In the past, manufacturing facilities traded chemicals with other neighboring facilities (e.g., Atlantic and Hoffman-LaRoche) for the purpose of waste treatment/neutralization. These trading relationships ended because of regulatory changes under RCRA. The changes required additional paperwork for cross-facility transfer of hazardous wastes and have led to higher treatment costs.

- **Alternative to Current:** An alternative concept is to give manufacturing facilities the flexibility to trade acidic and alkaline waste products with each other. Manufacturing facilities are highly interested in recycling or reusing so-called "waste product streams" from other facilities. For example, a dye manufacturer may produce an acidic stream that is 15 to 25% sulfuric acid and normally use fresh ammonia to neutralize its waste streams before discharge to a POTW. This manufacturer could trade its acidic waste stream to a metal plating shop that requires excess acid for its industrial activities. The dye manufacturer could also trade with a facility that produces excess ammonia or other bases in its waste stream. Treatment costs would also be decreased for facilities that transport waste products to another facility for reuse instead of treating them on-site or shipping them to a disposal facility.

During trading, an acidic waste stream from one facility may contain other materials (e.g., copper) that are not present in the trading partner's waste stream. By receiving this waste stream, the trading partner may be subject to categorical limits for this new material (e.g., copper). To avoid this problem, the trading scheme must be established to allow the permit limits for each facility to

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**W-7. Trading Neutralization
Chemicals**

Possible Pilot Project: Trading Acidic/Alkaline Substances between Facilities
(continued)

apply across trading partners if their discharges to a POTW do not exceed the categorical limits for all permitted substances (e.g., copper, chromium).

- **General Benefits of Alternative:** Decreasing costs is the primary driver for this issue. Depending on the regulatory requirements associated with waste transport, the cost of transporting acidic/alkaline waste streams maybe less than the cost of purchasing fresh acidic/alkaline chemicals for neutralization or other manufacturing processes. In addition, the alternative will lead to a reduction in the production and discharge of neutralization chemicals.

Relevant Regulations, Permits and Guidance:

- RCRA
- Other NJ regulations (specific regulations?)
- Draft Framework for Watershed-Based Trading (EPA 800-R-96-001)

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Region 2's Water Compliance Office and HQ's Office of Water find the project doable and a good idea provided the traded wastes are acids and bases in a suitable form whereby no "surprise" pollutants are given to the transferred facilities. Flexibility from RCRA regulations may be needed.

Frank D'Ascensio (PVSC) thinks the proposal may be too difficult to implement. He also emphasizes that the buyer must continue to meet applicable limits.

- **Potential for Environmental Improvement:** This has the potential to decrease the production and disposal of various potentially toxic wastes for facilities that participate in this venture.
- **Cost-Effectiveness Potential:** Presently, Fabricolor spends an excess of \$150,000 per year to purchase neutralization chemicals. The daily delivery of ammonia to Fabricolor is less than 5,000 pounds. Fabricolor would like to receive more ammonia per day but limits the delivery amount to remain below the thresholds for NJ EPCRA regulations.
- **Transferability:**

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

W-7. Trading Neutralization Chemicals

Possible Pilot Project: Trading Acidic/Alkaline Substances between Facilities (continued)

- **Staff Availability:** EPA Region 2's Water Compliance Office and Passaic Valley POTW would consider participating. EPA HQ's Office of Water may participate or observe. This issue also has potential for support from EPA HQ's Office of Policy, Planning, and Evaluation as an "Industrial Ecology" pilot.
- **Other:** Dr. Bochner doesn't remember the details behind the trading relationship between Atlantic and Hoffman-LaRoche. He could not provide a contact from Hoffman-LaRoche (this occurred approximately 15 years ago). Furthermore, Atlantic is no longer in business.

Current waste exchange programs generally involve shipping wastes for long distances. In the past, Fabricolor has inquired into these types of programs. Dr. Bochner prefers to focus on possible trading facilities that are closely situated to Fabricolor to minimize costs to the facility.

Regulatory Agency Contacts:

- Frank D'Ascensio, Passaic Valley Sewerage Commissioners, 201-817-5710
- Theresa Tuano, EPA HQ Office of Water, Watersheds, 202-260-7059
- Pat Bradley, EPA HQ Office of Water, Permits, 202-260-6963
- Fred Talcott, EPA HQ Office of Policy, Planning, and Evaluation, 202-260-2768

Industry Source: Barry Bochner, Fabricolor, Inc.

Clarification Questions:

- Will this involve additional regulatory paperwork for both facilities?
- Are there potential trading partners?
- Are there technical considerations concerning the ease of disposing waste streams neutralized with other waste streams vs. waste streams neutralized with fresh chemicals?

Issue Leads:

- Fred Talcott (EPA/OPPE), phone: 202-260-2768, fax: 202-260-8662
- Eric Ruder (Industrial Economics, Inc.), phone: 617-354-0074 x115, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.



NEW JERSEY CHEMICAL INDUSTRY PROJECT

W-8. Waste Minimization

Possible Pilot Project: Implementation of a Large Scale Waste Minimization Project

Category: Water

General Issue Statement:

- **Current:** The current New Jersey Spill Control Act (NJSCA) requires facilities to implement leak countermeasures for underground waste lines that collect wastes from facility processes. The countermeasures include either a secondary containment structure or better leak detection. If the waste line remains underground, a secondary containment structure is required. Otherwise, NJ DEP requires the waste line to be situated above ground for better leak detection.
- **Why is this a problem:** Because of the NJSCA, facilities are compelled to upgrade their underground waste lines. This is a costly process. For example, Dupont has estimated the upgrade to cost in excess of \$3 million. As an alternative, Dupont wants to decrease the waste flow through their underground lines by making other process changes. This mandate does not provide them with the flexibility to do these process changes. (Note: The plant currently has a groundwater containment system. A series of groundwater interceptor wells prevent migration of water off-site.)
- **Alternative to Current:** Instead of investing money and time to upgrade underground waste lines, Dupont is interested in decreasing the wastewater from one of its production processes. Production process changes can eliminate a large percentage of wastewater originating from these process units (Dupont proposes 85% elimination of wastewater). Therefore, the waste collected by the underground waste line from this production process would decrease significantly. The total waste through the underground line from all the processes it serves would drop by at least one-third as a result of minimization in this process.
- **General Benefits to Alternative:** Dupont's proposal has concrete figures to support the alternative to the state mandated improvements. With a technology change to one of its processes, Dupont estimates a decrease in several areas:
 - ▶ 85% elimination of wastewater emissions from the targeted process (dry basis);
 - ▶ elimination of one permitted process vent and some fugitive emissions;
 - ▶ 232.7 million lb reduction of wastewater (wet basis);
 - ▶ 5.4 million lb reduction of wastewater (dry basis);
 - ▶ 6.0 million lb reduction of CaF_2 to landfills; and
 - ▶ 14,500 lb reduction of vented organic emission.

NOTE: In the event that you cannot reach the EPA or IEc lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

W-8. Waste Minimization

Possible Pilot Project: Implementation of a Large Scale Waste Minimization Project
(continued)

In addition, Dupont has determined that its proposed technology change will convert a current HCl waste stream into a product. In contrast, the upgrade in the underground waste lines (as a result of the NJ state mandate) does not result in any waste reduction.

Although this alternative to the State mandate is not cheaper (Dupont estimates the technology change to be in excess of \$7 million), Dupont's proposed idea is cleaner.

Relevant Regulations & Permits: New Jersey State Spill Control Act

Evaluation Factors:

- **Overall Assessment:** Dupont initially wanted its proposal to be a part of Project XL but it involves a state rule. All Project XL Proposals need to involve federal regulations. Therefore, Dupont's idea does not qualify for Project XL status.
- **Room for Flexibility:** Region 2's Water Compliance and Permit Offices state that this is not an EPA issue, however, they do not see any flexibility in NJSCA and do not support allowing the continuation of potential groundwater contamination.
- **Potential for Environmental Improvement:** Dupont's idea is cleaner: see "General Benefits to Alternative." Additional waste minimization opportunities are being evaluated.
- **Cost-Effectiveness Potential:** If Dupont is granted flexibility by the State to undertake this technology change, it will not save them any money. In fact, the estimated cost of implementing the technology change is at least \$3 million dollars more than upgrading the underground sewer lines. The primary driver is that Dupont can install a proprietary process and gain some offsetting cost reductions related to raw material and waste treatment expenses.
- **Transferability:** Other facilities have not mentioned this issue. Dupont is interested in implementing proprietary technology to its proposed process changes. Therefore, this possible pilot is not highly transferable. However, the concept of flexibility in the NJ Spill Control Act could be applicable to many facilities.
- **Staff Availability:** Dennis Hart of NJDEP's Water Office would be willing to participate. Frank D'Ascensio (PVSC) would not be willing to participate.
- **Other:**

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

W-8. Waste Minimization

Possible Pilot Project: Implementation of a Large Scale Waste Minimization Project
(continued)

Regulatory Agency Contacts:

- Dennis Hart, NJDEP, 609-292-4543
- Frank D'Ascensio, Passaic Valley Sewerage Commissioners, 201-817-5710

Industry Source:

- Peg Pierce, E.I. Dupont
- Cathy St. Clair, E.I. Dupont

Clarification Questions:

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Eric Ruder (Industrial Economics, Inc.), phone: 617-354-0074 x115, fax: 617-354-0463

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*



NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-1. Flexible Track: Reporting

Possible Pilot Project: Frequency of Reporting

Category: Multi-media, Multiple programs

General Issue Statement:

- **Current:** Manufacturing facilities are currently submitting several reports during a short time period. They are allocating substantial administrative and financial resources in completing these reports for regulatory agencies, including SARA, TRI, the Biennial Hazardous Waste Survey, NJ Annual Hazardous Waste Report, NJ Pollution Prevention Program, NJPDES, Air Emissions Inventory and industrial sewage permits.
- **Why is this a problem:** To adhere to current regulations, manufacturing facilities utilize a great deal of resources in completing paperwork for regulatory agencies. Small manufacturing facilities have limited resources for report completion. In some cases, the environment, health, and safety group in small plants is comprised of only one employee. Some of these reports have deadlines that are fairly close to one another. For instance, SARA, TRI, and the Biennial Hazardous Waste Survey are all due in a close period of time. [Check the schedule for these reports]. For a small facility, these reports are a large responsibility for a few people.
- **Alternative to Current:** Programs such as OSHA Star or CSI flexible track offer good alternatives to the present system. Facilities that have good performance in improving their compliance measures can be given some flexibility, especially in completing paperwork, e.g., less frequent reporting. For example, for water analysis reports, most facilities are interested in decreasing the frequency of reporting by completing quarterly reports of their analyses as opposed to the current monthly reporting. Also, an electronic monitoring/reporting system is a frequent suggestion from facility representatives to make reporting easier. Facilities are interested in consolidating multiple and redundant or overlapping reporting obligations, not necessarily reporting less information that what is mandated by current regulations.
- **General Benefits of Alternative:** Providing flexibility for good environmental performance will serve as an incentive for manufacturing facilities to reduce their emissions and try to perform beyond compliance. Paperwork reduction will allow facilities to save on administrative costs and allocate more money for pollution abatement.

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-1. Flexible Track: Reporting

Possible Pilot Project: Frequency of Reporting
(continued)

Relevant Regulations & Permits:

- SARA
- TRI
- Biennial Hazardous Waste Survey
- NJ P2
- NJPDES
- Industrial Sewage Permits
- CWA
- NJ §302 and §303 Hazardous Waste Reporting
- TSCA Inventory Update Report (for small businesses)
- EPA Form R
- NJ DEQ 114
- CAA

Evaluation Factors:

- **Overall Assessment:**

- **Room for Flexibility:** According to several offices within EPA Region 2's Compliance Division, the proposed issue is feasible but will be a large undertaking. A pilot project that focuses on a few regulations may minimize the number of tasks necessary to implement such a program. To proceed with a pilot idea such as this requires a collaborative effort between several agency offices. This may prove to be challenging. Therefore, the pilot project may not be feasible on a short-term basis. The idea to implement an electronic reporting system, in conjunction with requiring several offices to coordinate with each other for this effort, also may prove to be challenging.

EPA Region 2's Air Compliance Branch is interested in participating. The EPCRA/TSCA Compliance Office noted that the Administrator has authority to modify the frequency of reporting; however, a rulemaking would be required to accomplish this. On the other hand, the Environmental Compliance Assistance and the Water Compliance Offices are unlikely to participate if a pilot project is pursued. According to the Water Compliance Office, quarterly reporting would contradict several National Pollutant Discharge Elimination System (NPDES) permit requirements. Also,

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-1. Flexible Track: Reporting

Possible Pilot Project: Frequency of Reporting
(continued)

monthly reporting is the basis for determining Significant Noncompliance (SNC). However, the Water Permitting Office noted that there is a proposal to reduce NPDES monitoring requirements based on compliance (April 1996 Interim Guidance for Performance-based Reduction of NPDES Permit Monitoring Frequencies).

According to EPA Region 2's Permits Division, the use of multimedia permitting as a vehicle to minimize redundancy of reporting across programs is an excellent idea. In terms of reporting dates, NJDEP has flexibility to devise a schedule for reporting to be consistent with other media.

EPA's Metal Finishing Common Sense Initiative (that is administered by the Industry Strategies Division) is running a pilot in Texas and Arizona with metal finishers and state governments to explore similar ideas. This Reporting Information Inventory Team Evaluation (RIITE) Project could provide some lessons for a pilot in New Jersey.

NJDEP is currently implementing a pilot program for Electronic Data Integration (EDI). This program focuses on electronic reporting in several areas. There is also an EPA task force working on this issue. Therefore, project participants should coordinate this effort with NJDEP and EPA. According to NJDEP, it is feasible to reduce the frequency of compliance reporting based upon the facility's compliance records. However, NJDEP is interested in developing methods to assure that facilities are still complying, even with the reduced frequency in reporting. An established Environmental Management System (EMS) within the facility is one possible approach for assuring continued compliance. Additional NJDEP feedback is required concerning information that is collected for purposes other than compliance assurance (e.g., SARA, TRI, Biennial hazardous waste survey).

Frank D'Ascensio (Passaic Valley Sewerage Commissioners) has responded positively to paperwork reduction issues. In general, to decrease paperwork, regulatory agencies have to collaboratively determine a universal report format. He is open to decreasing the frequency of reporting as long as the reports include all laboratory analyses performed for that particular reporting period (e.g., quarterly reporting with three months of laboratory analyses). Frank thinks

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-1. Flexible Track: Reporting

Possible Pilot Project: Frequency of Reporting
(continued)

electronic reporting is feasible. To establish this reporting system a regulatory body has to arrange a security framework within the system. Regulatory agencies should agree on a standardized reporting methodology so that electronic reporting is possible.

- **Potential for Environmental Improvement:** A decrease in administrative costs can lead to a facility allocating more funds for pollution prevention or abatement. The decrease in costs would be an incentive for companies to maintain good environmental performance to assure continued participation in the program.
- **Cost-Effectiveness Potential:** There is a potential for lower costs for facilities.
- **Transferability:** This issue is common to many facilities, small, medium, or large.
- **Staff Availability:** PVSC and some Region 2 offices would be willing to work on this.
- **Other:** According to one Stakeholder, an organized impartial review of the paperwork for a variety of regulations could be a productive effort before a pilot project is pursued.

Need to define one or more specific areas that would serve as a focus. Some possibilities could be: leak detection and repair where there are four different sets of requirements regarding how to detect and repair leaks, all with slightly different reporting requirements (raised by Exxon); or TCPA which requires reports regardless of whether there has been an accident -- e.g., fugitive and incident reports.

NJDEP is already pursuing electronic reporting in several areas. There is also an EPA task force working on this issue.

Regulatory Contacts:

- Frank D'Ascensio, Passaic Valley Sewerage Commissioners -- PVSC, 201-817-5710
- John Spinello, NJDEP, Office of Compliance and Enforcement, 609-984-3285

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-1. Flexible Track: Reporting

Possible Pilot Project: Frequency of Reporting
(continued)

Industry Source:

- Barry Bochner, Fabricolor, Inc.
- Joe Gentile, CasChem
- Dot Kelly, CIBA-Geigy Corporation
- David Mueller, PARAMINS, Exxon Chemical Company
- Wayne Tamarelli, Dock Resins Corporation

Clarification Questions:

- How does this initiative relate to the one-step (consolidated) reporting initiative that EPA Region 2 and NJDEP are currently exploring?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.



NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-2. Flexible Track: Inspections

Possible Pilot Project: Implementation of a Tiered Approach to Facility Inspections

Category: Multi-media, Multiple programs

General Issue Statement:

- **Current:** All manufacturing facilities are subject to scheduled and unannounced facility inspections by regulatory staff (from OSHA, EPA, POTW, FDA). This applies to facilities regardless of their environmental performance records.
- **Why is this a problem:** Environmentally sound facilities do not mind being the subject of inspections because they do not have anything to hide; however, inspections are resource-intensive. For facilities that do not have a designated environmental compliance or safety officer, an unannounced facility visit can take up substantial time from managerial employees, leading to delays in completing other tasks/activities that are important for daily plant operations.
- **Alternative to Current:** A tiered approach established by EPA and/or NJDEP may provide an increased incentive for facility compliance. In a tiered approach, facilities are ranked according to their environmental compliance records. EPA or NJDEP can provide facilities an incentive to improve their environmental performance by decreasing the frequency of inspections for those facilities with sound environmental records. For example, the Flexible Track Program (Metal Finishing 2000) and the Environmental Leadership Program provide such incentives.

If implemented, facilities that partake in this program must establish an approved plan with EPA and/or NJDEP. In turn, EPA and/or NJDEP would provide a Consent Agreement Addendum to facility compliance records. If the participating facility has not made any process changes since the last inspection and has not had any reportable incidents (accidents, spills, etc.), the agencies could decrease the frequency of inspections.

Although it would be difficult to have a multi-media program in inspections, some Stakeholders are interested in a program that emulates the OSHA Star program. NJDEP can perhaps try to broaden NJ TCPA (New Jersey Toxic Catastrophe Prevention Act) regulations.

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-2. Flexible Track: Inspections

Possible Pilot Project: Implementation of a Tiered Approach to Facility Inspections
(continued)

- **General Benefits of Alternative:** Flexible track idea could work well on NJ TCPA. In general, this would provide facilities the incentive to improve their environmental performance records in exchange for reduced frequency of inspections. In addition, regulatory agencies can focus more of their efforts on non-complying facilities.

Relevant Regulations & Permits: Multiple Programs

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** EPA Region 2 thinks that this proposal is feasible. However, NJDEP's Air program has a Compliance Monitoring Strategy (CMS) which is a tiered approach to inspections that uses algorithms to prioritize inspection targets. Before pursuing this issue as a pilot project, Region 2 suggests that project participants must determine whether this idea will lead to conflicts with NJDEP's CMS or EPA's National Enforcement Strategies (NES) for TSCA. The NES requires inspection of facilities that fall under certain categories or types. Three offices with EPA Region 2's Compliance Division -- Air, Environmental Compliance Assistance and TSCA -- are interested in participating in a pilot project based on this issue. However, the Water Compliance Office would not be interested in participating.

EPA's Office of Enforcement and Compliance Assurance (OECA) is not enthusiastic about this proposal. It would be difficult for regulatory agencies to rank facilities according to environmental compliance records because of several issues -- data quality, maintenance of the list, insufficient resources to develop the list. If this project were to be pursued, it would be important to develop a means of measuring its success.

NJDEP is currently considering ways in which inspection schedules may be adjusted to recognize differences in compliance records among various facilities. At present, NJDEP is pursuing this issue only as an internal management tool. However, they are interested in pursuing this issue with project Stakeholders if an Environmental Management System (EMS) scheme is implemented within the facility to assure continued compliance.

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-2. Flexible Track: Inspections

Possible Pilot Project: Implementation of a Tiered Approach to Facility Inspections
(continued)

Before pilot projects can proceed, the pilot facility must discuss with POTW officials any additions/changes to the proposed issue. According to Passaic Valley Sewerage Commissioners (PVSC), the CWEA program needs to be changed to proceed with alternative ideas delineated in the proposal. PVSC expressed interest in participating in a pilot project related to this issue. However, PVSC has expressed concerns that changes in the current system, as a result of the proposed pilot project, will lead to additional costs to the POTW (e.g., they will have to reprogram existing computer systems). Also, as part of the project, PVSC suggests that periodic company certifications need to be substituted for inspections, and stiffer penalties for failure to comply should be established, to compensate for additional costs to the POTW.

- **Potential for Environmental Improvement:** Facilities will improve their environmental records so that they are subject to less regulatory inspections and work to maintain good environmental performance to assure continued participation in the program.
- **Cost-Effectiveness Potential:**
- **Transferability:** Several facilities have already shown interest in a program similar to Metal Finishing 2000's Flexible Track Program.
- **Staff Availability:** A number of EPA Region 2 offices would be interested in participating, as is PVSC. NJDEP may also be interested in participating.
- **Other:** Would need strong employee training and involvement to maintain good facility performance.

Regulatory Agency Contacts:

- John Spinello, NJDEP, Office of Compliance and Enforcement, 609-984-3285
- Frank D'Ascensio, Passaic Valley Sewerage Commissioners -- PVSC, 201-817-5710

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-2. Flexible Track: Inspections

Possible Pilot Project: Implementation of a Tiered Approach to Facility Inspections
(continued)

Industry Source:

- Barbara Mullis, TRICON Colors, Inc.
- Richard Rosera, Pilot Chemical

Clarification Questions:

- Can we use Metal Finishing 2000 Flexible Track Program as a model for companies displaying the best environmental compliance records as a model for the alternative?
- Do we have to define all tiers in specific terms or can we provide a more broad definition of each compliance tier?
- Do regulatory agencies have a quota for inspectors? Do they have to visit a certain number of facilities in a month, quarter, year?
- What would be the similarities to the Environmental Leadership Program?
- Is NJDEP considering any parallel programs currently?
- Determine the details behind the National Enforcement Strategies.

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEc lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-3. Flexible Track: Permitting

Category: Multi-media

General Issue Statement:

- **Current:** Because the chemical manufacturing industry is highly regulated, facilities are subject to a large number of permits and compliance requirements.
- **Why is this a problem:** Some small facilities are feeling overwhelmed by the number of permit and compliance requirements that they have to fulfill. The high volume of paperwork and the frequency of laboratory analysis necessary for compliance takes a toll on small facilities with limited environmental resources. Some facilities have downsized and their environmental staff has decreased by half its original size. Furthermore, laboratory testing and employing consultants are quite costly. For example, to complete the necessary requirements in obtaining a permit to discharge to a POTW, a facility has to collect effluent stream samples, test the samples for certain pollutants, and complete the necessary paperwork. A small facility has to resort to other means to complete these permitting tasks. Laboratory personnel from a contract lab have to perform the sampling and the analysis, while accompanied by one of the environmental staff members. In addition, if the amount of paperwork is too great the facility may employ consultants to complete the necessary calculations and forms. The combined effort between the contract laboratory and the consulting firm is quite costly. Laboratory costs range from \$20 to \$200 per sample. These costs are contingent on the type of testing necessary for reporting. Consulting firms generally charge between \$50 to \$150 per hour.
- **Alternative to Current:** Several facilities have worked diligently to be considered good environmental performers. If the facility has a history of good environmental compliance, regulatory agencies could decrease the frequency of laboratory testing and reporting for these facilities. If the facility is a good environmental performer and has not had any incidents for the previous year, it is a good incentive to provide these facilities with an extension of their permits.
- **General Benefits of Alternative:** This provides an incentive for facilities to comply in exchange for permit extensions and less administrative burden. It also establishes a working relationship with regulatory agencies and manufacturing facilities. This alternative approach helps to promote the idea that "good performers get rewarded" and allows agencies to focus efforts on the poor performers.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-3. Flexible Track: Permitting

(continued)

Relevant Regulations & Permits: Multiple programs

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** EPA Region 2 believes this is a feasible idea. The TSCA and Water Compliance Offices, and Air Permitting Office have expressed interest in participating in a pilot project on this issue. Before pursuing this proposal as a pilot project, it is important to review three applicable materials: (i) EPA's April 1996 Interim Guidance for Performance-Based Reduction of the NPDES Permit Monitoring Frequencies; (ii) EPA's Environmental Leadership Program (ELP); and (iii) current state programs that allow flexibility in monitoring, inspections and permit revision. It may be especially valuable to review EPA's ELP to avoid duplication of this program effort and to incorporate any lessons learned from this ongoing effort. One Region 2 office suggested combining this proposal with MM-1 (Flexible Track: Reporting).

NJDEP is unsure how much additional flexibility can be provided for this issue. Presently, facilities are given the flexibility to perform self-monitoring and require reporting of excess emissions on a quarterly basis, and the results of effluent monitoring either on a monthly or quarterly basis. By providing this flexibility, NJDEP is able to decrease the number of on-site inspections, which decreases costs and disruption for facilities. Before proceeding with this project, NJDEP would need to develop a way to avoid reducing its ability to assure compliance.

Passaic Valley Sewerage Commissioners (PVSC) is interested in participating in a pilot project. Although it may not be necessary to modify CWEA, the project must consider substituting periodic company certifications for inspections.

- **Potential for Environmental Improvement:** Facilities will emit less if regulatory agencies reciprocate with a good performer reward and will work to maintain good environmental performance to assure continued participation.
- **Cost-Effectiveness Potential:** Less frequent lab analyses and paperwork will decrease in-house and outside costs for facilities.

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-3. Flexible Track: Permitting

(continued)

- **Transferability:** Several facilities, large or small, have shown interest in the idea of a decrease in the frequency of reporting and monitoring.
- **Staff Availability:** A number of EPA Region 2 offices have expressed an interest in participating. PVSC would be interested in participating. NJDEP may be willing to participate if compliance could be assured.
- **Other:** Is this alternative comparable to EPA's Environmental Leadership Program?

Regulatory Agency Contacts:

- Frank D'Ascensio, Passaic Valley Sewerage Commissioners -- PVSC, 201-817-5710

Industry Source: Joe Gentile, CasChem

Clarification Questions:

- How does this compare with the Environmental Leadership Program?
- Is one year too short to judge whether a company is a good environmental performer?
- What is the frequency of lab analyses required by permits?
- How should performance be evaluated? The significance of any violations should be considered. For example, if a facility and agency agrees to ratchet down the level of permitted emissions based on past performance, the likelihood of a violation may increase even though the overall loadings associated with the violation may be less than previous loadings.

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*



NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-4. Paperwork Reduction

Possible Pilot Project: Consolidating Similar Reporting Schemes

Category: Multi-media

General Issue Statement:

- **Current:** The DEQ 114 is an annual reporting scheme that is similar to one required by EPA (Form R). Facilities are currently completing this form as they are completing EPA's Form R. These forms require information that is duplicative.
- **Why is this a problem:** Calculating material balance equations and releases is quite onerous. This is a time-and resource-intensive process, and some manufacturing facilities do not have a large environmental staff to commit to such a task.
- **Alternative to Current:** An alternative to this current system would be to consolidate the two forms that are currently administered by NJDEP and EPA or at least use compatible methodologies. This would enable chemical facilities to more easily provide information to meet the needs of these agencies. Another alternative involves allowing a company to file a consolidated form for every one to two years if it does not have any additions and/or changes to its TRI reporting scheme. Companies can officially authenticate their unchanged TRI reporting status by including a letter from senior management when they file their forms.
- **General Benefits of Alternative:** This will reduce any unnecessary time invested in performing calculations for material balance and releases. In addition, this will decrease the internal costs spent by the companies on reporting. For government agencies, the alternatives will lead to less money spent for reviewing the forms.

Relevant Regulations & Permits:

- DEQ 114
- EPA Form R

Evaluation Factors:

- **Overall Assessment:**

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-4. Paperwork Reduction

Possible Pilot Project: Consolidating Similar Reporting Schemes (continued)

- **Room for Flexibility:** EPA Region 2's EPCRA Compliance Office would be willing to participate in a pilot project if it focuses on either of two ideas: (i) development of software that can extract data from the DEQ 114 to be used in completing Form R; or (ii) careful review of DEQ 114 or EPA Form R to determine the duplicative information included in both forms. This office notes that EPCRA §313 Form R cannot be altered because it is a national form.

The Region's Permits Integration Team is supportive of this pilot project proposal. However, it may be duplicative of Region 2's ongoing effort to explore the implementation of a one-stop reporting initiative in New Jersey.

At present, NJDEP's Right to Know Office has not commented on this proposal.

Passaic Valley Sewerage Commissioners (PVSC) is interested in participating in this pilot project but noted that it could be combined with a pilot project for MM-1 (Flexible Track: Reporting).

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:** EPA Region 2 and PVSC are interested in participating with the conditions stated above.
- **Other:** According to EPA Region 2, EPA Headquarters (HQ) is considering the possibility of expanding its reporting requirements to include the additional information that is already required under DEQ 114. If EPA HQ proceeds with the Phase III/"Right to Know More" program, the additional information required by DEQ 114 may be collected on a national level.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-4. Paperwork Reduction

Possible Pilot Project: Consolidating Similar Reporting Schemes
(continued)

Regulatory Contacts:

- Frank D'Ascensio, Passaic Valley Sewerage Commissioners, 201-817-5710

Industry Source:

- Peter Downing, Fidelity Chemical Products Corporation
- Barbara Mullis, TRICON Colors, Inc.

Clarification Questions:

- Document the overlap between Form R and DEQ 114.

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.



NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-5. Turnaround Time for Permit
Modifications or Approvals**

Possible Pilot Projects: Minimizing the Waiting Period for Permit Modifications

Category: Multi-media

General Issue Statement:

- **Current:** Sometimes facilities need to install or modify equipment that is either a part of the production process or an auxiliary unit in the middle of a 5-year permitting cycle. This requires rewriting the permit, which requires a great deal of staff time. In addition, facilities usually undergo a waiting period before they can obtain a permit modification for a particular piece of equipment.
- **Why is this a problem:** Rewriting a permit application in the middle of a permit cycle requires extra staff time for the facility and the agency. The waiting period causes a delay in the production process (especially if the process unit is the only replacement for a broken piece of equipment). Some manufacturing facilities have a 24-hour production schedule that is necessary for timely product deliveries to customers. A delay can lead to great financial losses to some manufacturing facilities. In addition, certain manufacturing processes require a chemical reaction to run to completion. A piece of equipment that is not utilized can lead to unnecessary loss of important feedstocks or intermediates.
- **Alternative to Current:** An abbreviated permit amendment would reduce the preparation time for the facilities and the review and issuance time for the agency. If a delay is anticipated by the regulatory agency, a temporary permit could be granted to alleviate some of the problems leading to the delay. The issuance of a temporary permit would be contingent on the quality of the replacement unit, that is, it would be issued only if the replacement unit is more efficient than the previous unit.
- **General Benefits of Alternative:** This will prevent unnecessary delays experienced by some manufacturing facilities, especially when a process unit ceases to function.

Relevant Regulations & Permits: Multiple programs

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-5. Turnaround Time for Permit
Modifications or Approvals**

Possible Pilot Projects: Minimizing the Waiting Period for Permit Modifications
(continued)

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** EPA Region 2's Air and RCRA Permitting Offices have expressed interest in pursuing this proposal as a pilot project. Under the revised CAA Title V part 70 rules, installing new units or changes to equipment are possible without permit revision, as long as the installations/changes do not violate the facility's current Title V permit. EPA is in the process of developing a "notice and go" concept under part 70: if the installation/change does not violate the facility's Title V permit but triggers a new requirement for the facility (beyond what is covered under the Title V permit), the permit could be revised by attaching a notice to the existing permit. This is similar to the temporary permit concept. This pilot project is similar to one of the Permit Improvement Team's recommendations. The Region noted that this project also would be appropriate with the Plantwide Applicable Limit concept under the New Source Review reform. The Region has proposed that the pilot project should be expanded beyond Air permits.
- **Potential for Environmental Improvement:** If less emitting process equipment is used, it will be beneficial for the environment.
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:** Several EPA Region 2 Offices have expressed a willingness to work on this issue. The NJDEP Water Office is interested in pursuing a pilot project on this issue.
- **Other:** The regulations must be developed in a way that minimizes risks, that is, they must ensure that the replacement unit has a better environmental performance than its predecessor.

Regulatory Agency Contacts: Dennis Hart, NJDEP, Office of Water, 609-292-4543

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-5. Turnaround Time for Permit
Modifications or Approvals**

Possible Pilot Projects: Minimizing the Waiting Period for Permit Modifications
(continued)

Industry Source: Joe Gentile, CasChem

Clarification Questions:

- Can NJDEP issue a temporary permit (especially to a company with good compliance records) for new/modified equipment while the facility awaits final approval?
- Does this issue pertain only to air and water?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.



NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-6. Registration for Storage
Tanks**

Category: Multi-media

General Issue Statement:

- **Current:** Facilities currently have to submit forms each time they change the contents of individual storage tanks.
- **Why is this a problem:** The work associated with registering these tanks can become quite laborious for a facility with multiple storage tanks.
- **Alternative to Current:** Develop options that allow tanks to be registered for multiple uses or allow simplified paperwork to change the use of a tank. For example, tanks could be registered by category of chemicals (e.g., VOCs) instead of by individual chemical. Under this alternative, a facility would be allowed to switch from one chemical to another, within the family of chemicals approved for the tank, without submitting notification or applying for a new permit.

Another alternative would be to allow facilities to use storage tanks for any chemical as long as additional safeguards are not necessary. For example, a tank previously used to store toluene should not be utilized to store phosgene because of its possible adverse affects to humans during accidental release to the environment. On the other hand, storage for a tank used for toluene could be used for future storage of xylene, which requires no safeguards beyond those required for toluene.

- **General Benefits of Alternative:**

Relevant Regulations & Permits: NJDEP definition of "storage tank"

Evaluation Factors:

- **Overall Assessment:**

NOTE: In the event that you cannot reach the EPA or IEc lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-6. Registration for Storage
Tanks**

(continued)

- **Room for Flexibility:** Region 2's Environmental Compliance Assistance Office stated that this pilot project is doable. One approach would be for a facility to request storage permits for the most hazardous materials that it anticipates in storing. Any switching of stored material within these parameters would not require a permit modification. They also noted that the NJ Air Permitting program is currently pursuing a concept similar to this. In contrast, the Region's Permits Integration Team is not supportive of this pilot project.

At present, NJDEP has not commented on this issue.

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:**
- **Other:**

Regulatory Agency Contacts:

Industry Source:

- Joe Gentile, CasChem
- Dot Kelly, CIBA-Geigy Corporation
- Dave Mueller, PARAMINS, Exxon Chemical Corporation

Clarification Questions:

- Gather details on NJDEP's Air Permitting program. Is NJDEP pursuing a concept that is identical to this proposal?
- Does some flexibility already exist in tank registration? One company reported that it currently has permits listing generic classes of chemicals or products. If it wants to store a product that is

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

<p>MM-6. Registration for Storage Tanks</p>
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(continued)

not included in the permit, it has been able to simply submit notification as long as there is no increase in potential emissions.

- How can definitions be altered and still assure that facilities will not increase possible emissions or potential accidents?
- Need to check historical information from facilities on whether there has been an incident where incompatible contents were used in tanks, leading to accidents.

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*



NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-7. Compliance Assistance: Notification of Regulatory Changes

Possible Pilot Project: Running Notification of Promulgated Regulations

Category: Multi-media

General Issue Statement:

- **Current:** Companies obtain information concerning promulgated regulations from sources such as the Federal Register and New Jersey Register. In general, information on regulations consists of several pages and is written in legalese. There is little context given and it is difficult for companies to interpret regulations, determine if the regulation applies to them, and devise the means to comply. In addition, the rules often are not self-contained, but require companies to refer to previous rules or other documentation to interpret them adequately.
- **Why is this a problem:** Small manufacturing facilities, as well as small sites owned by large companies, have limited environmental staff to interpret regulations and are concerned that they are not fully aware of all regulatory changes. Most of their environmental/compliance staff have dual roles in their companies. They often undertake responsibilities in both the manufacturing group and the environmental department of the company. Because of their dual roles, environmental staff may be faced with a backlog of reading material (including materials related to regulatory changes). Companies are concerned that a slight oversight in reading all incoming regulatory literature can lead to violations that will be discovered during an unannounced inspection.
- **Alternative to Current:** One alternative is to have a running notification (not in legalese) of promulgated regulations to assist facilities, especially small businesses. A name and phone number to call for assistance would also facilitate proper interpretation.

Another alternative is to ease interpretation of rules by improving the rules themselves. For example, the summary of each rule should include a clear description of the rule's requirements, including an exhaustive list of the type of facilities to which the rule applies or a screening chart to help determine if the rule applies. The summary should also highlight all requirements of the rule, that is, there should be no requirements buried in the rule that are not discussed up front. In addition, the rules should be self-contained so that someone reading the rule will be able to interpret the regulations wholly from the rule itself; the rules should not require someone to refer to additional documents to gain a complete understanding.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-7. Compliance Assistance:
Notification of Regulatory Changes**

Possible Pilot Project: Running Notification of Promulgated Regulations
(continued)

- **General Benefits of Alternative:** A running notification is an efficient way for companies to learn about regulatory changes. Misinterpretation of regulatory changes will be lessened if the notification is written with a clear explanation.

Relevant Regulations & Permits: Multiple programs

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** EPA Region 2 thinks that this project is feasible and is interested in participating if a pilot project is pursued. As part of a pilot project, project participants should devise a way to address the logistical problems of sending notices to companies. This may require integrating information from several databases (e.g., Chambers of Commerce). In addition, to avoid duplicating other ongoing efforts, it is important to determine whether EPA and NJDEP are currently pursuing this concept in one of their programs. The Region's RCRA Office noted that it currently produces fact sheets that provide a brief summary of promulgated regulations. However, it must be made clear that such summaries do not replace the need to understand the full regulation, as future non-compliance may be defended by citing a faulty or incomplete summary.

EPA's Office of Enforcement and Compliance Assurance (OECA) believes this is a sound proposal and is similar to the Small Business Regulatory Enforcement Fairness Act mandates. However, OECA does not have sufficient resources to participate in this effort and recommends that the Stakeholder Group contacts EPA Headquarters media offices.

Existing guidelines and legislation require NJDEP to provide summaries of specific changes and impacts of all regulatory changes. However, NJDEP's Legal Affairs Unit is willing to explore alternatives for improving the regulatory notification process.

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-7. Compliance Assistance:
Notification of Regulatory Changes**

Possible Pilot Project: Running Notification of Promulgated Regulations
(continued)

Passaic Valley Sewerage Commissioners (PVSC) is interested in participating in a pilot project. As a way to assist facilities in its sewer service area, PVSC has established a WEB site on the Internet.

- **Potential for Environmental Improvement:** Companies will interpret regulations more efficiently and the potential for a slight oversight of the regulation will be greatly reduced. Therefore, conscientious facilities can continue to be good performers and non-complying facilities do not have an excuse to be out of compliance.
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:** EPA Region 2 offices are interested in participating . PVSC is interested in participating. NJDEP will consider participating.
- **Other:** Coordinating a running notification system with EPA and NJDEP may be a challenge.

Regulatory Agency Contacts:

- Frank D'Ascensio, Passaic Valley Sewerage Commissioners -- PVSC, 201-817-5710
- Richard McMannus, NJDEP, Legal Affairs Unit, 609-292-0716

Industry Source:

- Barry Bochner, Fabricolor, Inc.
- Dorothy Bowers, Merck & Co., Inc.
- Barbara Mullis, TRICON Colors, Inc.

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-7. Compliance Assistance:
Notification of Regulatory Changes**

Possible Pilot Project: Running Notification of Promulgated Regulations
(continued)

Clarification Questions:

- Is EPA's compliance office already working on this type of project?
- Get a copy of RCRA Fact Sheet from EPA.
- Check with business associations and determine how they have assisted their members in past regulatory notification.

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-8. Compliance Assistance:
Guidebook**

Possible Pilot Project: Availability of a Compliance Guidebook

Category: Multi-media

General Issue Statement:

- **Current:** Manufacturing facilities have the responsibility of complying with state and federal regulations. Understanding what requirements a facility is subject to and what must be done to comply with every regulation is quite difficult for some compliance/environmental departments.
- **Why is this a problem:** Small to medium sized companies say that their greatest fear is that they will be caught not complying with a requirement of which they were not aware. This can have detrimental effects, the worst being "going out of business." Small companies usually do not have the resources to learn all the environmental regulations that pertain to their facilities. These facilities do not have staff who are designated to work only on environmental/compliance tasks. Instead, employees have multiple responsibilities within the company, in addition to their environmental/compliance duties. For example, completing the New Jersey DEQ 114 took one company approximately one month because information and assistance was not readily available.
- **Alternative to Current:** A compliance guidebook for the chemical industry would assist small businesses in determining what rules and regulations they need to meet and what deadlines are upcoming.
- **General Benefits of Alternative:** With the compliance guidebook, facilities would have a straightforward interpretation of regulations and would be more aware of their requirements.

Relevant Regulations & Permits: Multiple Programs

Evaluation Factors:

- **Overall Assessment:**

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-8. Compliance Assistance:
Guidebook**

Possible Pilot Project: Availability of a Compliance Guidebook
(continued)

- **Room for Flexibility:** No laws or regulations would prohibit or restrict a guidebook. The limiting factors would be financial and staff resources to prepare the guidebook. The book could build on current work underway in EPA Headquarters' (HQ) Office of Compliance and NJDEP.

EPA Region 2 is interested in participating in a pilot project on this issue. It is important that the compliance guidebook contain sufficient details on regulations. For example, it is a good idea to include and clearly explain calculations that will determine whether certain regulations apply to the facility. Also, in developing the proposed pilot project, facilities should indicate which media programs are of interest to them.

Presently, Region 2 (Water Compliance Branch), in conjunction with EPA HQ's Office of Enforcement and Compliance Assurance (OECA), is preparing a Notebook for the Pharmaceutical Industry. This notebook includes compliance and pollution prevention information. EPA OECA is also interested in participating in a pilot project with this Stakeholder Group.

According to NJDEP, this issue is similar to other proposals included in the Permits Improvement Team (PIT) report. Presently, NJDEP is working on a compliance overview that is closely related to this proposal. It is important to determine whether there is any duplication between these two efforts.

Passaic Valley Sewerage Commissioners (PVSC) will support the Stakeholder Group if it decides to pursue this as a pilot project. PVSC maintains that a bulk of the work necessary to carry out this proposal rests on the shoulders of the regulatory bodies. Therefore, it will only participate in a pilot project, if it involves electronic data reporting/monitoring. In addition, PVSC believes that there is direct overlap between this issue and MM-7 (Compliance Assistance: Notification of Regulatory Changes). PVSC notes, however, that even with a guidebook, responsibility always rests with the regulated entity.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-8. Compliance Assistance:
Guidebook**

Possible Pilot Project: Availability of a Compliance Guidebook
(continued)

- **Potential for Environmental Improvement:** Being more aware of regulations and having simple instructions on how to comply will assist companies to become better environmental performers. The greatest improvement will probably be for small and medium-sized companies.
- **Cost-Effectiveness Potential:**
- **Transferability:** Highly transferable.
- **Staff Availability:** EPA OECA thinks this is a good idea. They already have efforts underway that could contribute to this effort (e.g., audit guide for chemical facilities, sector notebooks, pharmaceutical guidebook). They may be willing to contribute resources.

EPA Region 2 also thinks this project is doable. Region 2 is already working on some activities that could support this project and some offices have expressed a willingness to work on such a project.

New Jersey is working on a compliance overview that would provide similar information.

- **Other:** Metal Finishing CSI is preparing such a book modeled on one that was done for the furniture industry.

For a guidebook to be useful, we would need to develop a mechanism for continually updating it

If a barrier for completing the compliance guidebook is the cost incurred by the agency in assembling it, perhaps the guidebook can be offered to companies for sale. The money obtained from the sales can help offset the cost of producing the guidebook.

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-8. Compliance Assistance:
Guidebook**

Possible Pilot Project: Availability of a Compliance Guidebook
(continued)

Regulatory Agency Contacts:

- Emily Chow, EPA, Office of Enforcement Compliance Assistance -- OECA, 202-564-7071
- Lance Miller, NJDEP, 609-292-1909 (NJDEP); 908-321-6782 (EPA Region 2)

Industry Source: Barbara Mullis, TRICON Colors, Inc.

Clarification Questions:

- How would this be funded? (CSI is spending approximately \$50,000 and there is more from industry.)
- Should there be separate guidebooks for EPA and DEP or should they be covered together in a single book?
- How do you measure the success of a guidebook?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEc lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-9. Assistance for Schools

Possible Pilot Project: Environmental Partnership with Private/Public Schools

Category: Multi-media (primarily hazardous waste)

General Issue Statement:

- **Current:** Private/public schools have to dispose of their chemical wastes (from laboratories, etc.) at a TSDF. This involves paying for the transport and treatment of the wastes. It is more difficult for schools to know about and comply with requirements than it is for small facilities.
- **Why is this a problem:** The costs of treating and transporting wastes for schools has increased annually. The amount of waste originating from schools is a small volume in comparison to wastes originating from chemical facilities. Compliance of schools is probably low.
- **Alternative to Current:** Large facilities want to establish an environmental partnership with private/public schools to help these schools comply with regulations. A large facility can assist schools in understanding environmental requirements and can combine school waste with its on-site waste to assist in disposal of chemicals. This proposal would allow the large chemical companies to dispose of the school's waste with their own.
- **General Benefits of Alternative:** Minimizing schools' costs for transporting and treating their chemical wastes would improve compliance rates and allow them to reallocate these savings to academic programs or to programs that may improve the fiscal structure of the schools. In addition, this alleviates the waste transportation responsibilities of the school since large facilities are also interested in taking responsibility for transporting school wastes from the school. Facilities want to be good citizens and prevent schools from improperly disposing of their wastes. For example, Exxon wanted to advise the schools on the proper management of chemicals during storage and use.

Relevant Regulations & Permits: RCRA

Evaluation Factors:

- **Overall Assessment:**

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-9. Assistance for Schools

Possible Pilot Project: Environmental Partnership with Private/Public Schools
(continued)

- **Room for Flexibility:** EPA Region 2 did not express interest in participating in this effort. Region 2 maintains that current assistance and guidance for schools are sufficient for them to comply with regulations.

EPA's Office of Enforcement and Compliance Assurance (OECA) was also unenthusiastic about participating in this pilot project. OECA also suggested that it is important to better define several aspects of this issue: (i) the multi-media component of the issue; (ii) the incentive for companies to perform this service to the schools; and (iii) the benefits for schools (e.g., Why would minimizing schools' costs for transporting and treating their chemical wastes improve their compliance rates?).

- **Potential for Environmental Improvement:** By properly disposing schools' wastes, the environment has the potential to be improved.
- **Cost-Effectiveness Potential:** Schools will decrease disposal costs.
- **Transferability:** This may only apply to large facilities because of the time and effort necessary to commit to such a program with a school. Large facilities have the resources to spare so that they can be featured as good citizens to the community.
- **Staff Availability:**
- **Other:** This type of partnership could be extended to other regulatory areas beyond hazardous waste management.

Regulatory Contacts:

Industry Source: Pat Parsons, PARAMINS Exxon Chemical Company

Clarification Questions:

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-9. Assistance for Schools

Possible Pilot Project: Environmental Partnership with Private/Public Schools
(continued)

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.



NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-10. Amnesty for Voluntary
Facility Audits**

Possible Pilot Project: Amnesty for a Voluntary Facility Inspection

Category: Multi-media

General Issue Statement:

- **Current:** Facilities are left on their own to learn about and comply with all environmental requirements. Even for a small facility, there are thousands of applicable requirements. Many of these requirements are quite complicated and require some degree of interpretation before they can be applied. Several manufacturing facilities are interested in determining how well they are complying with current regulations. They are interested in volunteering for facility audits conducted by a regulatory agency inspector.
- **Why is this a problem:** Although the voluntary facility audit is a great idea, facilities are concerned that they will be subject to harsh repercussions if an inspector finds a violation. Sometimes, the amount of regulatory literature that is sent to facilities is overwhelming for a small company's staff. Personnel at small facilities have expressed their concerns about accidentally overlooking regulatory changes and mandates. They are concerned that a slight oversight on their part will lead to severe penalties for the company.
- **Alternative to Current:** This proposal would build on new EPA and NJDEP audit policies. Facilities would like a regulatory officer to walk through their manufacturing operations to determine where they are not in compliance. The idea is similar to OSHA Star. If facilities are given amnesty for a 60-day or 90-day period (or longer if needed), they would be encouraged to volunteer for a facility audit. This would allow the facility to correct any violations found during the inspection. In essence, it would provide regulatory flexibility to a facility that has a good environmental management system or wants to be a good environmental performer. Another option would be to allow a larger company with a good compliance record to assist smaller companies in their audits and mentor their improved compliance.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-10. Amnesty for Voluntary
Facility Audits**

Possible Pilot Project: Amnesty for a Voluntary Facility Inspection
(continued)

- **General Benefits of Alternative:** Amnesty would benefit facilities that do not have an established environmental/compliance group but have relied on dividing these responsibilities among their supervisory staff. This program would increase compliance rates and the confidence levels of well-intentioned industry citizens and would increase the sense of partnership between government and industry.

Relevant Regulations & Permits: Multiple programs

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** EPA Region 2 is interested in participating in this effort. A pilot project is feasible but it must follow guidelines set forth by the Office of Enforcement and Compliance Assurance's (OECA) Audit Policy. According to the Region, the size of the facility and OECA approval are important considerations in proceeding with this pilot project.

For additional sources of assistance, OECA has suggested the State Small Business Assistance Programs (SBAPs) and Technical Assistance Pollution Prevention providers. These programs will provide assistance/guidance for facilities, without the fear of penalties.

On September 9, 1996, NJDEP initiated a pilot program that enables facilities to request on-site compliance assistance. After NJDEP receives the request, one or more appropriately trained compliance officers will provide on-site compliance assistance. This assistance includes guidance for various NJ programs: hazardous waste management, air and water pollution control and release prevention regulations. The pilot program ends on February 28, 1997. Perhaps, this is a way for Stakeholder facilities to receive some assistance with their compliance concerns.

- **Potential for Environmental Improvement:**

NOTE: *In the event that you cannot reach the EPA or IEc lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-10. Amnesty for Voluntary
Facility Audits**

Possible Pilot Project: Amnesty for a Voluntary Facility Inspection
(continued)

- **Cost-Effectiveness Potential:** A thorough, coordinated inspection by regulatory agencies is resource intensive for staff.
- **Transferability:** This program could be applicable to a broad spectrum of the industry.
- **Staff Availability:** Several EPA Region 2 offices would be willing to participate. NJDEP may also be willing to work with us.
- **Other:** Need to review FR (June 3, 1996), pp. 27983-27987, EPA's Final Rule -- "Incentives for Self-Policing: Discovery, Disclosure, Correction and Prevention of Violations". Also, EPA's Compliance Leadership through Environmental Auditing and Negotiation project (CLEAN) may be a good model for this effort. The CLEAN program is a pilot project in Region 1 that is coordinated by the Metal Finishing Initiative (led by the EPA OPPE Industry Strategies Division). The goal of this effort is to combine Pollution Prevention (P2) assistance and enforcement amnesty as incentives for improved environmental performance. The approach involves subsidizing P2 and compliance assessments by third parties at small Metal Finishing firms. Amnesty is provided in exchange for a commitment from facilities to correct any violations to come into compliance, undertake pollution prevention assessments and commit to facility-wide pollution reduction options.

Regulatory Agency Contacts:

- John Spinello, NJDEP, Office of Compliance and Enforcement, 609-984-3285

Industry Source:

- David Mueller, PARAMINS, Exxon Chemical Company
- Barbara Mullis, TRICON Colors, Inc.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-10. Amnesty for Voluntary
Facility Audits**

Possible Pilot Project: Amnesty for a Voluntary Facility Inspection
(continued)

Clarification Questions:

- Can we use this pilot as a mentoring opportunity and include larger businesses?
- Can NJDEP conduct a parallel program?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Suzette Apis (Industrial Economics, Inc.), phone: 617-354-0074 x155, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-11. International TSCA Concerns

Possible Pilot Project: International Registration of Chemicals

Note: IEc has not fully characterized this issue to reflect comments from all industry proposers.

Category: Multi-media

General Issue Statement:

- **Current:** Current European chemical registration requirements (sixth amendment of Directive 67/548/EEC) are not consistent with current TSCA chemical registration requirements.
- **Why is this a problem:** Inconsistencies between the sixth amendment and TSCA have created unnecessary additional workload for chemical companies. The Chemical Abstract Service (CAS), a division of the American Chemical Society, assigns CAS numbers to every chemical. In conjunction with the CAS number, specific nomenclature (outlined by the International Union of Pure and Applied Chemistry or IUPAC) is assigned to a chemical. Therefore, every chemical possesses a CAS number, as well as an IUPAC name. Both of these are known internationally. Sometimes, incorrect nomenclature is assigned to the chemical. Instead of renaming the chemical and maintaining its current CAS number, a new CAS number is created and a new name is assigned. Therefore, companies have to redo their paperwork to renotify of what is now a new chemical. In addition, the chemical may possess a different name under the sixth amendment and TSCA systems. If the TSCA name is not present in EINECS or ELINCS, the chemical is treated as a new chemical and the facility experiences delays in marketing the new chemical. Directive 67/548/EEC requires proper labeling of materials: if the chemical possesses a different name in Europe than in the U.S., the facility has to relabel its merchandise before exporting it to Europe. This is added work for a facility and can be quite onerous for small facilities.

The sixth amendment requires certain testing before products are distributed throughout Europe. The testing procedures do not augment procedures required by American regulations (both state and federal). If an American facility wants to export to Europe, this facility is looking at testing the products twice using two different batteries of testing requirements. One Stakeholder mentioned that these batteries of tests can "kill any product," serving as a strong trade barrier. Facilities are interested in seeing a more harmonized effort between the sixth amendment and TSCA rules. Other countries, such as Canada, often have completely different rules. Small facilities are

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-11. International TSCA
Concerns**

Possible Pilot Project: International Registration of Chemicals
(continued)

especially at a disadvantage with these inconsistencies. They do not have a large environmental/compliance staff and sometimes are not members of chemical trade associations that can assist with these issues.

- **Alternative to Current:** Better coordination between the sixth amendment, rules of other countries, and TSCA.
- **General Benefits of Alternative:** It will ease the process of registering products internationally and lower trade barriers.

Relevant Regulations & Permits:

- International TSCA (e.g. the sixth amendment), TSCA

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Some countries, e.g. Australia, allow chemical notification and assessment under approved foreign schemes. Generally, however, there probably is not much flexibility in the short term since this deals with other countries' laws. There may be opportunities for technical assistance.

Region 2's EPCRA/TSCA believes that the project is doable, but states that the majority of the activities would need to be undertaken at EPA Headquarters (HQ). EPCRA/TSCA would be willing to participate in the project as a liaison between Headquarters and a pilot project company within the region. Prior to conducting a pilot, however, the office believes that concrete goals need to be established and more information on specific problems confronted by manufacturers should be obtained.

- **Potential for Environmental Improvement:**

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-11. International TSCA
Concerns**

Possible Pilot Project: International Registration of Chemicals
(continued)

- **Cost-Effectiveness Potential:** A coordinated effort between the sixth amendment and TSCA will decrease the cost of testing chemicals for various testing procedures.
- **Transferability:**
- **Staff Availability:** EPA Region 2 would be willing to serve as a liaison between EPA HQ and any pilot project companies. EPA HQ's Office of Pollution Prevention and Toxics has indicated a willingness to talk to companies about their concerns and provide assistance.
- **Other:** According to Region 2's EPCRA/TSCA Office, EPA Headquarters may already be looking into this at a national level, especially in the area of testing procedures and different lists. Currently, EPA Headquarters keeps a legal library, at the hotline, of laws of other countries (first, second, and third world country laws) that are similar to TSCA, Pollution Prevention Act, and EPCRA. EPA Headquarters prepared a report, "World-At-A-Glance," that summarizes some of these laws. The agency has been expanding and updating the library and report. As part of this effort, EPA has prepared matrices showing, in detail, how first world countries control new chemicals and which second and third world countries control these chemicals.

CMA may also provide some technical assistance.

Regulatory Agency Contacts:

- Lisa Faeth, EPA OPPTS Environmental Assistance Division, 202-260-1817.

Industry Source:

- Joe Gentile, CasChem
- Richard Rosera, Pilot Chemical Company
- Steve Scher, Scher Chemical

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-11. International TSCA
Concerns**

Possible Pilot Project: International Registration of Chemicals
(continued)

Clarification Questions:

- Need to review David DiFiore's (EPA/OPPT) policy paper entitled "EPA/European Union Joint Project on the Evaluation of Structure Activity Relationships: New Chemicals Program Response to Conclusions in the Final Report," that compares the European and U.S. methods of testing new chemicals.
- Need to research how countries, such as Australia, allow new chemical notification and assessment under an approved foreign scheme.

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-12. TRI Expansion

Category: Multi-media

General Issue Statement:

- **Current:** Final rule in TRI reporting will add 286 chemicals to the list.
- **Why is this a problem:** The expanded TRI increases the likelihood that companies need to file a Form R with EPA, which automatically qualifies them for the NJ DEQ 114 program. As a result, small facilities are faced with the tasks of revising their current NJ P2 program because of these changes in TRI. This is a large undertaking for small manufacturing plants.

Although EPA has reduced the reporting burden somewhat by issuing the alternate threshold rule for those facilities that have less than 500 pounds in total waste, two other requirements developed by DEP (DEQ 114 and NJ P2) have been tacked on to TRI reporting.

- **Alternative to Current:** Develop approaches to make it easier for companies to comply with the TRI expanded rule.
- **General Benefits of Alternative:**

Relevant Regulations & Permits:

- New Jersey Pollution Prevention Program (NJ P2)
- NJ DEQ 114
- EPCRA §313 [Final Rule: 40 CFR Part 372]

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** According to Region 2's EPCRA/TSCA Office, NJDEP should develop an alternative that focuses on NJDEP forms and reporting. While EPCRA/TSCA would be willing to work on the project, the Permit Integration Team feels that the project is more of an issue for NJDEP to address.

Note that we have not yet received comments from NJDEP's Right to Know.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-12. TRI Expansion

(continued)

- **Potential for Environmental Improvement:** TRI listing tends to create public pressure on companies to reduce the use of listed chemicals. In this sense, listing leads to a "cleaner" result.
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:** EPA Region 2's EPCRA/TSCA Office would be willing to work on this if NJDEP were involved in developing alternatives.
- **Other:** According to a recent thesis completed at Harvard University's John F. Kennedy's School of Government, "The objective of government rated most highly by the public is creating an inventory of all releases of toxics to the environment." (Patricia D. Stanton and Sue Willis, June 1996). Thus, any alternatives developed should ensure that a comprehensive inventory is developed.

Emergency response requires knowledge of chemicals on site that may be released due to fire or accident, not routine releases.

Regulatory Agency Contacts:

Industry Source:

- Joe Gentile, CasChem
- Richard Rosera, Pilot Chemical Company

Clarification Questions:

- What is the status of the *De minimis* approach backed by SOCMA?
- Need to determine details behind EPA's small quantity exemption program.

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-13. Label Requirements for
Product Containers**

Category: Multi-media

General Issue Statement:

- **Current:** Current NJ Department of Health (NJDOH) rules require product containers, such as drums, to include detailed product information on all container labels including the top five ingredients and Chemical Abstract Service (CAS) numbers. In addition, facilities are also required to label product containers in technical service and quality control non-R&D laboratories if they are above the threshold level or contain health hazard substances (e.g., carcinogens, mutagens, or teratogens).
- **Why is this a problem:** This is a problem because companies are potentially required to reveal proprietary product information on the labels. Many facilities have invested a great deal of time and money on research and development efforts to manufacture these products. Facilities feel that this places them at a competitive disadvantage, especially since their management has gone to extremes to protect company trade secrets.

Facilities may protect trade secrets by obtaining a New Jersey Trade Secret Registry Number (NJTSRN). According to NJDOH, the Right to Know regulations were amended in 1993 to make it easier for companies to comply with the trade secret provisions of the law. For example, a company is now allowed to assign its own trade secret registry number and may assign a registry number to an entire product rather than to each secret ingredient.

Facilities with non-R&D labs also find it onerous to label their product containers. For example, a company should not be required to reproduce information from the MSDS onto their labels. Those facilities that test their products in their technical services and quality control labs do not feel that labeling these containers benefit the facility or environment further. However, this requirement was also amended in the 1993 amendments to the Right to Know regulations. The amendment set a threshold of two kilograms (4.4 pounds) or two liters (0.53 gallons) at or below which containers are not required to have Right to Know labeling unless they contain special health hazard substances produced in such a quantity as to make the product hazardous. According to NJDOH, many containers in a laboratory fall below this threshold.

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-13. Label Requirements for
Product Containers**

(continued)

- **Alternative to Current:** NJDOH should make companies aware that there are a minimum number of steps required to obtain a NJTSRN and that facilities may assign a registry number to an entire product rather than for each secret ingredient. In addition, NJDOH should make certain that non-R&D laboratories are aware of the threshold levels.
- **General Benefits of Alternative:** Companies will be more likely to obtain a NJTSRN if they do not feel overwhelmed by the necessary requirements. Obtaining this secret registry number will help companies maintain their market advantage by protecting trade secrets.

Relevant Regulations & Permits:

- NJ Worker and Community Right to Know Act (N.J.A.C.: 8:59-3)
- Associated NJDOH regulations.

Evaluation Factors:

- **Overall Assessment:** The procedure is simpler than the proposer originally thought.
- **Room for Flexibility:** NJDOH has expressed interest in working with companies to clarify the procedure for protecting trade secrets and work through any problems.
- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:** NJDOH is willing to explain their program and discuss any problems companies are having.
- **Other:**

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-13. Label Requirements for
Product Containers**

(continued)

Regulatory Agency Contacts:

- Richard Willinger, NJDOH Right to Know Program, 609-984-2202

Industry Source: Peter Downing, Fidelity Chemical Product Corporation

Clarification Questions:

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-14. Duplication of Regulations
between EPA and Other Agencies**

Possible Pilot Project: Reducing Overlap between Rules of Different Agencies

Category: Multi-media

General Issue Statement:

- **Current:** Different agencies have varying and sometimes duplicative regulations addressing the same issue.
- **Why is this a problem:** Slightly different rules regulated by different agencies increase the workload for companies and are often redundant. For each rule, a company may spend a great deal of time initially understanding the requirements and then complying with them.

Facilities do not understand why certain agencies regulate issues that should clearly be regulated by one agency. For example, worker safety issues were initially addressed under New Jersey's Toxic Catastrophe Prevention Act (TCPA). This state rule then led to OSHA Process Safety Management Standards and to EPA's Risk Management Guidelines under the Clean Air Act. A company operating in New Jersey must comply with all three regulations, which regulate different chemicals and have slightly different requirements.

This issue also refers to overlap in cases where New Jersey state regulations are more stringent than federal rules (e.g., Subchapter 8, New Jersey air regulations vs. CAA; and New Jersey water regulations vs. CWA).

- **Alternative to Current:** One alternative is for agencies to review their rules and regulations and determine the overlap between agencies and devise a strategy to develop a more organized system. For example, OSHA and EPA could combine their worker safety requirements into one rule and administer it through one agency or the other.

Another option is to review the state and federal regulations to ensure that the state regulations satisfy all the requirements in the federal regulations. Once the state regulations are satisfied, the company can be assured that they have also satisfied the corresponding federal requirements.

NOTE: *In the event that you cannot reach the EPA or IEc lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-14. Duplication of Regulations
between EPA and Other Agencies**

Possible Pilot Project: Reducing Overlap between Rules of Different Agencies
(continued)

- **General Benefits of Alternative:** By reducing regulatory overlap between agencies, rules and regulations would be easier to understand and there would be less duplication of agency efforts. In addition, the alternative provides a more logical legal/regulatory system.

Relevant Regulations & Permits:

- OSHA
- CAA §112 risk management
- NJ TCPA

Regulatory Agency Contacts:

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** According to Region 2's Air Permit Office, EPA Headquarters Office (HQ) of Compliance is already reviewing state and federal rules to see where there is overlap. Region 2's Air Enforcement Office would be willing to participate in a project in which state regulations are reviewed to see if they meet requirements of federal regulations.

EPA Region 2's EPCRA/TSCA Office notes that a possible forum for resolution of EPA and OSHA regulatory differences is the Clean Air Act Advisory Committee. Some differences may require statutory adjustment.

Note that we have not yet received comments from NJDEP's Right to Know Program.

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-14. Duplication of Regulations
between EPA and Other Agencies**

Possible Pilot Project: Reducing Overlap between Rules of Different Agencies
(continued)

- **Transferability:**
- **Staff Availability:** EPA Region 2's Air Compliance Office would be willing to participate. EPA HQ may be currently working on this issue.
- **Other:**

Industry Source:

- Barry Bochner, Fabricolor
- Joe Gentile, CasChem
- Dot Kelly, CIBA-Geigy

Clarification Questions:

- What is the status of EPA HQ's efforts in reviewing regulatory overlap?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.



DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-15. Mentoring of Small Businesses

Possible Pilot Project: Having a Large Corporation Assist a Small Facility in the Batch Permitting Process

Category: Multi-media

General Issue Statement:

- **Current:** Some small facilities could benefit readily from a batch permit that a number of large companies currently have. A batch permit (issued to an air emissions stack regardless of the number of reactors attached to that stack) provides companies with the flexibility to manufacture a variety of products from a relatively fixed number of feedstocks. For example, if a facility uses five chemicals as primary reactants for production, it can use these five reactants in varying ratios as long as it does not exceed its allowable air emissions, as outlined on the facility's batch permit.
- **Why is this a problem:** Small facilities (especially those with small environmental departments) are interested in batch permits but view the application process as a time-intensive and costly investment. Small facilities need to hire an outside consulting firm to complete the required paperwork for this process (hence, the high costs). In addition, some small facilities are encountering problems in receiving appropriate assistance from regulatory agencies when their management has questions on the permitting process. They have found that several representatives from regulatory agencies are quite unfamiliar with the batch permitting process.

A number of large facilities have batch permits. Although large facilities also had to complete rigorous calculations and paperwork to obtain a batch permit, they have high regard for the amount of flexibility that they currently have. Unfortunately, few small companies have a batch permit.

- **Alternative to Current:** Having a large corporation assist small manufacturing facilities in fulfilling requirements for the batch permit will expedite the process. Perhaps, regulatory agencies can provide an incentive for large corporations (e.g., recognition, a permit extension, a tax break) to assist the smaller companies in this endeavor. Representatives from large corporations believe that performing this mentoring role will portray their companies as good environmental citizens. This may be enough incentive for them.

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-15. Mentoring of Small Businesses

Possible Pilot Project: Having a Large Corporation Assist a Small Facility in the Batch Permitting Process (continued)

- **General Benefits of Alternative:** A batch permit will provide some flexibility for a manufacturing plant.

Relevant Regulations and Permits: Batch permit (NJDEP Air Program)

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Region 2's Compliance Assistance Office is supportive of this potential pilot.
- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:** Process of obtaining a batch permit may be costly. More information is needed to evaluate the cost-effectiveness of these permits for small facilities.
- **Transferability:** This is an issue that several small facilities have mentioned.
- **Staff Availability:**
- **Other:** Brief guidelines may be needed to help companies determine if a batch permit will be helpful to them. Considerable NJDEP staff resources may be required to evaluate batch permits for small facilities.

According to EPA HQ's Office of Enforcement and Compliance Assurance (OECA), mentoring is a significant component of the Environmental Leadership Program (ELP). There may be lessons learned from the ELP that could be helpful in developing a NJ pilot project on this issue.

This project could also build on the mentoring experience of NJ companies that participate in OSHA star.

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-15. Mentoring of Small
Businesses**

Possible Pilot Project: Having a Large Corporation Assist a Small Facility in the Batch Permitting Process
(continued)

Regulatory Agency Contacts:

Industry Source:

- Barry Bochner, Fabricolor, Inc.
- Peter Downing, Fidelity Product Corporation, Inc.
- Dorothy Bowers, Merck

Clarification Questions:

- How effective would a batch permit be in alleviating small facilities' concerns over permit delays when changing processes? Some larger facilities (Dupont) with batch permits still complain about lack of flexibility and regulatory burden. (Some small plants say permits are issued in 3 to 4 weeks so there are no problems with permit delays).
- Merck is pursuing a batch-like permit for its Virginia facility. Will details be helpful for this project?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-16. Recognition for Businesses to
Achieve Good Environmental
Performance**

Category: Multi-media

General Issue Statement:

- **Current:** Facilities invest a lot of time and resources to be good environmental performers.
- **Why is this a problem:** Some facilities do not feel that regulatory agencies have very high regard for their continuing effort to be good environmental performers. They feel that few incentives exist for companies to continue sound environmental performance.
- **Alternative to Current:** Several companies are interested in a program created by regulatory agencies to recognize companies with good environmental performance records. A "Top 100 Environmental Achievers" press release is one idea. Passaic Valley Sewerage Commissioners (PVSC) invites its best performers to an annual brunch and provides them with plaques honoring their achievement. Other ideas include an award for development of innovative products that are more environmentally benign, or coordinated multi-media inspections with a "green star" awarded if the facility is in full compliance.
- **General Benefits of Alternative:** Any incentive for good environmental performance is always beneficial.

Relevant Regulations & Permits: Multiple programs

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Most of the Region 2 offices that reviewed this project (the Air, EPCRA/TSCA and Water Compliance Offices and Water Permit Office) think it has merit and is doable. EPCRA/TSCA noted that a protocol must be established by both state and federal agencies defining which facilities to include in such an effort. The Region also noted the possibility of flexible track approaches as an additional way to reward businesses for environmental performance.

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-16. Recognition for Businesses to
Achieve Good Environmental
Performance**

(continued)

EPA HQ's Office of Enforcement and Compliance Assurance (OECA) noted that recognition is an important incentive; it has been incorporated into the Environmental Leadership Program (ELP). The proposal is also consistent with one of the Permits Improvement Team's recommendations.

NJDEP's Office of Compliance and Enforcement is interested in exploring this issue. The office agrees that this type of incentive could be effective and would be relatively easy and inexpensive to implement.

- **Potential for Environmental Improvement:** Very high potential for improvement if incentives are provided.
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:** A number of EPA Region 2 offices and NJDEP would be interested in participating.
- **Other:**

Regulatory Agency Contacts:

- John Spinello, NJDEP Office of Compliance and Enforcement, 609-984-3285
- Emily Chow, EPA HQ's Office of Enforcement and Compliance Assurance, 202-564-7071

Industry Source: Barbara Mullis, TRICON Colors, Inc.

Clarification Questions:

- Need to determine details pertaining to ELP.

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-16. Recognition for Businesses to
Achieve Good Environmental
Performance**

(continued)

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

***NOTE: In the event that you cannot reach the EPA or
IEc lead for this issue, please contact Catherine Tunis
at 202-260-2698.***



NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-17. Shift to Performance-based
Standards and Goals**

Category: Multi-media

General Issue Statement:

- **Current:** Current regulations are primarily technology-based as opposed to performance-based. For example, labeling, tank design, and other operating procedures are technology-based under RCRA.
- **Why is this a problem:** Technology-based standards provide less flexibility and have more paperwork requirements than performance-based standards. In addition, they do not provide any incentive for companies to develop cheaper or more efficient technologies.
- **Alternative to Current:** Stakeholders would like to see regulatory emphasis shift away from technology-based standards toward performance-based standards. One way of doing so would be to establish batch permits that allow a facility to determine the best approach for meeting emission levels. Another alternative would be to establish Dutch-style approaches that, like batch permits, allow facilities to choose how they will meet standards but unlike batch permits, do not require facilities to submit notification of how these standards are met. Companies instead provide details of how they meet the standards only upon the request of regulatory officials.
- **General Benefits of Alternative:** The alternative provides the facility with added flexibility and less paperwork burden.

Relevant Regulations & Permits: Multiple Programs

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Most of the Region 2 offices that reviewed this proposal (Air Permit and Compliance Offices and the Permit Improvement Team) are skeptical about the feasibility of a pilot project based on this issue. The offices all find that the proposal is too broad and encompasses too many regulations to be implemented. While the Air Compliance Office thinks the project would need to be tied to a specific regulation, other Regional staff question whether such a paradigm

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-17. Shift to Performance-based
Standards and Goals**

(continued)

shift would be wise given the general improvement in air quality that has resulted from technology-based standards.

EPA HQ's Office of Enforcement and Compliance Assurance (OECA) would be interested in participating in a pilot project if there are clearly defined goals, measures, outcomes, and outputs. The office would want to incorporate penalties into a pilot project for any facility that does not meet the performance goals.

NJDEP is looking at the Netherlands-style approach and is trying to incorporate it into various regulatory programs.

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:** Paperwork reduction will reduce costs for both the facility and regulatory agencies. Both establishments will allocate less resources to complete and review forms and/or reports.
- **Transferability:** This concept is transferable to the whole industry and other industries as well.
- **Staff Availability:** EPA HQ's OECA and Region 2's Compliance offices would be interested in participating. NJDEP may be interested in participating as well.
- **Other:**
 - ▶ Concerns have been raised by environmentalists over the need to incorporate stiff penalties to enforce any Dutch-style covenants.
 - ▶ Dave Mueller thinks Dutch-style covenants may be too much effort for this project.

Regulatory Agency Contacts:

- Lance Miller, NJDEP, 609-777-0518
- Emily Chow, EPA HQ's Office of Enforcement and Compliance Assurance, 202-564-7071

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-17. Shift to Performance-based
Standards and Goals**

(continued)

Industry Source:

- Dorothy Bowers, Merck & Company, Inc.
- David Mueller, PARAMINS, Exxon

Clarification Questions:

- Are Dutch-style covenants applicable at the facility level, or do they need to be implemented at an industry level?

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-18. Different Lists of Chemicals
with Different Requirements**

Category: Multi-media

General Issue Statement:

- **Current:** Regulatory programs place different requirements on different lists of chemicals (e.g., HAPs, TRI).
- **Why is this a problem:** It is time-consuming for companies to determine which chemicals are on which list and to understand specific requirements of the regulations.
- **Alternative to Current:** Make more available the Register of Lists (ROLs), which tells if a chemical is subject to regulation. Alternatively, all the lists can be compiled into one book so that companies can easily find out what agency or program is regulating a specific chemical.
- **General Benefits of Alternative:**

Relevant Regulations & Permits:

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Region 2 offices (including the Air Compliance and Permit Offices and the EPCRA/TSCA Compliance Office) state that while information can be disseminated to relieve the burden of determining what chemicals are subject to regulation (e.g., ROLs or a compilation of chemicals regulated under different projects into a single book), it is not possible to consolidate chemical lists because the regulations have different purposes. EPCRA/TSCA staff would be interested in sharing information comparing lists of chemicals within the EPCRA statute. They also noted that this issue could be addressed through the customer/supplier relationship (see MM-19) by having suppliers provide regulatory information on specific chemicals to their customers.

The Air Permits Office commented that any substantive change in the lists of chemicals addressed by different regulatory programs would require action on the part of EPA Headquarters and potentially Congress.

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-18. Different Lists of Chemicals
with Different Requirements**

(continued)

- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:**
- **Other:** Richard Rosera mentioned glycol ethers as an example--TRI list, 1990 CAA list of HAPs, CERCLA list of hazardous substances, NJ DEP, and DOT.

EPA is developing a self-assessment tool for determining requirements that apply to organic chemicals. This may help companies understand federal regulations for organics. It will not, however, assist companies in understanding state regulations for organics or state or federal regulations for inorganics.

Regulatory Agency Contacts:

Industry Source: Richard Rosera, Pilot Chemical Company

Clarifications:

- Document other attempts by EPA and other agencies to define the problem and propose solutions (see EPA/OSWER/CEPPO and Kathy Bishop).

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-19. Customer/Supplier
Relationship**

Category: Multi-media

General Issue Statement:

- **Current:** Many manufacturing facilities have worked diligently to maintain their status as good environmental performers. In addition to regulatory requirements, the guidance, demands, and incentives of their customers and suppliers are also important drivers in their environmental performance. In some instances, one party asks the other to take certain environmental measures.
- **Why is this a problem:** The supplier/customer relationship is only a problem if both sides place severe demands on each other. If customers place these demands on their suppliers during an inopportune time, the suppliers can go out of business in a short time period. Some customers do not understand that a small facility may have limited environmental resources.
- **Alternative to Current:** Suppliers and customers should encourage each other to be good environmental performers. In fact, regulatory agencies should encourage the supplier/customer relationship as a tool for improving environmental performance. Suppliers and customers are more aware of each other's environmental performance and whether each has taken measures to redesign their products to be more environmentally friendly.
- **General Benefits to Alternative:** The supplier/customer relationship is more beneficial than harmful. This creates a sort of "self policing" concept within industry.

Relevant Regulations & Permits:

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** Region 2's Permit Integration Team noted that this issue is not defined well enough and does not appear to be an appropriate pilot project in its current form. The Air Permits Office indicated that the customer/supplier relationship could be used as an approach to alleviate confusion over difficult lists of chemicals that are subject to different regulations (see MM-18).

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-19. Customer/Supplier
Relationship**

(continued)

- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:**
- **Other:** Several companies in the NJ project are suppliers to metal finisher or metal working industries.

Industry Source:

- Robert Benson, EPA/OPPE
- Catherine Tunis, EPA/OPPE

Clarification Questions:

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

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NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-20. Regulatory Testing
Procedures**

Possible Pilot Project: Alternative FDA Testing Procedures

Category: Multi-media

General Issue Statement:

- **Current:** Manufacturing facilities that produce food, drugs, and cosmetics (FDC) and/or additives to these products are subject to FDA testing procedures. These procedures require testing using methods standardized by FDA or methods developed by the industry. For example, the methods standardized by one part of FDA (set out in the Analytical methods manual developed by the Center for Food Safety and Applied Nutrition) were developed some time ago, and the procedures often require more toxic chemicals and greater quantities of chemicals than is necessary to test products accurately.
- **Why is this a problem:** Using FDA standardized methods requires companies to use more toxic chemicals and greater quantities of chemicals than is necessary. This eventually increases loadings to the environment. Some companies must use chemicals that are otherwise not a part of their processes. As a result of this FDA requirement, these companies have to complete additional reporting requirements that they would not otherwise. For example, facilities have to include these chemicals in their POTW permits and TRI reporting.
- **Alternative to Current:** Encourage companies to develop their own testing methods that are at least equivalent to the methods officially standardized. FDA should encourage the use of environmentally benign chemicals in testing procedures. Chemicals that are water-soluble or do not have potential carcinogenic effects are possible alternatives.
- **General Benefits of Alternative:** This will decrease the amount of toxic chemicals being discharged into the sewer system or otherwise treated as waste. To the extent that this alternative enables a facility to eliminate the use of certain toxic chemicals, such as chloroform or carbon tetrachloride, or reduces their use to below threshold levels, it also will reduce the amount of paperwork that facilities need to complete.

Relevant Regulations & Permits: FDA regulations (including 21 CFR 314.50 and 314.70)

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-20. Regulatory Testing
Procedures**

Possible Pilot Project: Alternative FDA Testing Procedures
(continued)

Evaluation Factors:

- **Overall Assessment:**
- **Room for Flexibility:** The FDA Food Center staff indicated they are "always open to methods that are at least equivalent to the methods we have officially standardized." The Center for Drug Evaluation and Research staff indicated that their regulations allow each applicant to specify the analytical methods they wish to use. If methods are included in the U.S. Pharmacopeia and National Formulary (USP/NF)/Code of Federal Regulations (CFR), an applicant may use these methods or alternative methods that have been demonstrated to be at least equivalent. In case of regulatory dispute, methods in the USP/NF/CFR constitute legal standards. Applicants must specify analytical methods in their original drug application (21 CFR 314.50). If an applicant wishes to change the analytical methods in their original drug application they must report this to FDA in accordance with FDA regulations (21 CFR 314.70). Validity/suitability of analytical methods must be demonstrated, and this information is evaluated during the review process.
- **Potential for Environmental Improvement:** If alternative chemicals are used, facilities will release less toxic chemicals to the sewer system and produce less waste.
- **Cost-Effectiveness Potential:**
- **Transferability:** This proposal could be applied to all companies where FDA specifies chemical testing.
- **Staff Availability:** FDA staff indicated they would be willing to work on a pilot project for this issue.
- **Other:** FDA has five centers which deal directly with different types of FDA-regulated articles. They are organized according to the products they regulate. We contacted the Food and Drug centers.

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DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-20. Regulatory Testing
Procedures**

Possible Pilot Project: Alternative FDA Testing Procedures
(continued)

Regulatory Agency Contacts:

- Michael Denove, FDA Center for Food Safety and Applied Nutrition, 202-418-3003
- Nancy Sager, FDA Center for Drug Evaluation and Research, 301-594-5721

Industry Source:

Clarification Questions:

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

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DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

**MM-21. Compliance with Site-wide
Permitting**

Possible Pilot Project: Permitting for Emissions/Discharges on a Facility-Wide Basis

Note: Due to a clerical error, agencies have not yet commented on this issue.

Category: Multi-media, Air

General Issue Statement:

- **Current:** Manufacturing companies have to obtain a permit for each stack and discharge within their operating facility.
- **Why is this a problem:** Obtaining a permit for each stack takes a great deal of staff time. Staff members have to project all the uses of each tank and perform individual calculations for each stack. This is quite resource-intensive for small manufacturing facilities with limited environmental/compliance staff and limits the company's flexibility to change processes and tank use to respond to market demand.
- **Alternative to Current:** Facility-wide Permitting (FWP) as practiced by NJDEP incorporates all media -- it basically packages all the current permits together with a single point of contact at NJDEP for the company. There is interest in going beyond the FWP to allow facilities to meet emissions levels on a site-wide basis rather than for each stack and discharge point, perhaps by incorporating the bubble or balloon concept and/or performance-based standards. Site-wide permitting could lead to better environmental performance by specifying tighter limits and/or more comprehensive site reviews and better compliance by facilitating dealings with EPA and NJDEP.
- **General Benefits of Alternative:**

Relevant Regulations & Permits:

- CAA
- CWA

Evaluation Factors:

- **Overall Assessment:**

NOTE: *In the event that you cannot reach the EPA or IEC lead for this issue, please contact Catherine Tunis at 202-260-2698.*

DRAFT: October 10, 1996

NEW JERSEY CHEMICAL INDUSTRY PROJECT

MM-21. Compliance with Site-wide Permitting

Possible Pilot Project: Permitting for Emissions on a Facility-Wide Basis (continued)

- **Room for Flexibility:**
- **Potential for Environmental Improvement:**
- **Cost-Effectiveness Potential:**
- **Transferability:**
- **Staff Availability:**
- **Other:** Check with NJDEP on what has already been allowed under NJ initiative for facility-wide permitting (TCPA and Oil Spill regulations are excluded). There is some interest in incorporating TCPA in the future and NJDEP would be interested in hearing ideas on how these two regulations could be included in FWP.

Regulatory Agency Contacts:

Industry Source: Dave Mueller, PARAMINS, Exxon Chemical Company

Clarification Questions:

- Need to investigate a forthcoming NJDEP report on findings of the current program.

Issue Leads:

- Catherine Tunis (EPA/OPPE), phone: 202-260-2698, fax: 202-260-2704 or 8662
- Sarah Henricks (Industrial Economics, Inc.), phone: 617-354-0074 x118, fax: 617-354-0463

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