COPPER & BRASS FABRICATORS COUNCIL, INC.

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May 28,2002

Mr. John Morrall
Office of Information and Regulatory Affairs
Office of Management and Budget
NEOB, Room 10235
725 17" Street, NW
Washington, DC 20503

RE: <u>Draft Report to Congress on the Costs and Benefits of Federal Regulations:</u> 67 Fed. Reg. 15014. March 28,2002

Dear Mr. Morrall:

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on behalf of the Copper and Brass Fabricator's Council, Inc. ("Council"), set forth below are comments in response to the Office of Management and Budget ("OMB") Notice and Request for Comments, "Draft Report to Congress on the Costs and Benefits of Federal Regulations," published mthe March 28, 2002 Federal Register at 67 Fed. Reg. 15014. (Hereafter "Draft Report"). The Council welcomes the opportunity to nominate specific existing regulations for regulatory reform with the goal of increasing the overall net benefits to the public. We also welcome the opportunity to comment on problematic agency guidance documents.

The Copper and Brass Fabricators Council is a trade association that represents the principal copper and brass mills m the United States. The 20 member companies (see attached appendix A for a list of member companies) together account for the fabrication of more than 80% of all copper and brass mill products produced in the United States, including sheet, strip, plate, foil, bar, rod, and both plumbing and commercial tube. These products are used ma wide variety of applications, chiefly m the automotive, construction, and electrical/electronic industries. Many Council member companies qualify as small businesses (750 employees or less) under the definitions of the Small Business Administration, classified Within the 1997 North American Industrial Classification System code 33 1421, "Copper rolling, drawing, and extruding."

The nominations listed below are the result of a survey of some of the technical professionals within the industry who deal with regulations at the operating level on a daily basis. The inquiry to this point has not been more comprehensive due to the relatively short time allotted between the notice in the Federal Register and the comment due date. The nominations below should therefore not be considered an exhaustive list of candidates for reform and improvement. It is anticipated that a broader survey of the universe of regulations would result in additional candidates for increasing the net benefit of regulations, either reducing the burden or increasing the benefit or both.

I. Clean Air Act: New Source Review (NSR)/Prevention of Significant Deterioration (PSD) Simplification and Clarification.

Agency: The U.S. Environmental Protection Agency

Citation: 40 C.F.R. Part 52;

Authority: Clean Air Act, 42 U.S.C. 7470-7479.

Description of Problem: The New Source Review (NSR) / Prevention of Significant Deterioration (PSD) regulations are too vague and complex. It is extremely difficult to ascertain when a facility triggers the lengthy NSR/PSD permitting process. If triggered, the NSR/PSD permitting process can easily take over a year to complete and make it impossible to respond to changing business/market conditions in a timely manner. Even the State permitting authorities frequently come to incorrect NSR/PDS determinations that subject the facility to future liability from USEPA review. The NSR/PSD review process has long been recognized as problematic. USEPA proposed changes to the regulations in the July 23, 1996 Federal Register, but the proposed changes were controversial and were never adopted.

Proposed Solution: The two key components of the process used to determine if NSR/PSD is triggered involve comparison of previous emission levels (baseline years) with those predicted after a change. Actual instead of potential emission increases should be used as the basis to simplify NSR/PSD determinations.

Baseline years are currently based on the average of the two previous years. This is too restrictive and should be based on a more conservative approach that would allow for use of any maximum 12 consecutive months m the past 10 years, This would minimize the effect of short-term business cycles following economic downturns by not having a restrictive low baseline year.

The other NSR/PSD component involves prediction of emissions following a change. Currently, the predicted change is based on the maximum potential permitted emissions. One way to simplify the NSR/PSD determination would be to use a Plant-wide Applicability Limit (PAL) equal to the baseline year plus an incremental allowance for growth. A PAL would give the facility a limit based on actual emissions that would trigger NSR/PSD. It would allow the facility the option of installing emission controls at the facility in the most cost-efficient manner prior to exceeding the PAL.

Estimate of Economic Impacts: These and other obstacles m the NSR/PSD regulations impede existing manufacturing facilities from making changes to production processes, even routine but necessary repairs and maintenance. The resultant inefficienciesm electricity generation and overall manufacturing have been estimated by the National Association of Manufacturers to have the "...potential to add tens, and perhaps hundreds, of billions of dollar in direct and indirect costs to American industry and severely inhibit our ability to compete in domestic and international markets." National Association of Manufacturers, July 27, 2001, comments filed to Docket Number A-2001-19 in response to Environmental Protection Agency "Notice of Availability and Opportunity to Comment' on the "New Source Review 90-Day Review and Report to the President" as published in the June 27, 2001, Federal Register.

II. _ead/ RIR: n ti of de minimis

Agency: U.S. Environmental Protection Agency.

Citation: 40 C.F.R. 372.

Authority: Emergency Planning and Community Right-To-Know Act (EPCRA); Toxic

Chemical Release Forms, 42 U.S.C. 11023.

Description of Problem: On April 17,2001, the US. Environmental Protection Agency finalized a rule that revised EPCRA by lowering the Toxic Release Inventory (TRI) reporting threshold for lead to 100 pounds. Previously the threshold was 25,000 pounds manufactured or processed, or 10,000 pounds otherwise used. Those who exceed the annual threshold must report usage and releases of lead beginning with the July 1,2002 annual TRI report. In addition to lowering the reporting threshold, the new rule eliminated the de minimis exemption for reporting facilities. Previously, under the de minimis exemption, a reporting facility could disregard very small amounts of lead (less than 1%) that may be contained in mixtures or other trade name products used by the facility. With the loss of the exemption, the facilities now must spend resources tracking minute quantities of lead that may be contained minimistures or other trade name products imported into the facility.

Proposed Solution: Restore the de minimis exemption for lead TRI reporting.

Estimate of Economic Impacts: Estimated ten to twenty hours preparation time per facility for each of thousands of facilities m exchange for very little benefit. Including the small quantities of lead contained in mixtures and trade name products in a facility's threshold manufacture, process or otherwise use determinations is unlikely to sweep very many additional facilities into the TRI reporting scheme. Furthermore, for those already reporting the small quantities will not likely increase the reported usage and releases to a significant or useful degree.

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III. Stormwater Regulations:

Agency: U.S. Environmental Protection Agency

Citation: 40 C.F.R.122.26

Authority: Clean Water Act, 33 U.S.C. 1342(p)

Description of Problem: The EPA is required under the Clean Water Act to issue permits to point sources controlling the discharge of pollutants to the nations waters. This includes discharges of storm water runofffrom industrial activities. In 1990, EPA issued Phase I regulations requiring certain categories of storm water dischargers associated with industrial activity to obtain authorization to discharge storm water under a storm water permit. As part of the permit process, industrial dischargers are required to develop and submit Storm Water Pollution Prevention Plans using Best Management Practices. When the regulations were promulgated, the controls necessary to meet permit requirements Were expected to be low-cost and low-technology, including such items as good housekeeping, preventative maintenance, spill prevention and response, employee training and proper material handling. However, as the program has evolved, the present requirements for satisfactory SWPPP's now frequently include major construction expenses for capturing and treating stormwater before discharging to the waters of the United States. It is suspected that these major expenses may be incurred for minimal reductions in pollutant discharges in most cases.

Proposed Solution: Minimize the costs for obtaining stormwater permits by focusing on the low-cost, low-technology best management practices requirements as originally intended.

Estimate of Economic Impact: Indeterminate.

IV. Spill Prevention Plans: Threshold Quantity too Low:

Agency: U.S. Environmental Protection Agency.

Citation: 40 C.F.R. 112

Authority: Clean Water Act; Oil Pollution Act of 1990, 33 U.S.C. 2701-2761.

Description of Problem: In 1973, the U.S. Environmental Protection Agency (EPA) issued the Oil Pollution Prevention Regulation based on the requirements contained in the Clean Water Act of 1972. The regulation was codified at 40 CFR. 112, and was revised in 1991 and 1994 based on the requirements of the Oil Pollution Act of 1990. The regulation requires industrial facilities to develop and implement spill prevention, control, and countermeasures (SPCC) plans. The SPCC requirement applies to all facilities that have aboveground storage capacity of more than 660 gallons in a single tank, or an aggregate aboveground storage capacity of more than 1,320 gallons, levels that are too low and burdensome to small businesses in particular. The current interpretation of 'oil' has expanded over the years and maddition to new and used petroleum oils, greases,

> fuels, and some solvents, now even includes waterbase oils for machining fluids which may be 95% water, and vegetable oils. Compounding the problem is an interpretation of 'aggregate' to include drums that may be spread over several acres at a site. Furthermore, a proximity to waterways trigger is too broadly defined m the regulation; in many cases a surface stream a mile away from a facility triggers the SPCC requirement. As a result, the low threshold sweeps many small facilities into the program that represent little risk to the waterways of the United States.

> Proposed Solution: A higher threshold would relieve the burden on small businesses without altering significantly the protection of the environment. A more precisely defined description of "reaching a waterway" would also provide relief at little risk to the waterways. Clarification of 'aggregate' to mean drums that are stored at a single location would also provide significant relief. This definition is followed in the Clean Air Act, section 112(r), where a process threshold determination for Risk Management Programs is based on volume of inter-connected storage vessels to include "any group of vessels that are interconnected, or separate vessels that are located such that a regulated substance could be involved m a potential release, shall be considered a single process."

Estimate of Economic Impact: Not estimated.

Definition of Volatile Organic Compound (VOC): V.

Agency: U.S. Environmental Protection Agency.

Citation: 40 C.F.R. 51.100

Authority: Clean Air Act, 42 U.S.C. 7401 et seq.

Description of Problem: The definition of volatile organic compound (VOC) as found in 40 C.F.R. 51.100(s) and as applied by the U.S.EPA has no volatility element and therefore disregards whether a compound is even volatile at all. The definition defines VOCs very broadly as any carbon compound, but appropriately narrows the definition somewhat by limiting VOCs to those carbon compounds that "participate in atmospheric photochemical reactions." VOCs are of concern because they are ozone precursors. Certainly, photochemical reactivity is one measure of an organic compound's ability to be an ozone precursor, but is not the only measure. A carbon compound must also be volatile to be an ozone precursor. The EPA recognized this when they promulgated a rule on VOC Emission Standards for Consumer Products in 1996, and included a volatility threshold (0.1 mm Hg) as part of the rule. In the consumer rule making process, the EPA acknowledged that the definition of VOC was extremely broad as stated m 40 C.F.R. 51.100(s) and included virtually any organic compound not specifically exempted. A volatility component in the definition was needed and was inserted. The problem is exacerbated by the EPA's treatment of the 'photochemically active' exemption. AU organic compounds are assumed to be participants m atmospheric photochemical reactions. A petition with extensive test results must be submitted to the agency, and the petitions are rarely granted.

Proposed Solution: Include a vapor pressure threshold of 0.1 mm Hg below which a carbon compound would not be considered volatile and would not meet the definition of Volatile Organic Compound.

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Estimate of Economic Impact: Unknown

VI. Removal Credits for POTW's:

Agency: U.S. Environmental Protection Agency.

Citation: 40 C.F.R. 403.7

Authority: Clean Water Act, 33 U.S.C. 1251-1387

Description of Problem: Under the provisions of the Clean Water Act, industrial water dischargers are required to obtain permits under the National Pollutant Discharge Elimination System (NPDES) for the discharge of listed pollutants. The NPDES permit provides for limits on the amount of pollutants that may be contained in the effluent discharge from the permit holder. In many cases, the effluent from the industrial discharger is sent to a publicly owned treatment work (POTW) and the effluent undergoes further treatment. As provided by statute and under procedures outlined m 40 C.F.R. 403.7, POTWs with the capability to remove pollutants may apply for authorization to grant "removal credits" to NPRES permit holders who discharge to the POTW, for the purpose of avoiding the unnecessary expense of treating the effluent twice. The effect of the removal credit is to grant to the NPDES permit holder a higher limit on the subject pollutant than would otherwise be allowed, with no increase m the level of that pollutant ultimately discharged by the POTW to the waterways. Removal credits are most critical to indirect, categorical dischargers (those facilities, usually small businesses, which discharge to a POTW) whose volumes are too small to justify the investment in treatment equipment dedicated to their operations. If POTWs do not have removal credit authority, then the small indirect discharger is prevented from trucking. waste to the POTW, even though the POTW bas the capacity to treat the waste in question and the industrial discharger does not. As a result, the small discharger is required to invest in dedicated treatment facilities that are not economical to operate due to small volume, and POTWs lose a potential revenue stream. The problem arises from the unreasonable procedures established in 40 C.F.R. 403.7, which make it extremely difficult to obtain removal credits, and require testing procedures that do not accurately reflect the actual pollutant removal capability of the POTW. For example, 40 C.F.R. 403.7(b) requires that the POTW calculate the removal rate based on the average of the lowest half of the removal measurements taken according to listed procedures. As a result, many qualified POTWs are not granted removal credit authority, many are discouraged from even applying, and industrial users of the POTW must treat the effluents prior to the POTW treating the effluent, creating expenses with no benefit.

> Proposed Solution: The regulations governing removal credits should be revised to more accurately reflect the total removal by the POTW. The overall procedures m 403.7 for a POTW to apply for removal credit authority should be modified to facilitate the granting of the authority when justified.

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Estimate of Economic Impacts. National cost impact is not determined. The impact is especially onerous on smaller manufacturers who legitimately should be able to rely on the capability of the POTW to remove certain pollutants. For any POTW, several small businesses being served may each be required to install and operate unnecessary on-site treatment facilities because the POTW has not been granted authority to grant removal credits fox pollutants that the POTW is fully capable of removing.

Safety Standar lot Permitting the Use of Ship Stairs and Spiral Stairs: VII.

Agency: Department of Labor, Occupational Safety and Health Administration

Citation: 29 C.F.R. 1910.24 - Fixed Industrial Stairs

Authority: OSH Act

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Description of Problem: OSHA regulations under some circumstances require the use of fixed ladders when spiral stairways or ship stairs would be safer. Under Walking-Working Surfaces regulations, the standard for Fixed Industrial Stairs is contained in 1910.24, which defines the requirements for stairs around machinery, tanks, and other equipment, and leading to or from floors, platforms, or pits. Section 1910.24(b) requires fixed stairs to be used in certain situations, and as defined in other sections, fixed stairs can only include conventional stairs. While 1910.24(b) permits an exception for fixed ladders where they are commonly used, such as for access to tanks, towers, and overhead traveling cranes, etc., no allowance is made for the use of ship stairs or spiral stairs unless they are wrapped around a structure with at least a five foot diameter. Furthermore, section 1924(e) prohibits any stairs with an angle of rise greater than 50 degrees. Unfortunately, ± is very common to have a tight location in industry where there is insufficient space for stairs with an angle of 50 degrees or less. Traditionally, these areas would use ship stairs that have separate handles from the stair mad but steps that are less deep than a traditional 8 inch to 12 inch step. Otherwise, a spiral stair was used which allowed a deeper tread. Under the present regulation, industries are required to use rung ladders in These locations which is less safe than spiral stairs or ship Stairs.

In a previous proposed rewrite of the walking and working surfaces standard, OSHA proposed to allow ship stairs. However, this rewrite was not promulgated and the needed reform was lost.

Proposed Solution: Revise the Walking-Working Surfaces regulations to permit the use of ship stairs and spiral stairs.

Estimated Economic Impact: Savings reside in fewer injuries to workers.

The Council appreciates the opportunity to submit the above candidates for improvements m regulatory efficiency, and would welcome an opportunity to work with the agencies or the OMB to more fully develop additional background information and cost/benefit analysis. If you have any questions, please feel free to contact the Council.

Sincerely

John Arnett

Government Affairs Counsel

02-065 Attachment

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May 28,2002

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