



Air Products and Chemicals
INC

ALLENTOWN, PENNSYLVANIA 18106

file

22 December 1976

Mr. G. Baise
Beveridge, Fairbanks & Diamond
One Farragut Square, South
Washington, D.C. 20006

TELECOPIED 12-22-76

Dear Gary:

We are supplying this response to your letter to J. H. Heckman of December 16 asking for data to be used in obtaining a stay from EPA. We request that this response not be made public, but handled only in a way that APCI cannot be identified.

Our response will be in three parts, corresponding to each of our affected plants.

The compliance program for the Calvert PVC Plant will be to build a new facility. It is not feasible to bring the present plant into compliance. The schedule we have planned is as follows:

- Begin purchasing - Jan 77
- Begin construction - May 77
- Completion and Compliance - October 78
- Total cost \$32 - 35 MM - of this direct EPA costs are \$4.5 - 5 MM.

All of the cost is due to EPA, in that without it the existing plant would be operated. Some of the total cost is for OSHA, water effluent, and production items, of course.

The PVC plant at Escambia is being rebuilt. We have already included a gasholder, stripping tower, and other items in it at a cost of \$995M. The plant will restart in January 1977. We estimate a further \$750 M to bring this plant into compliance. The information you requested is as follows:

- Place Purchase orders - February-May 1977
- Start installation - April-July 1977
- Complete programs - September 77 - April 78
- Final compliance - July 1978
- Additional Costs - \$750 M
- None of this is required by any other regulation..

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The Calvert City Emulsion Plant will require two major projects, one costing about \$300 M which will be completed on schedule A and the other about \$3 MM, as shown in schedule B.

	<u>A</u>	<u>B</u>
Order Date	April 77	July 77
Start Construction	Aug. 77	Dec. 77
Complete Construction	Jan. 78	Sept. 78
Compliance	Feb. 78	Oct. 78
Cost	\$300 M	\$3 MM
Other Regulations	No	No

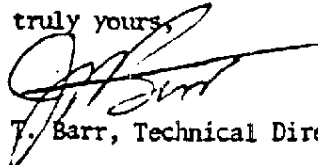
The primary point to be made is not the capital exposure, although this is significant. Most of these items are custom-designed, and charges for engineering and materials become effective on placing the order. Our cancellation charges for the Calvert PVC plant alone run about as follows.

	<u>Engineering</u>	<u>Order Value</u>	<u>Cancellation</u>	<u>Total Cost</u>
Feb. 77	550	1,700	430	980
Mar. 77	750	3,400	655	1,405
Apr. 77	1,000	3,900	930	1,930
May 77	1,300	4,400	1,280	2,580

These costs are substantial, but time is more valuable. We have done much preliminary planning on these projects, and instituted a sizeable engineering study after we received the draft of the final standard in September. Even so, meeting the two year deadline will be difficult, if not impossible. Any significant change in the standard will require a restudy of the whole system to be sure it is compatible. So long as the clock is running we cannot do other than utilize clearly demonstrated technology. Uncertainty can not be tolerated, either from the viewpoint of performance or delivery. Thus a potential change in the standard renders all prior work suspect. We will require the full two-year statutory limit from the revision of the standard for implementation.

The time for a stay is now. We cannot be expected to expend time or money on a standard that may be changed in some unknown fashion. It is unlikely that the issue will be resolved until well into the implementation period.

Very truly yours,



John T. Barr, Technical Director

cc: A. R. Adams
R. Fleming
R. H. Shhenck

J. Lawrence/S.P.I.
Mr. Hadley/Keller & Heckman

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