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DATE: October 24, 1989
FROM: Martha Beauchamp MB/ad
TO: Members of the Health and Environment General Committee
(HEGC)
Health and Environment Subcommittee (HES)
RE: Proposed Benzene NESHAPS Rule

At the recent HES meeting, it was agreed that API should notify the HEGC of the contents and planned response to EPA's Benzene NESHAPS regulation. This memo responds to the HES request.

BACKGROUND

Last February, the U.S. District Court for the District of Columbia ordered EPA to either (a) propose regulations establishing standards for emissions of benzene from certain sources or (b) publish a notice of intention not to regulate. EPA responded by proposing a new National Emission Standard for Hazardous Air Pollutants (NESHAPS) on September 14. Comments are due by November 13. EPA intends to promulgate the final rule by February 1, 1990.

As it is currently crafted, the rule will have significant impacts on the industry, in the multimillion or even billion dollar range. The three components of the rule that affect the oil industry include the following:

1. Benzene Transfer Operations

EPA has determined that emissions occur from transfer of benzene at certain bulk terminals, from the loading of rail tank cars, tank trucks and marine vessels. Emissions are due to losses of vapors formed by the evaporation of benzene from previous loads and vapors generated as new product is being loaded. The rule specifies that:

$0.2 \text{ mg/l} = 0.002\%$

- Emissions may not exceed 0.2 milligrams of benzene per liter of gasoline loaded. [One year time limit to comply.]
- Owner/operator must follow EPA test methods to determine compliance.
- Owner/operator must follow certain reporting requirements for petroleum products.

2. Gasoline Marketing Systems

Emissions can occur at such sources as bulk gasoline terminals, bulk gasoline plants, service stations and delivery trucks. EPA determined that these risks were acceptable but has included new requirements for these sources in order to provide an "ample margin of safety." These are:

- Bulk terminals - Stage I is required for loading racks and storage vessels. Emissions due to loading are not to exceed 0.2 milligrams of benzene per liter of gasoline loaded.
- Bulk Plants - Stage I for loading, unloading, and storage facilities.
- Service Stations - Stage I in Attainment areas.
- The above provisions are given a very short, usually only one year, compliance time period.

3. Benzene Waste Operations

EPA has determined that certain facilities have air emissions from their waste management activities which pose unacceptable risks to the maximum exposed individual. Thus, they intend to require:

- That all waste streams containing greater than 10 ppm of benzene be treated to remove 95% of the benzene before disposal. Treatment methods must capture, recover, or destroy 99% of all benzene removed from the wastes.
- Until treatment, all wastes must be managed in closed systems such as enclosed sewers, tanks, covered impoundments, and covered oil separators.
- Pretreatment of all wastes landfarmed.
- Recovered oil from waste streams containing greater than 10 ppm of benzene must be managed in units covered and vented to control devices until the oil is returned to the process.
- Extensive monitoring of wastes not subject to control.

Most refineries and production facilities will be subject to the rule's waste provisions (the rule covers facilities with more than 10 metric tons/year benzene in their waste.) Marketing and Transportation facilities will also be affected.

ACTIVITIES

The Benzene Task Force has taken the lead in preparing a response. Currently, the plan is to file complete comments on the transport and marketing sections by the November 13 deadline. The appropriate industry committees are working jointly with the Benzene Task Force to meet the deadline.

The waste provisions, however, are extremely complex. Moreover, there had been no previous indication from either the Court Order or from EPA staff that would suggest the magnitude of coverage. Thus, we have formally requested an extension of the comment period justified by two conclusions:

- o The scope of the proposal is so unexpectedly broad that additional time is required to prepare comments that are technically sound; and
- o There is reason to believe that the Court did not intend to include all the facilities covered by the rule.

We are pursuing efforts to obtain an extension of the comments period for the waste provisions, but EPA technical staff have clearly indicated that they see little possibility of granting one. We will prepare as much information as possible in time for the November 13 deadline, and extend projects afterwards as necessary. The Benzene and Waste Management Task Forces are now focused on the following tasks:

- o Obtain from EPA clarification of the rule's requirements and inform them of the severity of the impacts.
- o Gather/analyze cost and other impact data.
- o Develop a position on the provisions that are acceptable and those which should be revised.

CONCLUSION

We will continue to keep you informed. We plan to submit an outline of our prepared response for your review and comment; the timing will depend on our ability to obtain an extension. Your support and the additional efforts of the industry experts is very much appreciated.

In the meantime, the attached items should help provide further details on the rule and our activities.

ATTACHMENTS

1. EPA press release and attachments describing the rule's purpose, scope and coverage.
2. Letter to Mr. Jack Farmer of EPA requesting an extension of the comment period.
3. Memo to the Health and Environment Subcommittee requesting support for development of data to be included in the response comments.
4. Summary of the meeting between API Committee representatives and EPA technical staff held in RTP North Carolina on October 17, 1989.

cc Health and Product Safety Program Group
Benzene Task Force
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