



BERNARD H. FALK
PRESIDENT

January 23, 1976

[Handwritten signatures and initials]
Johnston
Willmore
Anderson
Morgan

TO ALL REPRESENTATIVES OF MEMBER COMPANIES
IN THE CAPACITOR SECTION AND TRANSFORMER SECTION

Subject: Report of Conference: Environmental Protection
Administration Conference on Polychlorinated
Biphenyls, January 14, 1976

Gentlemen:

Enclosed is a report prepared by NEMA Counsel on the subject Conference.

As you will note, on page 6, two liaison manufacturing groups to work with EPA have been established: one for capacitors, to be administered by the Electronic Industries Association, and one for transformers, to be administered by NEMA.

Mr. Charles Willmore, Secretary of the NEMA Transformer Section, yesterday transmitted to EPA a list of the Transformer Industry representatives who will serve in this capacity.

Very truly yours,

[Handwritten signature: Bernard H. Falk]

rm
att.
cc: Bd. of Directors,
Power Equipment Division
C.A. Parris
C.R. Willmore
V. Condello
J.G. Werner
H.P. Michener
R.J. Siverd (NEMA Counsel)

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L. A. MORGAN

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Report of Conference: Environmental
Protection Administration Conference
on Polychlorinated biphenyls, January
14, 1976.

As a result of heightened concern by the Environmental Protection Administration (EPA) over alleged deleterious environmental effects of polychlorinated biphenyls (PCBs), a meeting of the producer of PCB, Monsanto Chemical Company, manufacturers using PCBs, and EPA representatives was called to explore various aspects of PCB usage and control. The meeting was held at the Crystal City, Arlington, Virginia office of the EPA and commenced at 2:05 P.M. NEMA was represented at the meeting by President Bernard Falk and legal counsel for the Association. (A list of the attendees is attached as Exhibit A.) A similar meeting of utilities, railroads and other PCB users is scheduled for January 22, 1976.

Opening the conference (see agenda attached as Exhibit B), the Administrator, Russell Train, related some past history and then turned to state the purpose of the meeting. The agency's concern over the use of PCB's grew from the introduction of toxic substances legislation in the early 1970's. The Administrator repeatedly emphasized his desire that such legislation be enacted and, indeed urged that industry support it.

More recently, he added, attention has been focused on PCB usage due to the discovery of considerable concentrations of the substance in waters in the Great Lakes, the Hudson River and elsewhere. Also, there has been an increase in general understanding of the problems associated with PCB use and elimination in part stemming from information gleaned from EPA's Chicago conference on PCBs in November 1975. Mr. Train plainly acknowledged, though, that present information about PCB use and control is limited.

Moving to regulatory objectives (see Exhibit C attached), Mr. Train said that the EPA's goal respecting PCBs is to achieve a total elimination of PCBs from the economy. This end, however, is not to be sought after without considering the interests of consumers, industry business patterns and related international competition. (The bulk of PCB usage, he noted, occurs in the capacitor and transformer industries). The near-term objective is to end production and importation of PCBs and products containing PCBs, while the immediate goal of the EPA is to prevent the greatest possible number of PCB discharges into the environment.

At the end of his remarks, Mr. Train stated that the difficulties posed by PCB usage are societal problems

and that industry and government must cooperate to solve the problems. The purpose of this meeting, he stated, was to solicit the voluntary assistance of (the electrical) industry to work with EPA and other agencies toward the agency's long-term goal.

The next speaker was Glenn Schweitzer, the Director of the Office of Toxic Substances. Mr. Schweitzer largely confined himself to restating the objectives and explaining the parameters in the materials which make up Exhibit C attached hereto.

Following Mr. Schweitzer's remarks, there ensued a more technical discussion of the alternatives to PCBs and the present state of knowledge about PCB types. This part of the program was initiated by a few brief comments of Dr. Breidenbach, Assistant Administrator for Water and Hazardous Substances. He then asked five individuals, contacted in advance, to present statements on behalf of their organizations regarding the future use of PCBs and present efforts to limit their use. The individuals were: Mr. Fitzgerald of Monsanto Chemical Company, Mr. Welch of General Electric Company, Mr. Sauter of Westinghouse, Mr. Appleton of McGraw Edison Company and Mr. Rollins of the Electronics Industry Association.

These five initial speakers were in general agreement with EPA's long range goal of elimination of the agency, but urged a cautious appraisal of approaches to reach that goal. Most speakers noted that government would have to examine very carefully the reliability and flammability characteristics of any alternative fluid for use in capacitors and transformers as such adoption will certainly amount to a trade-off of safety characteristics for environmental considerations. Indeed, testing conducted by most companies in this leadoff group seemed to show that no acceptable substitute for PCBs in capacitors and transformers was as yet available.

Specifically, the Westinghouse speaker noted that, in his company's view, environmental considerations comprise but one part of the overall safety problem connected with PCBs. Further, Mr. Appleton announced his company's belief that a satisfactory diphenyl oxide compound substitute for PCBs in power capacitors has been developed which would be available from the DuPont in the near future.

After the leadoff statements were further individual statements and some open discussion and questions. Some salient points made and worthy of mention were the following:

- . PCB toxicity may vary with the number of chlorine atoms present in a particular PCB type.
- . Toxicity of PCB in mammals may vary considerably among organisms.
- . Approximately 30 months would be required to carry out effective tests of a PCB substitute, according to one estimate.

The topic of EPA enforcement activities relative to PCB usage was next broached by Mr. Stanley Legro, Assistant Administrator for Enforcement. Four areas of enforcement interest were noted by Mr. Legro: (1) so-called "308 letters," that were sent to users and handlers of PCBs to ascertain information on PCB control and use; (2) plant visits, by EPA personnel, some 50 of which should be made by the end of February, to investigate PCB flow from waste water into the environment; (3) discharge

permits for processed waste water which will be altered to reflect stricter controls, possibly "zero discharge" (not defined by the agency) by July 1977; and (4) treatment plant discharges which will be monitored using varied legal authorities under the Federal Water Pollution Control Act; state assistance will be sought in the connection.

The formal meeting was terminated at 4:20 P.M. with an expression by Mr. Train that the meeting had been useful. He stated his hope that a similar meeting would be called again, perhaps in six months. In addition, at the Administrator's request and with the assent of most present, two working liaison groups of government and industry members -- one of the capacitor industry and a second for the transformer industry -- will be formed to meet from time to time to discuss modes of accomplishing agency goals and to exchange views on EPA enforcement and related matters. The capacitor group will be selected from EIA's capacitor sections and the transformer group members will be drawn from NEMA's transformer section. Individual unaffiliated firms will also be welcome to participate.