

The Society of the
Plastics Industry, Inc.

Washington Memo

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Congress Considers Multibillion Dollar CFC Tax; SPI Asks Members to Urge Opposition

Viewed by many in Congress as a "painless" and "environmentally sound" action, an \$8.5 billion 5-year CFC tax proposal is being considered by the House Ways and Means Committee as Congress searches desperately for new sources of revenue to pay for unrelated revenue losers. On July 17, Rep. Dan Rostenkowski (D-IL), Chairman of the House Ways and Means Committee, unveiled a \$21 billion package including the CFC tax. The Committee debate over the past two weeks has not been on this tax; rather, it has focused on the controversial lowering of the capital gains tax being pushed by President Bush, and significant modifications to the Medicare catastrophic health care surtax. Also at issue

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Canada Targets Plastics For Possible Tariff Reprisal

Canada announced July 19 a proposal to increase tariffs on 30 U.S. products that are imported from the United States in retaliation for this country's Superfund tax amendments that levy a tax on oil imports, including those from Canada. Forty-three percent of the targeted products (13 of the 30) are plastics resins or products.

The General Agreement on Tariff and Trade (GATT), the treaty authority that regulates most international trade, will consider the Canadian request sometime in the fall. In the meantime, the U.S. Congress is considering an

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SPI SIRC Testifies on Styrene before EPA

The SPI Styrene Information and Research Center (SIRC) testified July 12 before the EPA's Office of Drinking Water (ODW) that the current data on styrene does not justify its proposed regulation by EPA as a carcinogen. SIRC recommended that if EPA regulates styrene it should do so on a non-carcinogenic basis on the grounds that the current scientific information shows that styrene does not present a carcinogenic hazard to human health.

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Styrene Before EPA
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In the May 22 drinking water proposal, EPA proposed maximum contaminant levels (MCL's) and maximum contaminant level goals (MCLG's) for 38 chemicals including styrene. For styrene, EPA recommended MCLs and MCLGs based on classifying styrene in either a Group B2 (probable human carcinogen) or Group C (possible human carcinogen). For Group B2, EPA proposed an MCLG of zero and an MCL of 0.005 mg/l. For Group C, the agency proposed both an MCLG and an MCL of 0.1 mg/l.

Expert scientific witnesses testifying on SIRC's behalf included Dr. Gregory Bond of Dow Chemical USA, who reviewed the epidemiology studies performed on workers exposed to styrene; Dr. Richard Nolan of Dow Chemical USA, who addressed the issue of carcinogenicity and pharmacokinetics; Dr. Martin Alexander of Cornell University, who discussed the environmental fate of styrene. In addition, Dr. Scott Baker of Versar presented a critical review of EPA's current classification system and Ms. Marilyn Schulte of A.T. Kearney presented the results of an economic impact analysis performed on the styrene industry of the proposed drinking water rule. For further information please contact SIRC at (202) 371-5314.

**SPI Submits
Comments on MDA**

On July 11 SPI submitted comments on the Occupational Safety and Health Administration's (OSHA) proposed rule to regulate occupational exposure to 4,4'-methylenedianiline (MDA). In the comments, SPI endorsed the mediated rulemaking concept. SPI focused on four issues: (1) the need for a de minimis exclusion from mixtures containing low levels of MDA; (2) the exclusion of an employee from assignment to an MDA work area where an initial medical examination has indicated an employee liver function abnormality; (3) inconsistencies in the startup dates for initial monitoring and medical examinations and, (4) the infeasibility of the requirement for a written emergency plan for each construction worksite. MDA is used in the epoxy resin industry. The proposed rule appeared in the May 12 *Federal Register*. (54 *Federal Register* 20672)

**Bush Signs Bill to
Decontrol Natural Gas
Prices; Unveils Plans to
Develop Long-Term
Energy Strategy**

President Bush July 26 signed legislation that removes remaining Federal price controls on natural gas by 1993, calling the action the Administration's first major energy initiative. Bush said that contrary to legislative intentions, federal regulation of natural gas produced shortages and higher prices. Enactment of this legislation will result in increased production and lower prices for consumers because the government "lets our market economy work," according to Bush. The President used the White House Signing Ceremony to unveil the Administration's plans to develop a long-term national energy strategy.

**Congress Considers
CFC Tax**
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are provisions of the tax law scheduled to expire which many members of the Committee want to have extended permanently. If approved, this Committee package would be rolled into the House budget reconciliation package, in addition to \$5.3 billion in new revenues which the Committee recently approved.

On the Senate side, on July 21 the Senate Environment and Public Works Committee approved a CFC tax and regulatory package. The Committee's revenue-raising action is in response to a requirement imposed by the Senate Budget Committee that the Senate Environment Committee come up with \$450 million for the Fiscal Year (FY) 1990 budget. The Committee approved CFC tax/fee bill that would generate \$400 million in FY 1990 with a \$.60/pound fee on the manufacture of CFCs based on the 1987 price, or, an alternative fee equal to the "windfall profit" charged by the producer on CFCs. Producers would pay whichever tax has a higher total. A projection of \$400 million in FY 1990 from CFCs was originally included in the budget package President Bush sent to Congress earlier this year.

Two weeks before the Environment Committee action, Committee staff married the windfall profits tax proposal (originally S 503) to a comprehensive regulatory bill. The latter places a limit on the growth of CFC substitutes known as HCFCs by requiring that total ozone depletion potential be reduced by 95% between now and 2010. The bill also provides for the virtual elimi-

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Canada Tariff Reprisals
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amendment to the Superfund tax that would seek to remove the basis of the Canadian proposal. It is uncertain at this time whether that amendment will succeed this year. For further information contact Lew Freeman, SPI, at 202/371-5220. The plastics items that are part of the Canadian proposal (and their Harmonized Tariff Schedule number) are:

<i>Product</i>	<i>Tariff No.</i>
Waste and scrap plastics other than PE, PS, PVC	3915.90
Rigid tubes, pipes and hoses of PE	3917.21
Rigid tubes, pipes and hoses of PVC	3917.23
Rigid tubes, pipes and hoses of other than PE, PP, PVC	3917.29
Flexible tubes, pipes and hoses - minimum burst pressure 27.6 MPa	3917.31
Other plastic tubes, pipes and hoses	3917.32
Plastic pipe, tube or hose fittings	3917.40
PVC floor, wall and ceiling coverings	3918.10
Floor, wall and ceiling coverings of other plastics	3918.90
PS film and sheet, etc., cellular	3921.11
Sacks and bags of other than PE	3923.29
Plastic doors, windows and frames and door thresholds	3925.20
Plastic apparel, clothing accessories	3926.20

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*Congress Considers
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nation of CFC emissions by prohibiting venting or releasing of CFCs into the environment as of January 1, 1993. Provisions require labeling, recapture, and recycling and impose prohibitions on disposal of CFC-containing products. The bill also provides that a year after enactment, importation in bulk or in products of the Montreal Protocol regulated chemicals, as well as carbon tetrachloride, will be prohibited unless the country of origin is implementing a phase-out and regulatory program that is as stringent as the U.S. program. The bill also requires development of information on methane, considered to be one of the three most significant greenhouse gases (in addition to carbon dioxide and CFCs).

SPI opposes any CFC revenue raising proposal. The CFC-dependent foam industry is essentially the only industrial user that would be harmed by a CFC tax and fee. Taxes at the level being considered would be devastating. SPI urges members to contact Members of Congress opposing the tax. SPI also strongly opposes the regulatory package as an unnecessary, premature, and counter productive, threatening the introduction by the CFC producers of the chemical substitutes.

On the House side, at presstime, serious behind-the-scenes negotiations are underway as the Administration and Chairman Rostenkowski work to achieve a politically acceptable compromise on the capital gains tax issue. President Bush's public statement July 28 that he would support a compromise sent a critical signal to the Committee which is reportedly looking for a way to make "everyone a winner" or "no one a loser." Also, reportedly, part of a compromise agreed to would include a reduction in the \$8.5 billion in the CFC tax to \$4.2 billion by imposing an excise tax of \$.60/pound in calendar year 1990 and 1991; \$.90-1992; \$2-1993 and \$2.50-1994. Rostenkowski's original proposal, based on legislation introduced by Pete Stark (D-CA), would have imposed a \$1/pound tax, going up a \$1/pound per year, to \$5/pound in 1994. The Administration, involved in these negotiations, reportedly has advised that the CFC "auction" is "dead" if Congress approves the CFC tax bill. SPI thinks the CFC auction would be the most devastating approach, resulting in hoarding by price-insensitive users.

SPI has been urging members to write to their elected Federal officials including members of the Senate Environment and House Ways and Means Committees as well as the Budget Committees of both bodies urging their opposition to the devastating CFC tax. It is possible the House tax Committee may act late in the week of July 31 just prior to the August Congressional recess which begins August 4. Congress will not return until September 6. SPI also is urging members to meet with Members of Congress when they return home for this summer break, expressing their opposition to the CFC tax and educating the Member of Congress as to its counter-productive nature as well as the industry's commitment to phase out fully halogenated CFCs as quickly as chemical substitutes are available. For further information call SPI Federal Government Affairs.

**Congressional Report
Says OSHA Should
Simplify, Standardize
MSDSs**

Massive numbers of Material Safety Data Sheets (MSDSs) and the highly technical information they contain in non-standardized formats are "more of a burden than an aid" to firefighters and others who respond to emergencies that may involve hazardous chemicals, according to a report prepared by the House Government Operations Employment and Housing Subcommittee. The Subcommittee, which investigated the 1988 explosion that killed Kansas City firefighters, concluded that the tragedy could have been prevented had the firefighters been provided with "clear and reliable information" about the hazardous chemicals on the site. Responding to a fire at a construction site, the firefighters were unaware of the existence of a highly explosive material also on the site which was ignited and exploded, killing the six men.

The Report recommends that the Occupational Safety and Health Administration (OSHA) consider simplifying and standardizing MSDSs, with the aim of making them "readily usable by non-technically trained persons." The Report also recommends that OSHA update its ten-year old fire brigade standard to "reflect technological and other developments in the past decade." The Report further recommends that to improve "coordination, consistency, and clarity" that the U.S. Fire Administration issue guidelines or regulations for emergencies involving hazardous materials. For a free copy of the report write to the Employment and Housing Subcommittee, House Government Operations Committee, U.S. House of Representatives, Room B 349-A Rayburn House Office Building, Washington, D.C. 20510.

**Environmental Issues
Highlighted at
Economic Summit**

More than one third of the final communique issued by Western leaders at the end of the July economic summit in Paris was devoted to environmental matters. This was more space than was devoted to any other topic, and compares with only 3 paragraphs in the communique issued last summer in Toronto. Singled out in the communique were "serious threats to the atmosphere...which could lead to future climate changes." Also, noted "with great concern" were the threats posed by the growing pollution of the world's air, lakes, rivers, oceans, and seas; acid rain; dangerous substances and rapid desertification and deforestation.

This highlighting of environmental issues reflects mounting concern over the state of the world's environment at the highest levels of government as the leaders agreed in the communique on the need to take decisive and urgent action to protect the earth's "ecological balance." President Bush joined the heads of government and state from Britain, Japan, France, West Germany, Italy and Canada in devoting an unprecedented amount of time to a discussion of environmental issues. Officials from several countries reportedly cited the acknowledgement in the communique as evidence that "environmental protection is integral to issues such as trade, development, energy, transport,

***Economic Summit
(continued from page 5)***

agriculture and economic planning...[therefore] environmental considerations must be taken into account in economic decision-making." Call SPI Federal Government Affairs for a copy of the communique.

**UN Official Predicts
Global Warming
Treaty by 1992**

The United Nations top environmental official said June 28 that it is realistic to hope to see a treaty on global warming signed in 1992. This statement was made by Mostafa Tolba, Executive Director of the United Nations Environment Program. Mr. Tolba was instrumental in the development of the Montreal Protocol, the first international environmental treaty, to regulate substances that deplete the stratospheric ozone layer.

**Increased U.S. Role in
Standards Setting
Urged at House Sub-
committee Hearing**

The United States should reconsider its role in standards development because of the emergence of a single European market that has made government roles in international standards setting more important, Rep. Doug Walgren (D-PA) said in opening a hearing July 25 of the House Science Committee's Subcommittee on Science, Research and Technology. Walgren commented, "Increasingly, nations are using their ability to influence product standards as a trade weapon."

Ray Kammer, testifying for the National Institute of Standards and Technology, called standards "critical instruments of both domestic and international trade." Kammer testified that the United States must become more aggressively involved in international standards development activities if it is to maintain or increase its penetration of foreign markets. He said the United States needs to improve its participation in international standards committee activities by aggressively seeking the secretariats of more technical committees, subcommittees, and working groups "particularly for those products and processes where the U.S. has the edge on the technology." Kammer concluded that the U.S. should encourage developing countries and newly industrialized countries to adopt international standards in order to facilitate trade and reduce their standards development costs.

**FDA User Fee
Legislation
Introduced in House**

On May 24 Rep. Ed Madigan (R-IL) introduced legislation to give the Food and Drug Administration authority to impose "user fees" for the review of food additive petitions and other applications for clearance of the products. The "New Drug and Device Application Fee Amendment of 1989," (HR 2482), would give FDA authority to charge a fee for the review of applications regarding human drugs, medical devices, antibiotics, and biologics, as well as food additives and animal drug petitions. In a somewhat related matter, recently a Congressional committee considered imposing significant user fees on companies that make products regulated by the FDA in an effort to meet revenue raising requirements imposed by the Congressional budget process. Reportedly, the proposal has died.

Judicial Updates

SPI Intervenes in OSHA Litigation. SPI has filed a motion for leave to intervene in the lawsuit brought by AFL-CIO against OSHA challenging the promulgation of OSHA's air contaminants rule. The AFL-CIO's action has been consolidated in the Eleventh Circuit Court of Appeals with those brought by SPI and other industry petitioners. The labor union's objections to OSHA's rule are based on the belief that the rule is not sufficiently protective of worker health. Provisions the AFL-CIO intends to challenge include those establishing permissible exposure limits for styrene and ethylene dichloride, two provisions of particular interest to SPI and the subjects of SPI's petition for review. SPI believes that it is necessary to intervene in the AFL-CIO action to protect the interest of SPI and its member companies against attempts by the labor union to force OSHA to further reduce the PELs for styrene and ethylene dichloride.

Court Denies Review of Ruling that NJ Label Law Not Preempted by Federal Law. On July 3 the U.S. Supreme Court declined to review an appeals court ruling that the New Jersey Worker and Community Right to Know Act is not preempted implicitly or explicitly by the Federal Hazard Communications Standard. The Court let stand a February decision by the U.S. Court of Appeals for the Third Circuit which held that, because the state statute's in-plant labeling provision was intended to provide information not only to employees but also to police, firefighters, and the public, it was not pre-empted by the Occupational Safety and Health Act and OSHA's Hazard Communication Standard. (US Sup Ct, 88-1868, 7/3/89)

Recycling Group Challenges Recovered Insulation Materials Rule. The National Recycling Coalition in April petitioned the U.S. Court of Appeals in Washington, D.C. to review the EPA "recovered insulation materials" rule, which requires agencies using Federal funds to procure building insulation products that contain the "highest percentage of recovered materials practicable." The rule, which became effective last February, for polyurethane/polyisocyanurate rigid foam insulation, primarily requires using polyester polyols derived from recycled PET containers, or from the chemicals DMT and phthalic anhydride, for boardstock and spray-applied formulations.

The recycling group asked the court to review several issues including what constitutes an unreasonable price to pay for recovered materials, why purchases not subsidized by government funds are excluded from the rule, and why fiberglass insulation is not subject to minimum content standards. In a related matter, EPA has established a Procurement Guidelines Hotline to answer questions at 703-941-4452. EPA also is preparing a National Recycled Products Guide and is collecting information on manufacturers and vendors to respond to requests from procuring agencies.

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Regulatory Updates

USTR

U.S. - Canada Consider Speeding Up Tariff Phase-Out. The Office of the U.S. Trade Representative has invited comment on a proposal to accelerate some of the tariff eliminations called for in the U.S.-Canada Free Trade Agreement. The July 17 *Federal Register* notice cites 5000 items on separate lists that U.S. and Canadian negotiators have submitted to one another for consideration. Eighty-two plastics resins and products are on at least one of the lists, including low density polyethylene, polypropylene, polystyrene, PVC, rigid plastic pipe, plastic floor, wall and ceiling coverings, and plastic bath fixtures. The proposal comes in the midst of a Canadian initiative to raise tariffs on 30 products, including 13 plastics items, in retaliation for the U.S. Superfund tax on imported oil. (See related story)

The Free Trade Agreement between the two countries calls for the phasing out of tariffs for most plastics items over a ten-year period. Comments supporting or opposing the proposed acceleration of the tariff phase-out are requested by August 18. For a copy of the plastics items under consideration, contact Melody Charno, SPI, 202/371-5221. (54 *Federal Register* 29959)

EPA

EPA Requests Comments on the Comprehensive Assessment Information Rule. On July 19 EPA requested comments on certain issues concerning CAIR for use in future CAIR rulemakings. Raised by various industry groups including SPI, the issues include: (1) an exemption from the rule for small volume manufacturers, importers or processors; (2) the inclusion of a de minimis exemption for future rulemaking; (3) how to handle trade name reporting; (4) how best to define "process" and "processing activities;" and (5) how to address the CAIR requirement that all confidentiality claims be substantiated at the time of submission. Comments due by September 18. SPI will be submitting comments. (54 *Federal Register* 302110)

EPA Requests Comments on Leakless Technology for Valves for TSD Facilities. On July 19 EPA requested comments on the use, applicability, operation, reliability, impacts, and cost of leakless valve technology at hazardous waste treatment, storage, and disposal (TSD) facilities. Comments will be considered in applying additional controls at TSD facilities to reduce organic emissions to a level protective of human health and the environment. Comments are due by September 18. (54 *Federal Register* 30228)

EPA Proposes to Approve California's Application to Revise its State National Pollution Discharge Elimination System Program. On July 20 EPA proposed to approve revisions to California's NPDES program. The revisions will allow California to administer its state pretreatment program and also to issue NPDES general permits. Comments due by September 5. (54 *Federal Register* 30405)

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EPA (continued)

EPA Issues Clarification of Reporting Requirements for Polymers Manufactured Using Free-Radical Initiators. On June 28, EPA issued a clarification stating that free-radical initiators used at greater than "two weight percent" in the manufacture of a polymer must be included in the description of the polymer for TSCA inventory and for premanufacturing notification (PMN) requirements. EPA also issued a grandfather provision stating that the agency has decided to apply this policy only to polymers not listed on the inventory as of July 28, 1989. EPA concludes stating that as of June 28, a polymer manufactured using greater than two weight percent of an initiator will be subject to PMN requirements unless (1) it is on the inventory under the policy criteria outlined in Unit II of this preamble, or (2) EPA agrees with the manufacturer's (or importer's) claim that an initiator used at greater than two weight percent is not a reactant incorporated into the polymer structure. (54 *Federal Register* 27174)

EPA Issues "Generic SNUR" TSCA Rule. On July 27 EPA issued a "generic significant new use rule (SNUR)" that will "help EPA close a loophole" in its new chemical regulations, and is of profound importance to the Toxic Substances Office, according to its Director Charles Elkins. When EPA reviews a premanufacture notice for a new chemical and determines it may pose a risk, the agency may impose requirements for controls. EPA takes this action by issuing a consent order under Section 5(e) of the Toxic Substances Control Act (TSCA). This consent order applies, however, only to the company that submitted the PMN. Once that firm begins manufacturing the chemical and EPA adds the substance to the TSCA Inventory, any business may make the compound for any use without informing the agency and without the requirements for the controls.

Significant new use rules close this loophole, usually covering at least one of two areas: limiting the use of the chemical, or extending the restrictions placed on the initial manufacturer to all makers of the substance. The rule also establishes a workplace hazard communication program, similar in some respects to OSHA's.

EPA Clarifies Effluent Guidelines. On June 29 EPA amended the effluent limitation guidelines for Organic Chemicals, Plastics and Synthetic Fibers. The OCPSF regulations are not intended to apply to production consisting exclusively of blending, mixing and formulation of purchased raw materials; however, several references in the current guidelines make reference to these operations and, therefore, are being deleted. (54 *Federal Register* 27351)

Toxic Chemical Release Inventory and National Report Available. A computerized national inventory of toxic chemicals released into the environment by manufacturing facilities became available June 19 to the public. The data are the first annual SARA Title III Section 313 toxic chemical release inventory reports provided by industry to EPA, reflecting emissions from July 1987 through June 1988. This is the first time that comprehensive data on the

BOR 007336

EPA (continued)

release of toxic chemical emissions to the environment have been computerized on a national scale, a requirement imposed by Congress. The printed report is available through the Government Printing Office; the computer inventory will be available through the National Library of Medicine's TOXNET system. Further information on TOXNET on-line access is available by contacting the TRI representative at (301)496-6531. The computerized inventory will be available on a billing basis of \$25 an hour for prime time. The TRI report will be updated annually.

EPA Proposes Revisions to CFC Rule Implementing the Montreal Protocol. In the July 12 *Federal Register*, EPA issued two notices with regard to the August 12, 1988 final rule implementing the Montreal Protocol on Substances that Deplete the Ozone Layer. One notice suspends a section of the final rule (54 *Federal Register* 29336) and the other notice proposes revisions to conform with recent agreements made by The Parties to the Protocol. (54 *Federal Register* 29353) The first proposed amendment implements the parties' interpretation of "industrial rationalization" addressing how parties can increase or decrease production; another proposed amendment expands the definition of exports to include used and recycled controlled substances. EPA also proposes to grant additional allowances or credits to any person who uses controlled substances as a feedstock for other substances. Finally, the agency is proposing a new recordkeeping requirement for producers of the controlled substances. Written comments due by August 11.

EPA Issues Final Rule on "Second-Third" Hazardous Waste. On June 23 EPA issued a final rule for 67 hazardous wastes, imposing new restrictions on their disposal on land as required by the Resource Conservation and Recovery Act. This rule, covering the second of three groups of a list of approximately 450 hazardous wastes that EPA is sequentially banning from disposal on land unless they receive treatment, sets treatment standards for the acrylonitrile production industry, for cyanide-containing wastes generated primarily by the electroplating industry, as well as a wide spectrum of other industrial wastes. EPA has said that most of the waste can be treated by incineration. (54 *Federal Register* 26594)

EPA Proposes Changes in Chemical Exporting Rules. In the July 12 *Federal Register*, EPA proposed amendments to the export notification provisions of the Toxic Substances Control Act (TSCA) to enhance the ability of foreign governments and EPA to review exported chemicals that may cause health or environmental hazards. Current EPA rules require submission of a report on the first shipment each year to each foreign country of each chemical subject to TSCA regulation. The proposal would reduce the review burden for importing countries and enable them to focus more attention on chemicals which have been identified as hazardous and reduce the administrative burden for exporting companies and for EPA. Comments due September 11. (54 *Federal Register* 29524)

DOT

DOT Plans to Formulate a National Transportation Policy. In the July 3 *Federal Register*, the Department of Transportation (DOT) requested comments on transportation issues, positions, and recommended solutions. DOT is seeking to broaden its knowledge and garner consensus for a national policy for which the information will provide a basis. This project is being divided into six market clusters: Urban/Suburban Transportation, Rural Transportation, Intercity Freight Transportation, Intercity Passenger Transportation, International Transportation, and Innovation and Human Factors in Transportation. Comments are due September 1. SPI's Committee on Transportation and Distribution will most likely submit comments to the Intercity Freight Transportation Group. (54 *Federal Register* 27970)

FDA

FDA Allows for the Safe Use Of a Nylon 6I/6T Polymer. On July 11 FDA announced that it would be amending the food additive regulations to provide for the safe use of a Nylon 6I/6T polymer manufactured by the condensation of hexamethylenediamine, terephthalic acid, and isophthalic acid for contact with all types of food except beverages containing more than 8% alcohol. This action is in response to two petitions filed by du Pont. The Agency reviewed the potential environmental effects of this action and concluded that this product will not have a significant impact on the human environment, and concluded that an environmental impact statement was not required. (54 *Federal Register* 29018)

FDA Bans Methylene Chloride in Hair Spray. The Food and Drug Administration (FDA) June 29 banned the use of methylene chloride in cosmetics, where its principal use is in hair spray, according to the agency. The FDA rejected a chemical industry hypothesis as to why methylene chloride causes cancer in mice but probably does not pose a cancer risk to people. According to the Halogenated Solvents Industry Association, methylene chloride, also known as dichloromethane, is unlikely to cause cancer in humans because there is a clear difference in how species metabolize it. Reportedly, most companies stopped using the chemical in hair spray about 1985, when FDA proposed the ban on use of the solvent in cosmetics. The ban becomes effective August 28 and applies to the initial introduction of products and initial delivery of products for introduction into interstate commerce. (54 *Federal Register* 27328)

Coast Guard

Coast Guard Proposes MARPOL Annex V Implementation Rule. On April 28, the Coast Guard published an interim rule to implement the requirements of Annex V of MARPOL, the international convention for the prevention of pollution from ships. Annex V prohibits the dumping of plastic garbage overboard. The interim rule is applicable to marine craft of any size or type and also requires ports or terminals to ensure the availability of facilities to receive ship-generated garbage. The Coast Guard expects that this rule will reduce the amount of plastics, including synthetic fishing nets, and other ship-generated garbage intentionally discharged into the marine environment.

Coast Guard (continued)

The interim rule became effective May 30. The Coast Guard will accept written comments on the interim rule until December 31, 1989. (54 *Federal Register* 18384)

Commerce

Study Concludes that Standards, Certification, Market Access Most Critical Issues of EC 1992 for U.S. Industry. According to a Commerce Department study, standards testing and certification, and market access are among the most crucial issues faced by U.S. industries dealing with new European Community directives under its 1992 market-integration program. *EC 1992: A Commerce Department Analysis of European Community Directives*, analyzes 66 key EC directives on manufactured products and services. It is the first volume of a projected three-volume study. In the area of testing and certification, the report identified three critical issues — potential EC reluctance to accept U.S. laboratory test data; EC use of type-approvals for products instead of self-certification systems; and potential EC insistence on a certification or registration program for individual manufacturers' quality assurance programs. Copies of the report (stock number 003-009-00557-4) are available for \$10 prepaid from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

DEA

Chemical Companies Protest Proposal Aimed at Reducing Illicit Drug Manufacturing. Chemical manufacturers, commenting on a Drug Enforcement Administration (DEA) proposal to require recordkeeping and reporting of suspicious or unusual orders for chemicals, complained that the new rule would be burdensome and ineffective. The proposed rule would implement the Chemical Diversion and Trafficking Act of 1988 which requires firms and persons distributing, importing or exporting 12 precursor chemicals or 8 essential chemicals to identify their customers, maintain retrievable records, report suspicious or unusual orders, and provide advance notification of exports and imports. CMA disagreed with the proposed rule's requirement that a company obtain proof of a buyer's identity, stating "DEA's proof of identity requirement does not recognize the reality of a chemical transactor. In most sales, the seller does not receive a document signed by the buyer." According to the DEA, CMA's comments reflect those of many other industry respondents. DEA has received about 35 comments on the rule. *Federal Register* published January 25. (54 *Federal Register* 3622)