

STAFF REPORT

by

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October 12, 1976

The 109 MCA member companies taking part in the latest round of voluntary energy conservation reporting registered an aggregated energy conservation improvement per unit of output of 8.8 percent for the 12 months July 1, 1975 to June 30, 1976, using 1972 as a base year. The energy saving would have been 9.7 percent except for the environmental and occupational safety regulations that have gone into effect since 1972.

These savings show continuing progress in the MCA program that began in March 1975. They compare with 4.0 percent and 4.9 percent for calendar 1975, when production relative to capacity dropped because of the recession, causing lower operating rates. During the 12 months covered by the current report, the industry operated at an average capacity of 78.8 percent, compared with 84.2 percent in base year 1972. In 1975, industry operations averaged 74.2 percent of capacity.

The figures are sent by MCA to the Commerce Department and the Federal Energy Administration.

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On September 27, the House passed S. 2150, the Resource Conservation and Recovery Act of 1976, after replacing the text of the Senate-passed bill with a committee substitute for H.R. 14496. This substitute is the result of a hasty compromise worked out between members of the House Interstate and Foreign Commerce Committee and the Senate Public Works Committee. They sought to avoid a time-consuming conference in the few remaining days of the 94th Congress. The compromise measure is broadly acceptable to the Administration, industry, labor and environmental groups. It has three major provisions: mandatory Federal controls over hazardous wastes; a Federal grant program designed to encourage states to develop solid waste management plans; and a larger EPA solid waste research and development program.

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On September 16, both the House and Senate approved and sent to the White House the final version of the Tax Reform Act of 1976, H.R. 10612. While there are certain provisions not completely to the President's liking, he signed the bill. As finally enacted, the bill is a compromise hammered out by House and Senate conferees between mid-August and early September.

Provisions of the legislation that are of significance to the chemical industry were reported last month.

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MCA has protested certain proposed revisions in regulations and criteria for ocean dumping of wastes under the Marine Protection Research and Sanctuaries Act of 1972. The revisions are proposed by the Environmental Protection Agency, which says it intends to "eliminate ocean dumping of unacceptable materials as rapidly as possible," while holding to a general criterion of producing "no detectable changes in biota." MCA feels this position is "arbitrary," as reflected in four points:

1. EPA would prohibit issuance of new permits after April 23, 1978, except for municipalities and industries already holding them. MCA supports carefully controlled and gradually limited issuance of permits consistent with developing technology.

2. EPA would consider whether raw materials and manufacturing processes "are essential . . . or if other less polluting materials could be used." MCA feels this could lead to EPA regulation of the manufacturing process.

3. MCA feels the increasing difficulty of finding suitable storage for wastes can be eased by ocean dumping.

4. MCA feels that the prescribed specifications in "Guidelines for Ocean Disposal Site Baseline and Trend Assessment Surveys" go beyond reasonable requirements and thus discourage technological advance.

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In its long-awaited report on the effects of chlorofluorocarbons on stratospheric ozone, the National Academy of Sciences says the chemicals should not be regulated at this time, because there are still too many gaps in scientific knowledge about their impact on the ozone layer and their threat to man and environment. The academy suggests waiting as much as two years to finish atmospheric measurement programs and laboratory studies that promise to reduce uncertainties considerably. These recommendations reinforce the importance of the research program administered by MCA, and the program appears to mesh well with priorities outlined in the report.

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The Interstate Commerce Commission wants tank car owners and railroads to develop a tank car compensation system that would grant adequate compensation to the private owners. The ICC ordered on September 16 that a committee composed of representatives of the railroads, tank car leasing interests and shipper interests study the issues and submit a proposed solution to the commission for approval.

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The Environmental Protection Agency will issue soon a questionnaire designed to gather data from industry that will help in developing effluent guideline regulations for organic chemicals, plastics and synthetic materials, inorganic chemicals and phosphorus-derived (non-fertilizer) chemicals. MCA reviewed drafts of the questionnaire and voiced particular objections to the need for information on minor products--those produced by less than one percent of plant capacity--and to questions on the 65 "toxic" pollutants named by the National Resources Defense Council.

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MCA has asked the Environmental Protection Agency for guidance on various aspects of the National Pollutant Discharge Elimination System's permit program for stormwater runoff from industrial facilities. Guidance is necessary, MCA feels, because wide differences have arisen among regions in the criteria for and in the handling of the permits.

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"The Approaching Toxics Era" will be the subject matter of a symposium presented by MCA in Houston in November, Washington in December and Los Angeles in January. The program is designed for those who must work within the requirements of existing and new regulations and legislation related to water pollution prevention, abatement and control and how these affect plant design and operations.

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