CHEMICAL MANUFACTURERS ASSOCIATION

GERALDINE V. COX, Ph.D.
Vice President
Technical Director

January 30, 1985

BY HAND

Mr. Carlos Tellez
Mr. Rick Otis
Office of Management and Budget
Office of Information and
Regulatory Affairs
New Executive Office Building
Room 3228
726 Jackson Place, N.W.
Washington, D.C. 20503

Re: EPA Information Collection
Request #1199

Dear Messrs. Tellez and Otis:

The Chemical Manufacturers Association has taken an active interest in EPA's various regulatory initiatives concerning PCBs and has been an active participant in the most recent Agency proposal to impose additional controls on PCB transformer use. CMA thus has a significant interest in the Agency's Information Collection Request (ICR) sent to OMB in connection with its PCB transformer proposal. 49 Fed. Reg. 47330 (Dec. 3, 1984).

CMA is seriously concerned that EPA's submission substantially understates the burden of compiling PCB Smoke Spread Reduction Plans (SSRPs). The Agency indicates in section 12 of its submission that total resources to prepare SSRPs will be but four man hours of work at each of 60,000 transformer locations (estimated to cost $12 million). To the contrary, for many, if not most, PCB transformer owners, much more substantial costs will be incurred in employment of the trained personnel necessary to compile an SSRP. Moreover, EPA has substantially underestimated the number of transformer locations likely to require SSRPs.

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As EPA's guidelines for SSRP preparation indicate, the plan must "be [] carefully thought out," "prepared in accordance with good engineering practices," and have "the full approval of management." The plan must identify all pathways through which smoke from a PCB transformer fire would reasonably be expected to travel. The plan must also describe what systems have been adopted to block all pathways and, moreover, explain "why" these measures have been adopted. Finally, as EPA recognizes, the plan must consider the impact various ventilation blocking steps have on equipment cooling.

Development of such a plan cannot reasonably be expected to be completed in four hours. Each transformer must be carefully assessed, its location carefully surveyed, and all possible smoke prevention methods considered and costed. Complicated judgments about electrical and ventilation systems will be posed. Transformer owners would be foolish to presume that such decisions and development of a plan could be accomplished, and management approval obtained, with three hours of engineer review and drafting and one hour of typing.

EPA has further underestimated the costs of SSRP preparation by ignoring many transformers that may fall within its proposed new controls. EPA's estimate is based on the assumption that the only transformers covered are those 120,000 Askarel (i.e., 60% to 70% PCB) transformers in buildings (with two transformers per location). However, the rule also covers all such transformers "in or near buildings," and EPA has previously estimated there are in total 140,000 Askarel transformers. Second, the rule would also cover mineral oil transformers contaminated with PCB concentrations above 500 ppm, as such transformers are by regulation also considered "PCB transformers." 40 C.F.R. § 761.3 ("PCB Transformer" definition). EPA has not included in its estimate for OMB the number of such transformers. In its 1981 survey of transformers in the chemical industry, however, CMA found almost 40% of the PCB transformers at responding companies were mineral oil transformers contaminated with PCBs at levels above 500 ppm. A survey at the same time found more than 1 percent of the more than 20 million existing utility mineral oil transformers were contaminated with more than 500 ppm PCBs. 47 Fed. Reg. 17426, 17428 (April 22, 1982). A substantial number of these contaminated mineral oil transformers could also be impacted by the rule.

In sum, development of an SSRP is, almost by definition, a much more expensive undertaking than EPA suggests in its submission to OMB and is likely to be required at many more locations than the Agency estimates. Furthermore, development of the plan is but the first requirement to be imposed by EPA's recent proposal. 49 Fed. Reg. 39966 (Oct. 11, 1984). The smoke prevention measures identified in the plan must then be implemented -- measures that even EPA estimates will cost approximately $500 million. 49 Fed. Reg. at 39985.

EPA's underestimate of the cost of compiling an SSRP is but a small part of the big problem posed by its proposal for additional controls on PCB transformer use. As CMA's comments to the Agency detailed, EPA has proposed very expensive new controls to address a very slight risk that it has only poorly identified.

To assist OMB in understanding the overall Agency proposal, and to help put the ICR into context, I am enclosing copies of the comments CMA filed on both the Agency's advanced notice of proposed rulemaking and its proposed rulemaking, as well as the remarks of the Panel's chairman, Dr. John Craddock, at the Agency hearings last week. Robert J. Fensterheim of my staff (202) 887-1189 would be glad to answer any questions or supply any additional information that would be of assistance in OMB's review of the EPA proposals.

Sincerely,

Geraldine V. Cox

Geraldine V. Cox, Ph.D.
Vice President and
Technical Director

Enclosures

cc w/ encs: Brian Mannix

cc w/o encs.: Denise Keehner
TSCA Public Information Office
Nanette Liepman (EPA)

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