ELECTRONIC INDUSTRIES ASSOCIATION

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V. J. ADDUCI
PRESIDENT

The Honorable James Lynn, Director
Office of Management and Budget
Executive Office Building
17th & Pennsylvania Ave., N.W.
Washington, D.C. 20503

Dear Mr. Lynn:

On behalf of the Electronic Industries Association, I would like to call to your attention a pending proposal of the Environmental Protection Agency which can have a serious impact not only on a segment of American industry but also on consumers and producers of electrical energy.

We refer specifically to the toxic pollutant discharge standards being considered by EPA for polychlorinated biphenyls (PCB), a material vital to the production of power correction capacitors used for the more efficient generation and distribution of electrical energy. These capacitors also are a vital component of the more efficient types of lighting - flourescant, mercury vapor and sodium - and also are incorporated in the electrical circuits of air conditioners, refrigerators, etc., for the more efficient use of electricity.

The salient points of EIA concern are outlined below. It is urged however, that OMB review in detail the enclosed statement to EPA and initiate a thorough inflationary and economic impact study of this proposal in keeping with the intent of Executive Order 11821 and OMB Circular No. A-107.

There are only 16 plants in this country which manufacture capacitors using PCB. They are widely dispursed geographically and in total discharge less than 5 kg of PCB daily, 0.014 percent of total daily usage.

There are over 200 variations of PCBs with different toxicological and biodegradation characteristics. It is scientifically unsound to make all compounds the subject of a single standard as proposed by EPA.

MONS 091833

The only U. S. manufacturer of PCB has, since late 1972, limited sales only to manufacturers of capacitors and transformers where the unique properties of this material virtually mandate its use.

The PCB material used by the capacitor industry is known as Aroclor 1016. It is more biodegradable than formulations widely used by a number of industries prior to late 1972.

Aroclor 1016 now is used only in closed electrical systems with less than 5 kg per day being discharged into navigable waters as a result of the capacitor manufacturing process.

The EPA proposed discharge standards are unnecessary and unreasonable in the light of the biodegradable nature of the formulation currently being used, and the low level of discharge.

Since industry became aware of the potential hazards of PCB it has initiated a number of costly procedures looking toward the elimination of water discharges. Despite these efforts, it is highly unlikely that the industry can meet the proposed requirements, particularly if background levels are not discounted.

If this segment of the capacitor industry is eliminated by EPA unachievable requirements, the inflationary and energy consumption impact will be very substantial. Production of the PCB capacitor industry currently is about $140 million annually.

To overcome the electrical generation and distribution efficiencies made possible by the use of PCB capacitors, the additional consumption of fuel oil is estimated at 68 million barrels per year.

The additional cost of electrical generation and distribution equipment alone is estimated at $1 billion per year.

Your investigation of and favorable reaction to the facts presented will be sincerely appreciated.

Very truly yours,

V. J. Adduci

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