

Originally Processed With FOIA(s):
1998-0004-F[2]

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Series: Sununu, John, Files
Subseries: Cabinet Agencies Files

OA/ID Number: 29189
Folder ID Number: 29189-011

Folder Title:
Reilly (EPA) [1991] [1]

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G	15	25	6	6

FRANK H. MURKOWSKI
ALASKA

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November 15, 1991

The Honorable George Bush
The President
The White House
Washington, D.C. 20500

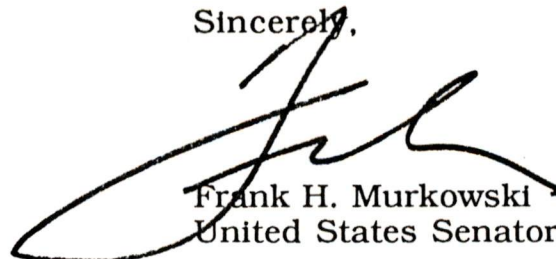
Dear Mr. President:

Creation of an Environmental Protection Agency (EPA) regional office in Alaska, as you know, is of great importance to me and to my State. It would be of great significance for you to announce approval of this valuable environmental initiative when you join me and my supporters for lunch at the Willard Hotel this coming December 11th.

The Congressional delegation, Governor Hickel and the people of Alaska firmly believe that the flexibility for local diversity provided in our environmental laws and regulations is best in the hands of EPA decision-makers that have an intimate, on-the-ground understanding of Alaska. Eleven other federal agencies have already responded to this need by establishing fully staffed regional offices in Alaska, including the National Park Service, the Forest Service, the Fish and Wildlife Service and the Army Corps of Engineers. Creation of Region 11 will benefit both my state and the Nation by insuring that the special needs of this unique land are understood and properly protected.

I look forward to our luncheon on December 11th and hope you will take this opportunity to announce the creation of an EPA Region 11 in Alaska.

Sincerely,



Frank H. Murkowski
United States Senator

cc: ✓ The Honorable John Sununu
The Honorable Richard Darman

United States Senate
WASHINGTON, DC 20510

November 13, 1991

The Honorable William K. Reilly
Administrator
Environmental Protection Agency
Washington, D.C. 20460

Dear Bill:

I know you are committed to producing a regulatory framework for the 1990 CAA Amendments that is consistent with the President's economic commitments. I am specifically concerned about the permitting rule, which is scheduled to be finalized around November 15.

I am very concerned about the ultimate cost of the Clean Air Act. The Act as passed provides enough flexibility for EPA to establish regulations that are cost effective or to impose requirements that make it unnecessarily expensive. A specific example of the latter approach is found in the EPA proposal for a final operating permits rule implementing Title V.

The proposed final rule drafted by EPA violates both the spirit and the letter of the agreement that the Clean Air Act would be implemented in a cost effective manner and consistent with the President's principles of balance, flexibility and support for market mechanisms. In fact, your letter to Michael Boskin, October 26, 1990, succinctly states that commitment.

It is my understanding that when the Notice of Proposed Rulemaking (NPR) was circulated by EPA some months ago, the White House, OMB and other departments and agencies felt the EPA draft was not consistent with the goals of balance, flexibility and support for market mechanisms. Therefore, the NPR was amended considerably before it was published. However, it appears now that the EPA draft final rule has reversed many positive provisions in the amended NPR.

The draft final rule significantly increases costs and burdens to industry and government through a burdensome three track "minor permit" modification approach. It erodes the opportunity for market mechanisms to work. You and the President have pointed to these very market mechanisms, bubbling, offsets, and netting, as the hallmarks of the Clean Air Act.

There are real economic liabilities created by the draft final rule that are without environmental benefit. These concerns need to be addressed prior to issuance of a final rule, even if that means missing the November 15 date. Achieving a sound rule is justification for a short delay. The Bush Administration should not be increasing costs in these poor economic times.

I encourage you to examine the areas of the draft final rule which affect operational flexibility and minor permit modification structure. The NOPR as issued and your letter to Boskin would be good points of reference.

Sincerely,



DON NICKLES
U.S. Senator

cc: The Honorable John H. Sununu
The Honorable Roger B. Porter
The Honorable C. Boyden Gray
The Honorable Michael Boskin

DN/ml

10/16

and it's been very helpful to Senator Wofford. But there certainly was no deal with Senator Johnston." Scott said Wofford has not issued a public statement to the press on the topic of coastal plain drilling, but said he believed Wofford's final position will support "limited, careful exploration of oil and gas drilling in the coastal plain." Scott denied Wofford's position represents a switch from an earlier position. "I wouldn't put it that way," said Scott. "I think what it represents is a conclusion that he has reached after being educated on all sides of this problem." Steve Richetti, Executive Director of the Democratic Senate Campaign Committee, told the Bulletin the DSCC's decision to commit \$500,000 to Wofford's campaign was reached in a confidential meeting of the committee in early September. "I can't comment one way or another about what occurred in the meeting," said Richetti, "but there was nothing to distinguish Johnston's support from the support of ten or twelve others."

- o **The vote to consider the confirmation of White House economist Larry Lindsey to a seat on the Fed is being delayed because Majority Leader Mitchell expects lengthy floor debate over the nomination and there are more important issue to address first,** report Democratic sources in the Senate. According to an aide to the Majority Leader: "There have been indications that there will have to be a lengthy time on the floor for debate and we have other matters that need to be addressed." President Bush has included criticism of the Senate inaction on the Lindsey nomination in recent remarks and White House officials have been citing the Lindsey nomination as one example of Congress's inability to seriously address economic growth issues. According to one in the White House: "There is so much pressure on the Federal Reserve Board now to reassess where the money supply should be, where interests rates should be, where capital standards for banks should be, yet they are deprived of a full board to investigate and consider those positions. Holding it up is just silly."
- o **EPA Administrator Reilly's comment last week that President Bush deserves a grade of at least a "C" on environmental issues has some in the Administration in an uproar.** While in Vail, Colorado last week, Reilly responded to a report released by the National Parks and Conservation Association which gave President Bush a "D" grade on environmental issues by saying "D is not a plausible grade." Reilly went on to say that Bush deserves at least a "C", and even a "B" if he were doing the grading. Reilly's lukewarm support for the President's environmental record drew an angry response this morning from an Administration official: "This is preposterous. A primary member of the Administration and he gives his President an average grade -- a 'C.' If our own side isn't supporting us, who is?"
- o **Democratic presidential candidate Tom Harkin criticized the Administration this morning for being out of touch with women.** Speaking on "Good Morning America," Harkin said the debate should "go beyond Clarence Thomas. What we have here is an Administration that doesn't understand the depth of feeling among women in this country -- the anxiety that they have that the heavy hand of the government is about to descend upon them. Women in this country are about to lose their right of privacy and their freedom of choice. And, understandably, they were very concerned about this appointment."
- o **Federal Communications Commission Chairman Alfred Sikes will advise Congress not to pass legislation restricting the entry of the Baby Bells into the information services market.** Sikes told the Bulletin during an interview yesterday: "The American Newspaper Publishers Association in particular has called for legislation that would keep the Bell Operating Companies out of any significant information services business. Partly, the hearing will be about that issue. I will tell the committee that kind of legislation would be a mistake. And I will talk more specifically about what we are doing at the FCC to

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memo	From Ede Holiday to John Sununu Re: Supplement to Cabinet Report on EPA Activities (3 pp.)	9/24/91	P 5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [1]

Open on Expiration of PRA
 (Document Follows)
 By JP (NLGB) on 10/28/05

Date Closed:	1/3/2005	OA/ID Number:	29189-011
FOIA/SYS Case #:	1998-0004-F[2]	Appeal Case #:	
Re-review Case #:	2005-0426-S	Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

(b)(1) National security classified information [(b)(1) of the FOIA]
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THE WHITE HOUSE

WASHINGTON

THE CHIEF of STAFF
has seen

September 24, 1991

MEMORANDUM FOR GOVERNOR SUNUNU

FROM:

EDE HOLIDAY 

SUBJECT:

Supplement to Cabinet Report on EPA Activities

The following is a list of actions that EPA intends to take in the next two weeks that may generate media attention:

1) Hazardous Waste Exports Enforcement Initiative

This Thursday, September 26, 1991, EPA and the Department of Justice will announce an enforcement initiative against several U.S. companies for violating federal laws governing the export or import of chemicals and hazardous waste. The initiative involves approximately 18 administrative cases brought under various statutes, including the Resource Conservation and Recovery Act (RCRA) and the Toxic Substances Control Act, and two judicial cases concerning ozone-depleting substances under the Clean Air Act.

Seven of the RCRA administrative cases involve shipments of hazardous waste to Mexico and were developed in cooperation with the Mexican government. Other cases involve the export of hazardous waste to Quebec's Stablex facility, a controversial commercial hazardous waste storage facility.

As with all enforcement initiatives, the action will be praised by some and criticized by others. In light of the recent release of the U.S.-Mexico Draft Environmental Border Plan and the NAFTA negotiations, the initiative will help demonstrate the commitment and cooperation of the U.S. and Mexico to the enforcement of regulations concerning transboundary environmental problems. Further, many environmental groups, Congressional offices and state governments also will be supportive of the initiative. However, companies involved in the import or export of hazardous waste or chemicals, and their trade associations, are expected to criticize the actions of EPA and DOJ. EPA has informed us that while several of the firms involved are small companies, there are no particularly sympathetic defendants.

2) Regulations for Vehicle Fleets

Later this week, EPA will issue proposed regulations under the Clean Air Act requiring that a percentage of vehicle fleets operating in the 22 cities with the worst air pollution meet more stringent air emission standards and use cleaner burning fuels. The regulations require owners of vehicle fleets (ten or more vehicles which are fueled at a central location) located in any of the 22 metropolitan "non-attainment areas" to purchase clean fuel vehicles when new vehicle purchases are made.

The regulations also create a Clean Fuel Credit Program to assist vehicle fleet owners in complying with the regulations. Fleet operators who buy more clean fuel vehicles than required can get credit against future purchase requirements, or can sell the credits to another operator who prefers not to make the required clean fuel vehicle purchases. EPA estimates that after the first year of the program in 1998, approximately 110,000 new vehicles will be clean fuel fleet vehicles.

The extent of media coverage is unclear, though the announcement will likely get some attention in the 22 "non-attainment areas," which include some of the Nation's largest metropolitan areas. The rule focuses on vehicle fleets, so the general public is not directly impacted. The Clean Air Act continues to be the primary example of the President's environmental initiative, and the regulations are promulgated under authority of the Act. Further, the Credit Program created by the regulation is an example of incorporating free market principles in environmental regulation. However, as with all regulations that impose federal mandates of some sort, the announcement will not be met with great enthusiasm by the regulated community.

3) Report on Superfund Contractor Cost Overruns

On October 2, EPA is expected to release its intra-agency task force report on cost overrun problems with EPA's Superfund contractors. On October 3, Bill Reilly is scheduled to testify before the House Public Works and Transportation Committee on the Superfund program and the report. The hearing, and the report, will attract considerable press and Congressional interest.

The report will: a) fully summarize the short history of the Superfund contractor program; b) describe how improved enforcement and clean-up technology led to a higher rate of private clean-ups and a reduction in the anticipated workload for the EPA contractors; c) analyze why the "start-up" costs (i.e. program management costs) of these contracts were so high; d) conclude that while there was waste in the contractor program, no fraud or criminal activity exists;

and e) make several recommendations for improving the program, including reducing program management costs, terminating some contractors, and instituting a more aggressive financial audit program.

While the EPA Task Force report demonstrates how EPA is prepared to move quickly to "clean its own house," the issue will provide fodder for critics in the environmental community and Congress about how EPA is managing the Superfund program. You will remember that the impact of this issue was mitigated by Reilly's quick announcement of the formation of this task force. The report, and its recommendations, will help demonstrate that the Administration is willing to move quickly to improve programs shown to be operating ineffectively. However, some may charge the report is a "white wash" and the recommendations are too lenient. The Press Office should work closely with EPA on an appropriate statement regarding the release of the report and its recommendations.

4) Clean Air Act Regulations

At the end of the month, EPA intends to publish proposed regulations to implement the acid rain allowance trading system and the use of reformulated gasoline and oxygenated fuels, as required by the Clean Air Act. As with all regulations promulgated by EPA, these regulations are being reviewed by OMB, OIRA, and the Competitiveness Council in accordance with Executive Order 12291. Publication of these proposed regulations may be delayed pending clearance by the Competitiveness Council and OIRA.

The announcement of the proposed regulations should be met with favorable press, since the allowance trading program is one of the hallmarks of the Clean Air Act. Both the acid rain allowance trading program and the regulation on reformulated gasoline were mentioned in the President's remarks at the Grand Canyon as examples of the Administration's commitment to environmental quality.

5) Report on Asbestos in Public and Commercial Buildings

This week, the Health Effects Institute, a non-profit research institution, is scheduled to release its report summarizing current information on the health effects from asbestos exposure in public and commercial buildings. Pursuant to a court order, EPA must, no later than 45 days after release of the report, decide whether to develop regulations requiring building owners to identify and manage asbestos in these buildings. EPA is working with OSHA to develop a common position on what should be done. Considering the topic, the report could attract media attention and additional pressure for a regulatory response.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Report	Re: EPA Document on Environmental Tobacco Smoke (1 pp.)	n.d.	P 2	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
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EPA has drafts of two documents dealing with Environmental Tobacco Smoke (ETS). (1) An assessment of the lung cancer risks in adults and respiratory disorders in children associated with exposure to ETS. (2) A guide to developing smoking policies in the workplace.

These documents have been approved by EPA's Science Advisory Board under controversial circumstances (many members of the Board have proven bias on either side of the smoking issue). And the SAB and EPA declare ETS to be a threat, despite the fact that their own studies conclude the relative risk posed by ETS is 1.3.

A majority of scientists believe that relative risks below the level of 1.5 do not justify a conclusion of significant risk. In other government agencies regulation of relative risks as high as 3.0 has been declined, i.e., EMF.

Congressman Paul Henry has written to Director Darman expressing concern that EPA is taking regulatory action in areas relating to worker protection issues, issues that clearly fall under OSHA's jurisdiction. He asked that the Administration address this jurisdictional conflict, especially as it regards Indoor Air legislation moving forward in the Congress.

The Department of Labor and OSHA feel that they have jurisdiction over all workplace issues, including the questions of ETS and workplace smoking policies. On September 19 OSHA "Issues Request for Information on Indoor Air Quality Issues Including Workplace Smoking to Determine if Regulation Needed."

EPA should not be permitted to release its ETS study, nor its workplace smoking guidelines without the involvement of OSHA in this workplace issue. The EPA work products are subject to attack and controversy, as noted above, in any case.

But, the Administration should move to establish that OSHA is the lead agency for Administration policy on worker protection issues. This is mandated by statute and is demanded by the need for balanced regulation, based on sound, objective research.

The Administration should transfer the EPA workplace guideline work product to OSHA for study, review, and appropriate regulation of the issue. OSHA should take the lead on the ETS issue as it relates to the workplace and EPA's role should be to comment to OSHA.

(Cont'd)

Chairman, and President, Smokers' Rights Organization, New York, New York; Mike Jacobs, ASA Secretary/Treasurer, Temperance, Michigan; Fred Collier, ASA Membership Chairman and President, Derf Industries Smokers' Rights, Bellevue, Colorado; Linwood Hines, ASA board member and President, Conclave of Richmond Pipe Smokers (CORPS), Chesterfield, Virginia; Al Caproni, ASA board member, Lumpkin, Georgia; Jose Rodriguez, President, United Smokers Association (U.S.A.) and President, Nevada Smokers Rights Association, Las Vegas, Nevada; and Jim Seels, President, Dart Players Associations' Smokers' Rights, Overland Park, Kansas.

American Smokers' Alliance is a national organization consisting of 4,500 individuals and smokers' rights groups from across the country. The group is dedicated to eliminating discrimination against individuals who choose to smoke and restoring and defending their rights. For more information about ASA, write American Smokers Alliance, 3401 West End Avenue, Suite 560, Nashville, Tennessee 37203.

THE WASHINGTON POST

THURSDAY, OCTOBER 25, 1990

Scientist Reinstated to Smoking Panel

Associated Press

NEW YORK, Oct. 24—A scientist who was dismissed from an Environmental Protection Agency review panel on smoking under pressure from the tobacco industry has been reinstated, the EPA announced today.

"I'm extremely pleased at the results," said the scientist, David Burns of the University of California at San Diego.

The Associated Press reported last week that Burns had been dismissed from a panel chosen to review the scientific accuracy of two forthcoming EPA reports on the health effects of secondhand cigarette smoke.

The tobacco industry and Rep. Thomas J. Bliley Jr. (R-Va.), a tobacco industry ally, had lobbied to remove Burns from the committee of the EPA's Scientific Advisory Board, a standing group of independent experts.

After the success of the tobacco industry's lobbying effort was disclosed, Donald G. Barnes, the board's staff director, asked the board's executive committee to advise him on whether to appoint Burns, according to EPA officials who spoke on condition they not be named. The executive committee voted unanimously to reinstate Burns, the officials said.

Barnes did not return telephone calls to his office.

Mark Pertschuk, executive director of Americans for Nonsmokers' Rights in Berkeley, Calif., said the EPA's decision to reinstate Burns "was the only ethical thing at this point that they could do. To have given in to the tobacco industry would have been a horrible statement about the impartiality of the peer review process."

Burns has worked on the surgeon general's reports on smoking since the 1970s and edited the 1986 report on passive smoking.

APn 10/25 0109 EPA-Tobacco Lobby

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By PAUL RAEBURN
AP Science Editor

NEW YORK (AP) -- An anti-smoking group praised the Environmental Protection Agency for reinstating a scientist who had been dismissed from an advisory panel under pressure from the tobacco industry.

The EPA said Wednesday that Dr. David Burns of the University of California at San Diego had been reinstated to a panel on the health effects of others' smoke.

(Cont'd)

6. Members of Panel on Smoking Have Ties to Tobacco Group

By The Associated Press

Six scientists on an Environmental Protection Agency panel on smoking, including its chairman, have ties to a tobacco industry research group, but the environmental agency says that is no problem.

The 16-member panel's task is to assure the accuracy and objectivity of two E.P.A. studies not yet published concerning the health effects of second-hand cigarette smoke. In addition to the six members with ties to the tobacco research organization, a seventh member of the panel was appointed at the urging of the Philip Morris Companies, officials of the environmental agency said Thursday.

"They've stacked the deck with people who have close ties to the tobacco industry," said Dr. Alan Blum, a

Dr. Burns, of the University of California at San Diego, was the author of the Surgeon General's report on passive smoking and is regarded by his colleagues as a leading authority on the issue. He was reinstated to the panel after his dismissal was disclosed.

The environmental agency denies a conflict of interest. "We went to our lawyers and said, 'Does this constitute a conflict of interest?' and they said no," said Donald Barnes, staff director of the agency's scientific advisory board.

"We were concerned about the appearance of conflict of interest," Mr. Barnes said. But he added that the link between the panel members and the tobacco organization "does not cause any question to be raised about their technical capabilities."

The chairman of the E.P.A. panel, Dr. Morton Lippmann of New York University, is on the science advisory board of the tobacco industry center.

Dr. Lippmann and another member of the panel, Dr. Jonathan Samet of the University of New Mexico, helped devise the center's research agenda.

Dr. Samet and three other members of the panel are listed as "peer reviewers" for the center. They help determine which research projects the center supports.

Another panel member, Delbert Eatough of Brigham Young University, receives research funds from the center. A seventh member, Geoffrey Kabat of the American Health Foundation, had been recommended by Philip Morris, environmental agency officials said.

Mr. Kabat said, "I have no direct contact with the tobacco industry at all,

and I certainly don't see myself as being an agent of theirs in any respect."

Dr. Lippmann said he did not see any problem working with the E.P.A. and with the tobacco research center. "It can always raise questions," he said. "I don't view it as any conflict."

Dr. Samet's office said he was on vacation and could not be reached.

Mr. Eatough, who has received research funds from R. J. Reynolds as well as the Center for Indoor Air Research, said the money does not compromise his objectivity.

"I'm sure it does raise questions in many people's minds," he said. But he

added that he is not constrained by the tobacco research funds. "What we do is what we do, and we're free to go down what seem the reasonable roads to go," he said.

The scientists serving as peer reviewers for the Center for Indoor Air Research are Dr. Michael Lebowitz of the University of Arizona, Dr. Jan A.J. Stolwijk of Yale University and Dr. James E. Woods of Virginia Polytechnic Institute and State University.

Dr. Woods did not return a call to his office. A spokesman for Dr. Lebowitz said he was out of the office until Nov. 16. Dr. Stolwijk said: "I review grant applications they send me. I don't have anything else to do with them."

There is no conflict of interest, the E.P.A. says.

founder of the antismoking group Doctors Ought to Care. "It's pathetic."

The panel members are linked to the Center for Indoor Air Research of Linthicum, Md. The center is financed by Philip Morris, the R. J. Reynolds Tobacco Company and Lorillard Inc., three of the nation's largest tobacco companies. Its board of directors is made up of employees of those companies, said Pamela Phillips, an administrator at the center.

Earlier Controversy Cited

The makeup of the E.P.A. panel aroused controversy when it was reported in October that the agency had dismissed Dr. David Burns from the panel after the tobacco industry lobbied to get rid of him.

B. Importance of Magnitude Only

- According to partial preliminary results of the survey contained in TABLE 1, current scientific opinion is that the usefulness of *relative risk* for identifying significant risks to human health (i.e. establishing causation between exposure and onset of disease) depends on the magnitude of the *relative risk* approximation.

TABLE 1.

**Scientific Opinion of the Usefulness of
Relative Risk in the Identification of
Significant Health Risks**

Percentage of Scientists Who Believe
That the Level of *Relative Risk* is:

<u>Level of <i>Relative Risk</i></u>	<u>Not Very Useful in Identifying Significant Health Risks</u>	<u>Useful in Identifying Significant Health Risks</u>	<u>Very Useful in Identifying Significant Health Risks</u>
Below 3	19.7%	71.0%	9.3%
Below 2	36.5%	57.3%	6.2%
Below 1.5	55.3%	38.8%	6.0%

- Given that:
 - Over 55% of those surveyed indicated that a *relative risk* of 1.5 or less is not useful in identifying significant health risks; and
 - Under *Executive Order 12498*, only "significant risks" may be regulated;

relative risk approximations on the order of 1.5 or less should not be used as a basis for regulation.

PAUL B. HENRY
5TH DISTRICT MICHIGAN
COMMITTEE ON EDUCATION
AND LABOR
COMMITTEE ON SCIENCE, SPACE
AND TECHNOLOGY
SELECT COMMITTEE ON AGING

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MARY F. LOBISCO
ADMINISTRATIVE ASSISTANT

May 14, 1991

Richard G. Darman
Director
Office of Management and Budget
Executive Office Building
Washington, D.C. 20503

Dear Dick:

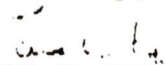
I am writing as the Ranking Republican Member of the House Subcommittee on Occupational Safety and Health, as well as a member of the House Space, Science and Technology Committee, to ask that you help resolve an important jurisdictional issue concerning the regulation of indoor air quality in the workplace, and help determine the Administration's position on legislation on this same subject. As you know, both committees share jurisdiction (with the Energy and Commerce Committee) of the Indoor Air Quality Act, and there is every indication that the House will take some action on the legislation this year.

My concern is two-fold. First, that the Administration, while opposing the legislation as unnecessary, has not enunciated a strong position against the duplication and regulatory "competition" which it would create. The legislation would clearly establish EPA as the lead agency in the Executive Branch on the subject of indoor air quality, but at the same time leaves intact existing authorities for agencies such as OSHA, which was created to be the primary federal agency on worker protection issues.

Second, I am concerned that while EPA has acquiesced in the Administration's position that the legislation is unnecessary, it is, at the same time, taking administrative actions directly affecting worker protection without coordination with OSHA. This action undermines the Administration's position and encourages Congress to enact legislation formally giving EPA an expanded role in this area.

I urge your attention to this problem of duplication and overlap, both administratively and legislatively, and I also urge your support for insuring that OSHA remains the primary federal agency with regard to worker protection issues.

Sincerely,


PAUL B. HENRY
Member of Congress

PBH:db

News

United States
Department
of Labor



Office of Information

Washington, D.C. 20210

Occupational Safety and Health
Administration

USDL: 91-478
FOR RELEASE: Immediate
Thurs., Sept. 19, 1991

CONTACT: Frank Kane
OFFICE: (202) 523-8151
AFTER HOURS: (703) 360-7080

OSHA ISSUES REQUEST FOR INFORMATION ON INDOOR AIR QUALITY ISSUES INCLUDING WORKPLACE SMOKING TO DETERMINE IF REGULATION NEEDED

The Occupational Safety and Health Administration (OSHA) of the U.S. Department of Labor is requesting comments and information on major issues concerning workplace indoor air quality (IAQ), to determine whether regulatory action is appropriate and feasible to control potential health problems.

Assistant Secretary of Labor Gerard F. Scannell, who administers OSHA, said, "Health complaints related to indoor air quality in the workplace have increased significantly in recent years. We want to examine all aspects of this problem to determine whether we need an indoor air quality regulation and what it should contain."

The Request for Information is scheduled to be published in the Friday, Sept. 20, 1991, Federal Register. Issues on which comment is requested are organized into five broad categories: (1) Definition of and Health Effects Pertaining to Indoor Air Quality; (2) Monitoring and Exposure Assessment; (3) Controls; (4) Local Policies and Practices and (5) Potential Content of Regulation.

Issues addressed in the notice also focus on specific indoor air contaminants such as passive tobacco smoke (PTS), radon and micromerols and their relative contribution to the overall degradation of indoor air quality as well as associated health effects and methods of exposure assessment and mitigation.

Comments and information should be postmarked on or before Jan. 20, 1992, and submitted in quadruplicate to the Docket Officer, Docket No. H-122, Room N-2625, U.S. Department of Labor, 200 Constitution Ave. NW, Washington, D.C., 20210.

-more-

-2-

According to OSHA, health complaints related to IAQ increased significantly following energy conservation measures instituted in the early 1970's. Such measures have generally reduced the infiltration of outside air, allowing the buildup of indoor air contaminants.

Adverse health effects which may be associated with indoor air contaminants are classified as:

--sick building syndrome (sometimes called tight building syndrome) with such symptoms as nausea, headaches, fatigue and coughing which disappear when the affected individual leaves the building and

--building-related illness, which describes specific medical conditions of known etiology which can often be documented by physical signs and laboratory findings.

Building-related illnesses include respiratory allergies and Legionnaires' disease and are potentially severe and, in contrast to sick building syndrome complaints, are often traceable to a specific contaminant source such as mold infestation and microbial growth in cooling towers, air handling systems and water-damaged furnishings.

Over the past decade the National Institute for Occupational Safety and Health (NIOSH) has conducted about 500 health hazard evaluations for indoor air quality. These evaluations are workplace investigations conducted at the invitation of the employer to determine the presence of health hazards and to recommend measures to remove them.

The primary types of problems encountered in these investigations involved contamination from both inside and outside the building and included inadequate ventilation; microbiological contamination; contamination from building materials and furnishings; chemical contamination; and contamination from unknown sources.

A matter of particular concern in indoor air quality is exposure to passive tobacco smoke (PTG). Reported health effects of such smoke range from acute annoyance and eye and respiratory tract irritation to the development of chronic pulmonary disease, cardiovascular disease and lung cancer. Tobacco smoke has been classified as a human carcinogen (cancer-producing agent) by the International Agency for Research on Cancer, the U.S. Surgeon General and the U.S. Environmental Protection Agency (EPA).

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03a. Memo	From William Reilly to POTUS Re: Costs of Clean Air Act Compliance (4 pp.)	9/12/91	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [1]

Open on Expiration of PRA
 (Document Follows)
 By JP (NLGB) on 10/28/05

Date Closed:	1/3/2005	OA/ID Number:	29189-011
FOIA/SYS Case #:	1998-0004-F[2]	Appeal Case #:	
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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

SEP 12 1991

THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Costs of Clean Air Act Compliance

From time to time during the course of briefings or meetings such as your briefing before the G7 Summit, members of the Administration have cited very high costs for implementation of the Clean Air Act as a reason to oppose additional environmental initiatives. I have tried to learn the basis for these cost estimates, particularly the claim that Clean Air Act implementation will cost \$40 billion per year. My information leads me to believe that the best estimates for the costs of the Act are \$11 billion in 1995 and \$24 billion by 2005. These numbers update those provided by CEA Chairman Boskin in a letter to Congressman Dingell last September on the estimated costs of the House and Senate bills.* EPA provided considerable input into that analysis and we have used the experience of the past year to update the analysis. It is as follows:

Compliance Costs in the year 2005
(billions of 1989 dollars)

Provision **Current Analysis of Sept., 1990 Boskin Estimates**

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Keeping the Costs in Perspective

One difficulty in quantifying the costs of the 1990 Amendments is that it is difficult to predict how much additional air pollution control would have been undertaken in the future had the Act not passed. Even in the absence of new federal legislation, many states would have required additional air pollution control programs and EPA itself would be legally obligated by citizen lawsuits, under the old Act, to impose more controls. Moreover, many firms have been developing voluntary emission reduction programs in response to mounting public awareness about environmental problems, growing liability concerns, and rising disposal costs. Thus, some portion of the \$24 billion in control expenditures attributed to the new Act would have been undertaken even in the absence of new federal legislation.

A second difficulty in calculating control costs relates to limitations in our ability to predict technological change. The \$24 billion estimate is based largely on the costs of current technologies. As you know, the 1990 Act relies extensively on market incentives to achieve its goals. These will undoubtedly result in the development of new pollution control technologies as sources attempt to free up additional emission allowances for trading. You may have read recently that the Chicago Board of Trade is interested in brokering trades in sulfur dioxide emission allowances. To the extent that newer, lower cost technologies are developed as a result of these innovative regulatory approaches, control costs will be lower than those reported here. I should add that it has been EPA's experience that the performance and cost of new technologies improve dramatically over time. These improvements are typically not foreseen when the technologies are first introduced. Two cases in point are catalytic converters for cars and scrubbers for utilities. Another example is the phaseout of lead from gasoline, where the use of market incentives served to lower the cost of compliance and to accelerate the reduction of harmful lead emissions.

Despite the limitations described above, the current cost analysis is useful in providing perspective on current U.S. environmental control costs. Current air pollution control expenditures represent about 29% of total national spending on the environment, accounting for 0.59% of GNP. With passage of the Clean Air Act Amendments of 1990, air pollution control spending will increase its share of national spending slightly -- rising to 0.84% of GNP in the year 2005. To put these expenditures in perspective, it is useful to compare them to other national expenditures:

COMPARATIVE U.S. EXPENDITURES

Expenditure	Percentage of GNP
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Air Pollution Control in 2005	0.84
All Environmental Expenditures in 1990	2.14
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Personal Consumption in 1990 on:	
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Transportation*	8.12
Food	11.44
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*Includes motor vehicles and parts, gasoline and oil, and transportation services as reported in the Economic Report of the President, February 1991.

Benefits of Control

I will not attempt here to calculate the benefits of air pollution control. It is worth noting, however, that EPA has developed estimates of emissions that would have occurred over the period 1970-1988 if pollution controls pursuant to the Clean Air Act had not been introduced. These data indicate that 1988 smog levels would have been 40-70% higher were it not for the controls imposed since 1970. Increases of this magnitude would surely affect labor productivity, medical and household expenses, as well as visibility.

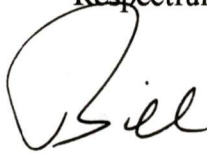
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The ideas that pollution control never benefits the economy, and is always a drag on investment, growth and economic development, as you were told in the briefing for the London Summit, strikes me as astonishing. Whether it's beaches and tourism protected from medical waste, or people's health and property secured against sulfur dioxides, or commercial fisheries maintained free of toxins, pollution control has real economic value. Poland is committing 15 percent of its GNP to the health impacts of its pollution. Just after our briefing, I was in California where a train derailment and pesticide spill delivered a devastating blow to the tourism economies of two counties.

I've made a point of seeing first hand what some companies -- 3M, Proctor and Gamble, Pacific Gas and Electric -- are doing. They are being highly innovative in product design, manufacturing, marketing, and disposal to reduce the effect of pollution on the environment. Ed Artzt, the CEO of Proctor and Gamble, told me after an extensive briefing on their introduction of recyclables, detergent concentrates and compostable paper diapers: "All these things we're doing, we're not doing them for you or because the law makes us do them. Our customers are demanding them and we are responding to stay competitive." Monsanto is committing \$100 million to eliminate 90 percent of lawful toxic releases because they are in competition for the best graduating engineers and scientists who want to work for a clean company.

In short, the course laid out in the 1990 Clean Air Act is fully consistent with national economic trends and it will also spur innovation in pollution control technologies, leading to new products and processes. I believe that Clean Air Act also provides a powerful argument against those who would resist industrial growth. It reassures that growth will be clean. In the long run, it should help make the United States more competitive in world markets where the environment is playing an ever larger role in economic and political decisionmaking.

Respectfully,

A handwritten signature in black ink, appearing to read "Bill", with a large, stylized initial "W" or "R" at the start.

William K. Reilly

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03b. Memo	From Michael Boskin to POTUS Re: Costs of Clean Air Act Compliance (2 pp.)	9/25/91	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [1]

Open on Expiration of PRA
 (Document Follows)
 By JP (NLGB) on 10/28/05

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RESTRICTION CODES

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PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

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THE WHITE HOUSE

WASHINGTON

September 25, 1991

31 SEP 26 AM : 33

MEMORANDUM FOR THE PRESIDENT

FROM:

MICHAEL J. BOSKIN *mjb*
ROGER B. PORTER *RBP*

SUBJECT:

Costs of Clean Air Act Compliance

Bill Reilly has written you about the costs of compliance with the Clean Air Act. His apparent concern is that some may use estimates of high costs for the Clean Air Act to oppose other environmental initiatives.

We don't share the concern that estimates of the cost of the Clean Air Act has dampened interest in the Administration in pursuing other environmental efforts. Our budget requests for environmental initiatives from the Superfund program to wetlands protection to national parks to tree planting are all generous and exceed what the Congress has been prepared to enact.

Moreover, the budget request for the Environmental Protection Agency represents a substantial increase and is significantly higher than ever before. Your administration has a strong environmental record and one of which you can be proud.

The issue of the costs of compliance with the Clean Air Act, however, is an important one. Several points are worth noting:

1. Even conservative estimates of \$25-30 billion per year represent a major national commitment of resources. This, for example, would pay for all the Federal Government's food and nutrition programs. It would cover nearly all the costs of instruction in U.S. colleges and universities. Half that amount would provide medicaid coverage to those not now covered by health insurance.

2. There are a wide range of cost estimates. At one extreme are a few environmental groups who claim that the costs of compliance will be fully offset by the jobs created in the pollution control industry. This is economic illiteracy. At the other extreme are some business groups, nervous about implementation of the Act, who claim annual costs of \$40 billion or more. If the Act is implemented sensibly, this estimate is likely to be too high.

Perhaps the best regarded independent estimate is by Paul Portney of Resources for the Future, who places the annual cost in the \$29-36 billion range when the Act is fully implemented.

3. Differences of opinion about these costs are understandable given three crucial uncertainties: (a) what technologies will be available when; (b) what measures would have been taken anyway; and (c) what will be the administrative costs and the costs associated with project delays.

4. In the deliberations on the Clean Air Act we agreed as an Administration to implement the Act in the most cost effective way possible. Indeed, one of the most important accomplishments in fashioning this legislation is the flexibility it permits in adopting market mechanisms to achieve its ambitious environmental objectives.

Bill Reilly committed the Environmental Protection Agency to implementing the Act in just such a cost-minimizing fashion in his letter on this subject last October. We will continue to work with Bill and others in the Administration to ensure that we not only fully and faithfully implement the Act but do so with the least cost to the economy.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Memo	From William Reilly to POTUS Re: Costs of Clean Air Act Compliance (same as doc 03a) (4 pp.)	9/12/91	P5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
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 (Document Follows)
 By JF (NLGB) on 10/28/05

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

SEP 12 1990

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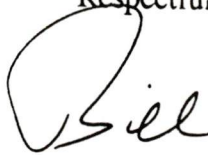
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William K. Reilly

THE WHITE HOUSE
WASHINGTON

DATE: Sept. 19, 1991

TO: John Gardner

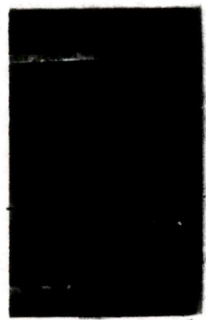
FROM: EDE HOLIDAY *EAS*
Assistant to the President
and Secretary of the Cabinet

Per our discussion, please
substitute this package for the
one which came down yesterday.

Thanks.

Attachment

cc: Gov. Sununu



THE WHITE HOUSE

WASHINGTON

September 19, 1991

MEMORANDUM FOR PHIL BRADY

FROM: EDE HOLIDAY *EH*

SUBJECT: EPA Cabinet Status

Attached for transmittal to the President is a memorandum on EPA Cabinet status legislation.

Thank you.

cc: Governor Sununu

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05a. Memo	From Ede Holiday to POTUS Re: EPA Cabinet Status Legislation (1 pp.)	9/19/91	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
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THE WHITE HOUSE

WASHINGTON

September 19, 1991

MEMORANDUM FOR THE PRESIDENT

FROM:

EDE HOLIDAY *gjh*

SUBJECT:

EPA Cabinet Status Legislation

S. 533, the Department of Environment Act of 1991, is currently on the Senate Legislative Calendar. The bill has not been considered by the full Senate because Senator Steve Symms has placed a "hold" on the bill due to his belief that EPA should not be a Cabinet-level department.

Last May, you sent a letter to House and Senate leaders and other interested Congressional Members expressing support for a "clean" EPA Cabinet elevation bill. S. 533 would elevate EPA to Cabinet-level status and redesignate it as the Department of the Environment (USDE). This bill would create a new Bureau of Environmental Statistics and establish several new advisory groups. It would also specify various employment, conflict of interest, and contracting-related requirements for the new Department.

However, while not a completely clean bill, S. 533 does not contain many of the objectionable provisions that resulted in a veto threat on its predecessor in the 101st Congress. A Statement of Administration Policy was issued on July 24, 1991 stating that the Administration would support S. 533 if an amendment is adopted eliminating the bill's current restrictions on the number of political appointees that could work at the department. The bill's sponsors have indicated their intention to offer such an amendment when the bill comes to the Senate floor.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05b. Memo	From POTUS to Ede Holiday Re: Reilly Memo of 9/12 on EPA Status (1 pp.)	9/16/91	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [1]

Open on Expiration of PRA
 (Document Follows)
 By JP (NLGB) on 10/28/05

Date Closed:	1/3/2005	OA/ID Number:	29189-011
FOIA/SYS Case #:	1998-0004-F[2]	Appeal Case #:	
Re-review Case #:	2005-0426-S	Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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THE WHITE HOUSE
WASHINGTON

DATE: September 16, 1991

FROM THE PRESIDENT

TO: Ede Holiday

Re: Reilly memo of September 12, 1991 on
EPA status -- why the hang up?

*what's holding up
full Cabinet status*

cc: John Sununu

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05c. Note	From POTUS to William Reilly Re: 9/12 Memo (1 pp.)	9/16/91	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [1]

Open on Expiration of PRA
 (Document Follows)
 By JP (NLGB) on 4/21/08

Date Closed:	1/3/2005	OA/ID Number:	29189-011
FOIA/SYS Case #:	1998-0004-F[2]	Appeal Case #:	
Re-review Case #:	2005-0426-S	Appeal Disposition:	
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RESTRICTION CODES

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THE WHITE HOUSE

WASHINGTON

September 16, 1991

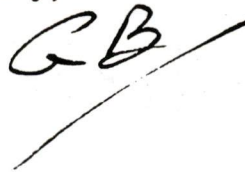
Dear Bill,

Regarding yours of September 12 -- yes, I noticed Nikolai Vorontsov out front, boldly sticking his finger in Yanayev's eye! I'm told he was yelling, "No more CFCs! More trees." And then he added, "Spotted owls, but jobs too!" A very smart man Nikolai!

I'd like to get the EPA Cabinet level bill done. I hope it's shed of all that excess baggage.

Hang in!

Sincerely,

A handwritten signature in dark ink, appearing to be "GB" with a long, sweeping horizontal line extending to the right.

The Honorable William K. Reilly
Administrator
United States Environmental Protection Agency
Washington, D.C. 20460

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05d. Memo	From William Reilly to POTUS Re: Assurance of EPA Loyalty in the Event of a Coup (1 pp.)	9/12/91	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [1]

Open on Expiration of PRA
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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

SEP 12 1991

MEMORANDUM FOR THE PRESIDENT

THE ADMINISTRATOR

SUBJECT: Assurance of EPA Loyalty in the Event of a Coup

You may have noticed that a lone outspoken dissenter in the Soviet Cabinet to the usurpation of Gorbachev's power was the Environmental Secretary Nikolai Vorontsov. Now I don't want to claim too much for the significance of this brave act but if people infer that Environment Secretaries are uncommonly loyal, future-oriented and respectful of law, then so be it.

As for me I want to assure you that in the event your Chief of Staff, Vice-President, Interior Secretary, Defense Secretary and CIA Director should ever conspire to place you under house arrest in Kennebunkport, you can count on me to oppose them. Of course, should he be legally a member of the Cabinet and entitled to a seat at the table your Environment Secretary will no doubt be more effective.

Cabinet status nearly came to the Senate floor on the last evening of the summer session but was blocked from a unanimous consent vote by holds placed by two Republican Senators (Mr. Symms and Mr. Wallop). Mr. Wallop has removed his hold leaving only Mr. Symms.

Cabinet status legislation is one of the very few environmental legislative initiatives we have advanced in this Congress and it seems to me we need to win it. The worst outcome would be to lose it and have the defeat attributed to Republicans. I had a conversation with former President Nixon some months ago in New York and he proudly reminded me that it was he who had created EPA. Being the President who elevates the Agency to the Cabinet is a shorthand for much else in your environmental record and, along with Nixon's establishment of the Agency, makes a nice rejoinder to the claim that Republicans are anti-environment.

My reading on the Hill is that Cabinet status will move if you personally let Senator Dole and some of the skeptics know you want it to move. Senators Glenn, Roth and Mitchell are for it and the committee chairmen who had problems with the bill last year are now satisfied. Next week could provide a good opening for this bill and it would give us a fall victory well before the election campaign season.

Respectfully,

William K. Reilly

THE WHITE HOUSE
WASHINGTON

DATE: 9/17/91

NOTE FOR: EDE HOLIDAY

**The President has reviewed the attached, and it is
forwarded to you for your:**

Information ☐

Action ☒

Thank you.

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
(x2702)

cc: Chief of Staff

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06a. Memo	From Andy Card to John Sununu Re: EPA Regulation for Municipal Landfills (1 pp.)	9/12/91	P5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [1]

Open on Expiration of PRA
 (Document Follows)
 By JP (NLGB) on 10/28/05

Date Closed:	1/3/2005	OA/ID Number:	29189-011
FOIA/SYS Case #:	1998-0004-F[2]	Appeal Case #:	
Re-review Case #:	2005-0426-S	Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
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RESTRICTION CODES

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THE WHITE HOUSE
WASHINGTON

J
Date: 9-12-91

TO: *Gov. S.*

FROM: ANDY CARD *Andy*

- ☐ Action
- ☐ Your Comment
- ☐ Let's Talk
- ☐ FYI

EPA did not play by the rules on this. The Competitiveness Council and OIRA are still in the mix for round two.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06b. Memo	From Ede Holiday to John Sununu Re: EPA "Subtitle D" Regulation for Municipal Landfills (1 pp.)	9/11/91	P5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [1]

Open on Expiration of PRA
 (Document Follows)
 By *JP* (NLGB) on 10/28/05

Date Closed:	1/3/2005	OA/ID Number:	29189-011
FOIA/SYS Case #:	1998-0004-F[2]	Appeal Case #:	
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P-2/P-5 Review Case #:		Disposition Date:	
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THE WHITE HOUSE

WASHINGTON

September 11, 1991

THE CHIEF of STAFF
has seen

MEMORANDUM FOR GOVERNOR SUNUNU

FROM:

EDE HOLIDAY *gaa*

SUBJECT:

EPA "Subtitle D" Regulation for Municipal Landfills

You have asked for some background information about this morning's USA Today article on EPA's final rule establishing federal standards for municipal solid waste landfills.

The final rule, which is promulgated under Subtitle D of the Resource Conservation and Recovery Act (RCRA), has been the subject of negotiations with several White House offices including OIRA, OMB, Counsel's office, and the Competitiveness Council. The most recent all-day negotiating session was yesterday, at which EPA explicitly agreed that the compromise language of the rule would be reviewed by OIRA and the Competitiveness Council before being finalized or announced. Unfortunately, EPA held a press conference this morning, at which Bill Reilly stated that the rule had been signed, with neither White House office having seen either the final wording of the rule or the EPA press release.

The rule includes standards for location, design, operation and closing of landfills as well as establishing cleanup requirements for sites currently contaminated. Under RCRA, states and local governments have the primary responsibility for managing solid waste, though they must incorporate federal standards in their state waste permitting programs.

The new rule effects every landfill in the country, the total number of which is estimated to be approximately 6,000. EPA estimates annual costs of compliance nationally to be \$300 million.

EPA disagrees with the USA Today article which states that the new rules could put half of the Nation's domestic landfills out of business. They are quick to point out that the rule exempts many of the small landfills located in rural or arid areas of the country from the groundwater monitoring design and corrective action requirements so long as they are not causing groundwater contamination. However, EPA is unable to estimate the actual number of small landfills that will fall within the exemption.

The USA Today article and EPA's response are attached.

Attachments

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06c. Report	USA Today Article and the EPA's Response (1 pp.)	n.d.	P5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [1]

Open on Expiration of PRA
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SENT BY ADMIN. OFFICE EPA 12-71 202 240 0041 EPA ADMINISTRATOR- CABINET AFFAIRS: # 27 3
0002

USA TODAY ARTICLE ON MUNICIPAL LANDFILL RULE

- ° USA Today alleges that EPA's new rules put half the nations's landfills out of business.
- ° This is grossly in error. Landfills are closing due to other factors and EPA's rule gives small communities adequate time to come into compliance or in some cases, completely exempts them.
- ° Many landfills are closing now without any Federal action due to other causes:
 - Less than 600 Landfills will close as a result of this rule.
 - Landfills only have 20 yr life - Many are closing because they have no more capacity. 6000 landfills in 1986 - some estimate that there are only 3700 landfills today without EPA action.
 - Locals are closing their small landfills, and building more economical regional facilities.
- ° EPA was very concerned about local government impacts of this rule and has taken every caution to avoid it.
 - EPA's rule gives exemptions to small landfills and time to phase-in.
 - No requirements effective on anyone for 24 months.
 - Lots of States have upgraded their rules and not caused massive closure of landfills or experienced widespread impacts.
- ° Based on the experience of many states that already have good landfill standards, there will not be any disruptive impacts of this rule.
 - Landfills that will close are small, and would have closed anyway as they became full.
 - This rule will improve public confidence in landfill safety, and aid in siting new landfills.

THE NATION'S NEWSPAPER



USA TODAY

No. 1 IN THE USA . . . 6.6 MILLION READERS A DAY

EPA signals 'end of the town dump'

By Rae Tyson
USA TODAY

The EPA today will announce tough new rules that could put half the USA's garbage landfills out of business.

"This will be the end of the town dump," says scientist Richard Denison of the Environmental Defense Fund.

"A lot of our landfills are def-

initely going to end up closing," says Austin Buckingham of the Colorado Health Department.

Experts say the new Environmental Protection Agency rules could:

- Create regional landfill shortages.

- Increase pressure for re-

cycling programs.

- Raise disposal costs.

"It could be disruptive," says Joan Bernstein, vice president of Waste Management Inc., the nation's largest disposal firm.

Nationwide, 5,499 landfills handle 120 million tons of garbage annually. Local govern-

ments own 56% of those sites.

But Bernstein says the rules could ease concerns about the safety of local landfills.

"You know they'll do what they are supposed to do."

By 1996, rules will require:

- Building landfills with synthetic liners and rainwater collection systems to cut risk of ground water contamination.

- Monitoring to detect

ground water contamination and methane gas buildup.

- Random checks on haulers to keep hazardous wastes out of landfills.

Impact will be biggest in those states, most in the South and West, without tough laws.

Those with strict laws "will hardly" notice, says Ed Repa, National Solid Wastes Management Association.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
07. Memo	From Ede Holiday to John Sununu Re: Problems with EPA in the Regulatory Review Process (2 copies) (4 pp.)	9/13/91	P5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
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THE WHITE HOUSE

WASHINGTON

September 13, 1991

MEMORANDUM FOR GOVERNOR SUNUNU

FROM:

EDE HOLIDAY

SUBJECT:

Problems with EPA in the Regulatory Review Process

THE CHIEF of STAFF
has seen

We continue to have problems with EPA in connection with the promulgation of regulations and the White House regulatory review process. This impacts not only the quality and content of regulations promulgated by EPA, for which the President is ultimately responsible, but also affects our relationships with other Cabinet departments and agencies. Upon witnessing how EPA disregards White House direction, other departments and agencies are questioning the need to comply with established regulatory review procedures themselves.

As you know, in 1980 President Reagan signed Executive Order 12291 which established certain principles for the promulgation of regulations. The Executive Order created the Office of Information and Regulatory Affairs (OIRA) and the Task Force on Regulatory Reform (the Council on Competitiveness Council now fills the role of the Task Force) for the purpose of reviewing all regulations. The Executive Order requires OIRA to formally approve of regulations before being signed by the promulgating agency. The obligation of all agencies to adhere to the mandates of the Executive Order is clear. In several instances, however, EPA has issued regulations without final clearance from OIRA.

The most recent example involves the announcement and release of the rule establishing federal standards for municipal solid waste landfills (the so-called "Subtitle D" rule). After an all-day negotiating session this past Tuesday, there was an explicit agreement that OIRA and the Competitiveness Council would see the compromise language of the rule before it was signed. The next morning, however, Bill Reilly held a press conference to announce and sign the final rule before either White House office had seen the final language of the rule.

Another well-known example is the release of the wetlands delineation manual. After months of difficult negotiations by OIRA and the Competitiveness Council, Bill Reilly was asked not to release the manual to Congress until OIRA and the Council could conclude their review. Reilly declined and released the manual (and the entire episode was leaked to the Washington Post). Unfortunately, there are other examples as well.

EPA has their own frustrations with the process, no doubt some of them justified. For example, EPA believes that timetables established for review are not sufficiently clear and often ignored. This too often causes a last minute rush to complete review.

Regardless of the merits of the differing views, however, the need for a new understanding between EPA and the White House is clear. Your counsel is sought on how to rectify this problem. I would suggest that you convene a meeting involving me, Bill Reilly, Al Hubbard, and a representative from OIRA to address this problem that is becoming a pattern of behavior.

THE WHITE HOUSE

WASHINGTON

September 13, 1991

MEMORANDUM FOR GOVERNOR SUNUNGA

FROM: EDE HOLIDAY

SUBJECT: Problems with EPA in the Regulatory Review Process

We continue to have problems with EPA in connection with the promulgation of regulations and the White House regulatory review process. This impacts not only the quality and content of regulations promulgated by EPA, for which the President is ultimately responsible, but also affects our relationships with other Cabinet departments and agencies. Upon witnessing how EPA disregards White House direction, other departments and agencies are questioning the need to comply with established regulatory review procedures themselves.

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*copy
file*



The Administrator
Washington, D.C. 20460

AUG - 5 1991

Dear John:

The attached document should be of interest: The 1991 EnviroSummit scorecard is a critique of the G-7 nations' environmental performance as evaluated by several prominent environmental groups. The report scores each nation on a percentage of 100 points on a number of issues - wildlife, energy, waste, water and the like.

The average score for each nation are, in order:

United States	39.11%
Canada	37.50%
France	32.33%
United Kingdom	28.89%
Japan	28.67%
Italy	27.56%
Germany	24.89%

We can take some pride that the U.S. average ranks highest of the G-7 nations.

William K. Reilly

In case you missed this.

Honorable John H. Sununu
Chief of Staff to the President
The White House
Washington, DC 20500

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
08a. Memo	From Ede Holiday to John Sununu Re: Investigation Affecting EPA Registration of Pesticides (1 pp.)	2/19/91	P 5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [1]

Open on Expiration of PRA
 (Document Follows)
 By JP (NLGB) on 10/28/05

Date Closed:	1/3/2005	OA/ID Number:	29189-011
FOIA/SYS Case #:	1998-0004-F[2]	Appeal Case #:	
Re-review Case #:	2005-0426-S	Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

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 (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information

THE WHITE HOUSE

WASHINGTON

February 19, 1991

THE CHIEF of STAFF
has seen

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: EDE HOLIDAY *CH*

SUBJECT: Investigation Affecting EPA Registration of
Pesticides

The attached Issue Alert from EPA describes an ongoing criminal investigation of a laboratory that conducts studies of pesticides. These studies formed the basis for EPA determinations that 40 pesticides could be registered for use. If the allegations turn out to be true, it might affect the registration for use of some of these pesticides.

Although the investigation is confidential, it could come to light at any time.

Attachment

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
08b. Memo	EPA Issue Alert Re: Investigation of Craven Laboratories for Falsification of Pesticides Data (1 pp.)	2/8/91	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [1]

Open on Expiration of PRA
 (Document Follows)
 By JF (NLGB) on 10/28/05

Date Closed:	1/3/2005	OA/ID Number:	29189-011
FOIA/SYS Case #:	1998-0004-F[2]	Appeal Case #:	
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AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

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*****CONFIDENTIAL - ENFORCEMENT SENSITIVE*****

EPA Issue Alert

February 8, 1991

**INVESTIGATION OF CRAVEN LABORATORIES FOR
FALSIFICATION OF PESTICIDES DATA**

Overview: Craven Laboratories of Austin, Texas, conducts residue chemistry studies to establish the amounts of pesticide residues on crops. Since the lab opened in 1975, about 150 studies performed there have been submitted to EPA to support pesticide registration. Late last summer the Agency received allegations that data from certain studies conducted by Craven had been falsified. Investigation by EPA has generally confirmed these allegations. The Department of Justice is working with EPA to explore all possible enforcement avenues, including use of a grand jury investigation. The criminal investigation, including the existence of that investigation, is confidential. EPA's policy, if questioned about a specific case, is to neither confirm nor deny the existence of a criminal investigation.

Effect on Pesticide Program: EPA is reviewing the role that Craven data have played in past assessments of pesticide exposure, with particular attention to dietary exposure and food safety. The alleged falsifications could result in reported pesticide levels which are lower than actual levels in the samples, by showing higher than actual values for the known concentrations to which test samples are compared. The lab owner may have been motivated by a desire to demonstrate that his method was more efficient (recovered a higher percentage of the pesticide from a sample) than those of his competitors.

Craven Lab employees, interviewed during the criminal investigation, specifically identified nine pesticides for which they claim they falsified data. EPA is reviewing the data supporting registration of these chemicals. It is possible that some existing registrations will be suspended or canceled because they are supported only by the Craven data. Other pending registrations may also be affected. Senior Agency managers will meet with the affected pesticide companies to inform them of the potential regulatory actions and to seek voluntary compliance.

The results of the investigation to date also indicate that falsification was not limited to any subset of Craven's work; therefore, all Craven data are now suspect. If all the data submitted to EPA are invalidated, at least 40 pesticides will be affected. The Agency will work with the U.S. Attorney to ensure that information needed to assess risks to the public will be provided to EPA without jeopardizing the criminal case.

Effect on FDA Food Monitoring Program: It appears that Craven Labs also analyzed samples of foodstuffs imported from Mexico and elsewhere, to insure that they met U.S. pesticide requirements. EPA has informed FDA of the problem and FDA will take steps to ensure that Craven Labs is no longer used for this purpose.

THE WHITE HOUSE

WASHINGTON

February 1, 1991

THE CHIEF of STAFF
has seen

MEMORANDUM FOR GOVERNOR SUNUNU

FROM:

EDE HOLIDAY 

SUBJECT:

Pollution Prevention Strategy

A copy of EPA's new Pollution Prevention Strategy is attached, along with a set of draft questions and answers EPA plans to use when announcing the Strategy. On Monday, we will approve EPA's plans to announce the Strategy on February 7, unless you give us other directions.

The EPRG reviewed, modified and approved the Strategy in late December. Since then, EPA has consulted extensively with industry groups and released the report for comments. EPA hopes that this Strategy will start a move away from traditional command and control regulation. Originally, EPA planned to announce the Strategy this week, but postponed the announcement for a week at our request.

Attachment

U.S. ENVIRONMENTAL PROTECTION AGENCY

POLLUTION PREVENTION STRATEGY

Environmental programs that focus on the end of the pipe or the top of the stack, on cleaning up after the damage is done, are no longer adequate. We need new policies, technologies, and processes that prevent or minimize pollution -- that stop it from being created in the first place.

-- President George Bush
October, 1990

January 1991

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EXECUTIVE SUMMARY

A. INTRODUCTION

In the twenty years since the Environmental Protection Agency was founded, America has made real progress in reducing the threats of pollution to human health and our natural environment. EPA enters its third decade, however, facing a new generation of complex environmental challenges requiring a new response.

The new challenges include persistent, mobile and bioaccumulative toxics released from both industrial facilities and a wide variety of dispersed sources; agricultural practices that jeopardize the quality of our rivers, lakes, and ground water; and pollution from our ever-growing need for energy and transportation. These problems must and can be addressed in a cost-effective manner that does not impede economic growth and maintains U.S. competitiveness in the global economy.

EPA joins those spokespersons for industry, states, and environmental groups who advocate responding to these challenges by preventing pollution at its source, whether through changes in production or by reducing reliance on environmentally harmful materials. Studies have shown that pollution prevention can be the most effective way to reduce risks by reducing or eliminating pollution at its source; it also is often the most cost-effective option because it reduces raw material losses, the need for expensive "end-of-pipe" technologies, and long-term liability. In short, pollution prevention offers the unique advantage of harmonizing environmental protection with economic efficiency.

B. STRATEGY OBJECTIVES

This document presents EPA's blueprint for a comprehensive national pollution prevention strategy. It is designed to serve two purposes:

- to provide guidance and direction for efforts to incorporate pollution prevention within EPA's existing regulatory and non-regulatory programs; and

- encourage voluntary actions by industry that reduce the need for EPA to take action under statutes like the Toxic Substances Control Act.

C. GUIDANCE TO EPA PROGRAM AND REGIONAL OFFICES

While some of EPA's activities in past decades have employed an essentially preventive approach, the last two years have seen a concerted effort by EPA's program and regional offices to incorporate pollution prevention into their activities. The general principles stated below will help to guide the Agency's specific pollution prevention activities outlined further on.

General Principles

Because EPA believes that pollution prevention can benefit both the environment and the economy, the Agency's policy will be designed to maximize private sector initiative by working with industry to achieve reasonable prevention goals. This approach should encourage more businesses to identify and profit from opportunities for prevention, which in turn will yield significant public dividends in the form of increased environmental protection.

At the same time, EPA believes that there is a continuing need for a strong regulatory and enforcement program under existing statutory authorities and that these provide further incentives to prevent pollution. EPA will be working to coordinate its regulatory program to help industry identify the potential for multi-media prevention strategies that reduce end-of-pipe compliance costs. EPA will investigate flexible, cost-effective regulatory approaches that avoid prescriptive approaches and that rely on market-based incentives where practical and authorized by law. EPA will also ensure that its enforcement program seeks pollution prevention opportunities as part of ensuring compliance. Finally, the Agency will implement mechanisms to streamline regulatory and administrative processes involved in testing and applying innovative pollution prevention technologies.

- *Regulations and permits* -- EPA will seek to strengthen the ability of the existing regulatory framework to provide further incentives for prevention:
 - Regulatory clusters: The Agency will categorize the rules it intends to propose over the next several years for certain chemicals and their sources (taking into account regulatory schedules imposed by Congress and by court order). These "clusters" will foster improved cross-media evaluation of the cumulative impact of standards, encouraging early investment in prevention technologies and approaches.
 - Flexible use of TSCA: The Toxic Substance Control Act will provide a cost-effective and flexible means to create direct or indirect incentives for multi-media prevention strategies. Other regulatory programs will continue to play a role in encouraging incentives for prevention.
 - Permits: EPA will work to provide industry with the flexibility to use prevention approaches, as opposed to treatment and disposal to meet permitting requirements. EPA is also investigating more flexible approaches to permitting that encourage multi-media prevention alternatives.
- *Enforcement* -- EPA will encourage the inclusion of pollution prevention conditions in Agency enforcement settlements.
- *Research* -- EPA's *Pollution Prevention Research Strategic Plan* establishes a blueprint for future research efforts. Short-term efforts will focus on targeted contaminants; longer-term efforts will address social and economic obstacles to prevention, as well as opportunities for prevention in the non-manufacturing sector.
- *Emerging products and technologies* -- EPA will try to identify and avoid environmental problems before they arise by encouraging development of safer substitutes for hazardous raw materials or products, as well as cleaner technologies.

those barriers in existing law, regulations, and permitting practices that inhibit flexible, cost-effective solutions to environmental problems.

The four principal elements of the project are reviewed below.

Targeting

EPA will identify 15 to 20 pollutants from TRI that present both significant risks to human health and the environment, and potential opportunities to reduce such risks through prevention. The list will be drawn from recommendations submitted by program offices, taking into account such criteria as health and ecological risk, potential for multiple exposures or cross-media contamination, technical or economic opportunities for prevention, and limitations of treatment technology.

The target chemicals are based on a rational evaluation of both risk and opportunity for prevention, and EPA expects virtually all will be subject to technology-based standards under the new Clean Air Act. This will ensure that industries participating in the voluntary program will also be eligible to apply for credit under the "early reduction" provisions of that law.

EPA expects the target list will serve to determine whether this experiment in voluntary reductions can get measurable results.

Outreach

As a first step, EPA will use TRI data to identify major industrial sources of toxic chemical releases to the environment. By December 15, 1990, EPA intends to produce a detailed plan for contacting these facilities or their parent companies. EPA will ask the facilities or companies that choose to participate to make voluntary, measurable commitments to reduce releases of targeted contaminants to the environment and to identify how they will carry out these commitments. In light of the substantial public commitments already undertaken by many companies to reduce the release of TRI chemicals, EPA expects a positive response from this outreach effort.

EPA will make every effort to coordinate contacts with industry to eliminate redundancy and paperwork. Although the outreach program is

PART I

INTRODUCTION

End-of-pipe controls and waste disposal should be the last line of environmental defense, not the front line. Preventing pollution at the source is usually a far cheaper, more effective way to reduce environmental risk, especially over the long term.

-- Science Advisory Board, "Reducing Risk," September 1990.

Over the last two years, EPA Administrator William Reilly has made pollution prevention one of the Agency's top priorities. This strategy indicates how EPA intends to incorporate pollution prevention as a fundamental principle of the Agency's mission to protect human health and the environment.

This introduction to EPA's pollution prevention strategy:

- outlines the two principal objectives of EPA's pollution prevention strategy;
- provides background on why there is a need for pollution prevention despite two decades of progress in environmental protection efforts;
- describes how pollution prevention can help meet the environmental challenges ahead in major sectors of society; and
- explains the assumptions underlying EPA's pollution prevention strategy.

A. OBJECTIVES OF EPA'S PREVENTION STRATEGY

EPA's pollution prevention strategy is designed to serve two purposes:

- to provide guidance and direction for efforts to incorporate pollution prevention into EPA's existing regulatory and non-regulatory programs; and

document and subsequent installments do no more than identify the specific initiatives that EPA will undertake on an Agency-wide basis, and are designed to provide a model for cross-program cooperation.

EPA programs and regions will to continue to take the initiative in identifying and exploiting other pollution prevention opportunities. Because of the nature of this document, a delineation of the respective roles of the program and regional offices is not included here, but will be addressed in internal EPA guidance. Examples of the many program and regional initiatives already underway or being planned are available upon request to the Office of Pollution Prevention.

B. BACKGROUND

Two decades of progress

The conventional regulatory approach to environmental protection and the billions of dollars Americans have spent over the past two decades for cleaner air, water, and land have produced some remarkable success stories. For example:

- comprehensive hazardous waste management regulations are in place; among other things, EPA's Office of Solid Waste estimates that these regulations have kept roughly 1.6 billion gallons of hazardous waste per year from being landfilled without prior treatment;
- between 1979 and 1988, lead, sulfur dioxide, and particulate levels in ambient air decreased by 89 percent, 30 percent, and 20 percent, respectively;² and
- municipal sewage treatment has improved dramatically; over 176 million Americans were served by sewage treatment systems in 1988 compared to 85 million in 1972.³

² U.S. EPA, *Office of Air Quality Planning and Standards (OAQPS), National Air Quality and Emissions Trends Report, 1988, March 1990 (EPA-450/4-90-002).*

³ U.S. EPA, *Needs Survey Report to Congress: Assessment of Needed Publicly Owned Wastewater Treatment Facilities in the United States, February 1989 (EPA 430/09-89-001).*

complex and difficult to manage, part of the solution should be to reduce or even eliminate pollution at the source. Prevention reduces emissions, discharges or wastes released to all parts of the ecosystem, thereby eliminating a potential cross-media "shell game."

- **Pollution from Dispersed Sources.** In addition to controlling and reducing discharges from large "point sources," EPA must more effectively address diffuse sources of pollution, usually referred to as "nonpoint sources" or area sources, as well as the many small point sources. For example, only a fraction of chlorinated organics released to the environment come from large industry. The rest come from a wide variety of largely unregulated activities such as dry cleaning, paint stripping, and degreasing operations. These and other small sources are so numerous that it is often not practical or economical to control their pollution by mandating treatment technologies. Alternative prevention policies may be more effective in encouraging development and use of safer substitutes, such as water-based solvents.

- **Search for Cost-Effective Alternatives.** Finally, industries and public agencies at all levels of government already spend as much as \$120 billion annually to treat or contain wastes once they are generated.⁴ Hazardous waste treatment and disposal costs have risen as much as 300 percent over the past decade due to the ban on land disposal of hazardous waste, minimum technology requirements for hazardous waste units, and limited treatment and disposal capacity.⁵

Implementation of the Clean Air Act and other statutes will add to these costs in the years ahead, suggesting that it is appropriate to begin looking for ways to eliminate or reduce waste streams that will otherwise have to be managed at great expense. The public accountability fostered by the Toxic Release Inventory has also created a strong incentive to minimize waste.

Given these factors, some companies (but by no means all) have already begun to demonstrate that preventing pollution at the source offers a low cost alternative to investment in traditional treatment technologies.

⁴ U.S. EPA, *Office of the Administrator, Environmental Investments: The Cost of a Clean Environment, Report to Congress*, unpublished draft.

⁵ U.S. EPA, *Office of Solid Waste estimate*.

- **Chevron's Save Money and Reduce Toxics (SMART) Program.** In 1987, the first year of SMART, hazardous waste disposal dropped 44 percent, from 135,000 to 76,000 tons, saving the company \$3.8 million. In part, this was achieved by substituting non-hazardous drilling mud additives for compounds that were considered hazardous. Chevron has set a goal of a 65 percent across-the-board reduction by 1992.
- **Clairol plant in Camarillo, California,** which produces hair care products, previously flushed their pipes with large quantities of water, wasting the material inside the pipe. By installing a \$50,000 system using a foam ball propelled through the pipe by air to collect the product, waste was reduced by 395 gallons per day and \$240,000 was saved each year.
- **Major Paint Company.** By replacing a caustic cleaning solution with a longer-lived substitute, this small California company achieved a 50 percent reduction in dirty solvent disposal. Switching to a high-pressure spray system to wash tanks reduced wastewater volume by 25 percent. The firm estimates that it has saved more than \$2 million in disposal fees over the past eight years.

C. PREVENTION: FIRST CHOICE IN EVERY SECTOR

How does pollution prevention apply to the major environmental challenges in each sector of our society? The cornerstones of a comprehensive pollution prevention strategy will be its responses to the challenges in manufacturing, agriculture, energy and transportation, municipal solid waste and municipal water and wastewater.

1. Manufacturing and Chemical Use

In spite of the progress that has been made controlling industrial pollution, the release of industrial toxic pollutants into the environment continues. The Toxic Release Inventory data for 1988 show that reporting facilities released a total of 4.57 billion pounds directly into the environment. Of this total, 360 million pounds of toxic chemicals were released into rivers, lakes, streams, and other bodies of water; 2.4 billion pounds were emitted into the air; 560 million pounds were disposed of in landfills; and 1.2 billion pounds were injected into underground wells. In

agricultural activity is a concern to ground water and, in virtually all states, nitrates in ground water exceed drinking water health standards.⁷

Irrigation return flows can discharge high concentrations of pesticides and nutrients, and excessive consumption of irrigation waters can reduce downstream flows necessary to support aquatic species. Surface water supplies of drinking water can also be affected by, for example, spring runoff in intensively farmed areas. Agriculture also affects other parts of the ecosystem; for example, fish, wildlife, and waterfowl may be harmed through exposure to the aerial drift of pesticides and the leaching of minerals from topsoil. Pesticide residues on foods can also pose a health risk. Finally, agricultural activities can also displace wetlands and other ecological habitats.

3. Energy and Transportation

The environmental impacts of energy consumption are far-reaching, affecting air and water quality and public health. Combustion of coal, oil, and natural gas is responsible for air pollution in urban areas, acid rain that is damaging lakes and forests, some of the nitrogen pollution that is harming estuaries, and it may contribute to global warming. Although data show that, for the period 1977 to 1989, annual average ambient levels of all criteria air pollutants were down nationwide, 96 major metropolitan areas still exceed the national health-based standard for ozone and 41 metropolitan areas exceed the standard for carbon monoxide.⁸

Reauthorization of the Clean Air Act is expected to impose additional standards for control of pollution from energy combustion; historical data show that increasing energy efficiency could substantially lower the costs of complying with these new requirements. Between 1973 and 1988, the U.S. reduced by 27 percent the amount of energy required to produce each unit of gross national product. Without this reduction, U.S. energy consumption would have been 36 percent higher in 1988, annual carbon emissions would have reached 1.8 billion tons rather than 1.4 billion tons, and the economy's annual energy bills would have increased by over \$100

⁷ U.S. EPA, *Office of Water, National Water Quality Inventory, 1988 Report to Congress*, Washington, D.C., April 1990, and *Water Quality 2000, Draft Phase II Workgroup Reports*, January 1990.

⁸ U.S. EPA, *Press Release*, August 16, 1990.

Agriculture. Agricultural pollution may be prevented by:

- Development and adoption of low input sustainable agriculture practices that eliminate the wasteful use of inputs, such as fertilizers, pesticides, and water;
- Soil conservation and land management practices that prevent erosion of sediment and the runoff of pesticides and fertilizers.

Energy. Pollution from energy consumption can be prevented by:

- Increasing energy efficiency to reduce the generation of pollutants associated with the extraction, refining, and use of fuels;
- Increasing reliance on clean renewable energy sources or alternative, less polluting fuels.

Most of the preventive approaches outlined above will yield environmentally preferable and more sustainable production options along with greatly improved efficiency within the manufacturing, agricultural, and energy sectors. More efficient equipment and processes, and more judicious use of natural resources and other inputs -- whether energy, chemicals, water, or pesticides -- can help us to meet environmental protection goals while saving raw material and other production costs. As the Science Advisory Board noted in a September 1990 report to EPA,

. . . some pollution prevention techniques, like using energy more efficiently and recycling process materials, can pay for themselves quite apart from environmental considerations. One reason that Japan and Western Europe are formidable economic competitors is that they use energy and raw materials so efficiently. To compete in the global marketplace, American businesses also must use them more efficiently.¹⁰

Pollution prevention is grounded in two additional principles:

- first, a multi-media focus, one that looks at all environmental media

¹⁰ U.S. EPA, *Science Advisory Board, Reducing Risk: Setting Priorities and Strategies for Environmental Protection*, September 1990 (SAB-EC-90-021), p. 22.

organizations have advanced the cause of pollution prevention for a number of years. While EPA has undertaken a number of successful prevention actions over this period, it has not been the principal focus of EPA's efforts. Not surprisingly, therefore, there is a wide disparity in the level of commitment to pollution prevention among firms that face EPA's regulatory and enforcement actions. Among the impediments to pollution prevention contributed in part by EPA's orientation are the following:

- *Separation of production and environmental decisions.* At many companies, environmental issues are divorced from the immediacy of the production process. Environmental compliance staff, for example, may have little influence in production decision-making. On another level, environmental expenses may not be fully accounted for in cost assessments and price setting. Some corporations account for waste management expenses and pollution control costs as overhead, rather than as costs incurred by distinct production processes. In part, these failures reflect the limitations of a regulatory tradition that focuses on controlling wastes after their generation, a tradition that EPA must help to change.
- *Absence of a long-term perspective.* Prevention opportunities should be evaluated taking into account changes in the environmental climate that might reasonably be expected to occur that could increase the cost of compliance. EPA has not always provided industry with the kind of advanced notice of potential regulatory action likely to affect specific contaminants or their sources that would encourage industry to make long-term investments in prevention.
- *EPA's single-media organization.* Finally, EPA's own single-media offices, often created sequentially as individual environmental problems were identified and responded to in legislation, have played a role in impeding development of cost-effective multi-media prevention strategies. In the past, the use of flexible authorities such as TSCA, innovative cross-media settlements involving or promoting pollution prevention, and voluntary agreements for overall reductions in releases have not been encouraged.

Thus, a clear and coordinated federal strategy for pollution prevention is needed both to remove the obstacles of the past and to foster preventive initiatives in the future.

PART II

GUIDANCE FOR EPA'S PROGRAM AND REGIONAL EFFORTS

EPA should emphasize pollution prevention as the preferred option for reducing risk.

-- Science Advisory Board, "Reducing Risk", September 1990.

EPA's formal commitment to prevention was signaled with the creation of a Pollution Prevention Office in the summer of 1988. The directive creating the new office also called for the development of an Agency Pollution Prevention Strategy, coordinated by a Subcommittee of the Pollution Prevention Advisory Committee, with input from all EPA program and regional offices. The last two years have seen a vigorous response from EPA's program and regional offices in incorporating pollution prevention into EPA's efforts. Successes include:

- holding an Agency-wide competition for innovative pollution prevention projects, with awards made to 25 projects;
- setting up the Pollution Prevention Information Clearinghouse, comprised of a hotline, document repository, and electronic bulletin board;
- coordinating development of rule-makings aimed at the pulp and paper industry to focus on process changes that eliminate the formation of dioxins from bleaching operations;
- developing an active and innovative grants program to support state efforts in pollution prevention;
- establishment of the American Institute for Pollution Prevention;
- developing a pollution prevention audit guide for use by industrial

against those who violate environmental law.

Rather than propose expansion of its authority under existing law, EPA's strategy is designed to encourage industries to take voluntary action to identify and exploit cost-effective prevention opportunities. These voluntary efforts can serve two important purposes:

- Reducing the cost of complying with mandatory requirements under the new Clean Air Act and other laws;
- Reducing the need for additional regulation under TSCA or the "residual risk" provisions of the Clean Air Act.

Voluntary actions offer industry the advantage of maximum flexibility, and sufficient time to make economically sound changes in production or use of raw materials.

Cooperative strategies: making the most of voluntary efforts

EPA believes that voluntary efforts have a great potential to yield change, based on the following observations:

- Pollution prevention is often in the self-interest of manufacturing enterprises, since it has the potential to save raw material (including energy), reduce present and future waste management costs, minimize liability, and earn public goodwill. Failure to realize this potential often results from lack of an adequate understanding of these benefits and costs. EPA believes that where these factors are clearly understood, most businesses will have a strong incentive to maximize the return from prevention, which in turn will yield significant public dividends in the form of increased environmental protection.
- EPA has also taken note of the substantial public commitments to prevention that have been undertaken by some of the nation's leading manufacturers. One aim of this strategy is to create a climate that encourages such efforts, and persuades others to move forward without delay in instituting preventive approaches.

EPA's support for non-regulatory approaches does not mean the Agency will be a passive bystander; rather, it will pursue a series of

B. FROM PRINCIPLES TO ACTION

The specific pollution prevention actions discussed below illustrate how EPA intends to apply these principles in practice, rather than representing an exhaustive list of activities. The discussion is organized around the following categories: identifying and overcoming barriers to pollution prevention, expanding public participation and choice, working with other federal agencies, investing in states, outreach and training, regulation and permits, enforcement, and research and analysis of substitute technologies and products.

1. Identifying and Overcoming Barriers

- *Investigating the obstacles*

As noted in the introduction, among the obstacles to pollution prevention are some that may be imposed by our current regulatory framework. EPA is conducting a joint project with Amoco Corporation (described in the box below) that will identify whether such regulatory barriers exist and, if so, determine how they can be modified to encourage implementation of more cost-effective strategies that promote prevention and result in greater net reduction of risk.

Other barriers to the development, commercialization, and use of innovative prevention technologies will need to be overcome if effective prevention technologies are to become readily available. EPA, through the Office of Research and Development, the National Advisory Council for Environmental Policy and Technology, and other programs, will continue to identify and explore these and other barriers and develop appropriate strategies to eliminate them.

- *Breaking down barriers with technical assistance*

Lack of information and capital are barriers to pollution prevention, particularly among small businesses. Small polluters such as garages and dry cleaning operations are often unaware of their polluting practices, or of prevention opportunities. They are also often likely to lack the capital to invest in environmentally sound alternatives. (This can be true as well of medium-sized firms that are experiencing rapid growth.)

Since many small businesses are unregulated, there is little incentive

major commitment of Agency resources to prevention by earmarking two percent of FY 1991 contract dollars for innovative prevention projects. During the summer of 1989, each EPA office competed for these funds with proposals for projects. Approximately \$12 million was available in the pool (\$65 million worth of proposals were submitted) and a total of 25 projects were selected that are being implemented in FY 1991.

- **Pollution Prevention Information Clearinghouse.** EPA's Pollution Prevention Information Clearinghouse is a multi-media clearinghouse of technical, policy, programmatic, legislative, and financial information dedicated to promoting pollution prevention through efficient information transfer. The Clearinghouse is comprised of four elements: (1) a hotline; (2) a repository containing texts, manuals, fact sheets, case studies, and legislation; (3) the Prevention Information Exchange System (PIES), a computerized conduit to databases, information exchange, and document ordering, accessible through modem and personal computer; and (4) networking and outreach with users and a variety of national and international organizations.

2. Expanding Public Participation and Choice

The growing ecological consciousness of the American public has sparked increased sensitivity on the part of consumers, corporations, and governments to the environmental consequences of their products and behavior, as well as an urgent need for more and better information on environmental performance of both consumer products and industrial facilities. The Science Advisory Board, as well as a recent survey by *The Economist*, found that public information played a vital role in promoting pollution prevention and reducing risk, and the SAB concluded:

"EPA should expand its efforts to provide information and to facilitate information sharing that helps individuals, businesses, and communities to reduce risk."

- ***Harnessing consumer buying power***

Recognizing the buying power of environmentally conscious consumers, many companies have begun to incorporate ecological considerations in the design and marketing of products. EPA

reduced these concentrations. Unfortunately, because some contaminants may persist in the environment for long periods after their initial release, reductions in discharges or emissions may produce no quantifiable effect on pollution levels in the short term. In addition, EPA lacks data on ambient concentrations of many pollutants and on the extent of human and environmental exposures to such pollutants, in part because regulations under some environmental statutes are based on technology, rather than ambient measurements.

EPA is attempting to fill these information gaps by developing "ecological indicators" designed to track the rise and fall of pollutant concentrations in the environment. In the meantime, practical limitations will require EPA to identify alternate means for measuring progress in preventing pollution in the manufacturing, agriculture, and energy sectors.

The Toxic Release Inventory (TRI) established under Section 313 of the Emergency Planning and Community Right-to-Know Act is the most powerful tool available to EPA at the present time for tracking pollution prevention efforts from industrial sources. Section 313 requires certain manufacturers to report the amount of each of the more than 300 toxic chemicals listed in the Act that are released to the air, land, or water prior to their treatment or off-site transfer. The reporting requirements, which will expand to cover more than 28,000 facilities nationwide for 1989 data, apply to plants that (1) employ at least ten persons; (2) fall within the manufacturing Standard Industrial Classification (SIC) Codes 20-39; and (3) use at least 10,000 pounds or manufacture at least 25,000 pounds of any TRI chemical.

Unlike any other database, TRI permits the tracking of chemical releases at specific facilities on a multi-media basis. Because the database is chemical specific, it may be easier to distinguish prevention efforts from treatment methods that do not reduce releases of pollutants. (For example, dewatering a particular waste stream may reduce volume, but would not necessarily reduce the amount of the toxic chemical released to the environment.)

The Resource Conservation and Recovery Act (RCRA) also requires EPA to conduct a biennial census of hazardous waste generators. These results provide information that can be useful in evaluating prevention efforts. There are limitations to applying the census data to multi-media prevention strategies, since RCRA only applies to transportable hazardous

governments and playing a key role in technical assistance and technology transfer. Through its Pollution Prevention Incentives for States grant program, EPA is promoting the establishment and expansion of state multi-media pollution prevention programs, and is testing innovative pollution prevention technologies and applications at the regional and state level.

In FY 89 and FY 90, EPA awarded a total of \$11 million to 40 state and interstate organizations to conduct demonstration projects, provide direct technical assistance to industry, businesses, and local governments, and institutionalize multi-media pollution prevention as an environmental management priority.

In FY 91, EPA will target grant funds to specific sectors or areas with a high potential for risk reduction and for significant gains in pollution prevention. EPA will evaluate state programs to determine what has and has not been successful at the state level and why, and will begin to integrate this analysis into a long-term strategy that defines the appropriate relationship between federal and state roles in implementing multi-media pollution prevention. In addition, EPA will begin to identify areas in its media-specific grant programs where pollution prevention concepts and methodologies can be integrated.

5. Outreach and Training: Achieving a Cultural Change

On a still broader basis, EPA will be seeking to lay the groundwork for a pollution prevention orientation within government, industry, academic institutions, the public, and internationally through a variety of outreach and educational initiatives. These include EPA's Pollution Prevention Information Clearinghouse, various technical and non-technical resources, including *Pollution Prevention News*, booklets on industrial prevention techniques, and video presentations on pollution prevention, and the development of curriculum materials on pollution prevention for kindergarten through university levels.

Training is needed to help institutionalize prevention as the strategy of choice in all environmental decision-making and protection activities. In addition to developing a training resource guide, a 30-minute video documentary, and cosponsorship of conferences and workshops, the Office of Pollution Prevention is developing specialized courses designed for government employees and industry. The courses will be available

- achieve reductions of 90 to 95 percent below a baseline year (no earlier than 1987) before such standards are proposed, or
- enter into enforceable commitments to achieve such reductions by January 1, 1994.
- *Permits: EPA will promote cost-effective alternatives to conventional treatment alternatives*

There are substantial opportunities to explore source or use reduction alternatives during the negotiation or reissuance of environmental permits. Prevention approaches may be more cost-effective for meeting the regulatory requirements of existing statutes than traditional treatment or disposal methods. EPA will work with industries to identify such opportunities when developing or renewing permits. Where authorized by law, EPA will give preference to performance standards that maximize the range of choices for permittees.

In many circumstances, prevention may require application of new processes or technologies. Development of these innovative solutions may in turn require a specialized permitting process designed to expedite testing and operation. The National Advisory Council for Environmental Policy and Technology, a panel of experts from government, academia, states, and public interest groups, in its advisory capacity to the Administrator, has pointed out this need and suggested several ways to foster technology innovation through permitting (and compliance). These include (1) designing effective processes to issue permits for testing innovative prevention technologies; (2) coordinating reviews of permit applications in the context of cross-media impacts and prevention potential; and (3) expeditiously and consistently reviewing permit applications for early commercial uses of innovative prevention technologies. All of these steps will need to be augmented by technical support to permit writers, permit applicants, and the public, if they are to be successful.

7. Enforcement: Incorporating Prevention into Settlements

Vigorous enforcement remains a primary tool for creating an incentive to reduce industrial pollution. Pollution prevention can help private industries avoid some of the costs of complying with federal and state requirements for the treatment and management of pollutants and the

Pollution Prevention Settlements.

Sherex Polymers, Inc. On January 4, 1990, EPA simultaneously filed a TSCA civil administrative complaint and proposed consent agreement and consent order. Sherex was charged with manufacturing a chemical substance in violation of section 5 of TSCA (which requires premanufacture notification of EPA at least 90 days prior to manufacturing a new chemical substance). For purposes of settlement, consistent with other TSCA section 5 settlements, EPA reduced the adjusted proposed penalty by 15% for the respondent's taking steps reasonably expected by EPA to mitigate the violations. In addition, EPA further reduced the civil penalty by an additional 5% (\$42,000) in consideration of Sherex agreeing to implement a pollution prevention project at its Lakeland, Florida facility, at a cost of \$525,000. The pollution prevention project generally consisted of replacing an existing filter system on a dimmer fatty acid production unit at that facility. The project was expected to result in an annual waste reduction of at least 500,000 pounds of filter cake and to increase the recovery of reusable fatty acid material by over 250,000 pounds annually.

The 3-V Chemical Corporation. On August 7, 1990, the Chief Judicial Officer approved a consent agreement and consent order in this TSCA administrative enforcement action. The consent agreement requires the respondent to pay a \$30,000 civil penalty and implement an environmentally beneficial program. Although the enforcement action against 3-V was for violations of TSCA sections 4, 5, and 13, 3-V agreed to purchase and install a solvent recycling system at its South Carolina manufacturing facility that is intended to reduce by more than 50% its emissions of an unregulated ozone depleting substance (1,1,1-trichloroethane) and a probable carcinogen (dichloromethane). Further, 3-V agreed to implement a leak detection program for fugitive emissions of these two solvents, and will report annually on their pollution prevention efforts.

understand and overcome social and institutional obstacles to pollution prevention. This research is intended to promote cultural change by which prevention will become an integral part of public programs and private activities.

9. Looking Ahead: Emerging Products and Technologies

EPA's strategy will also try to identify and avoid environmental problems before they arise, by encouraging development of safer substitutes for hazardous raw materials or products, as well as cleaner

- Integrating pollution prevention into the Agency's strategic planning process.

Clear commitment from management

The EPA Administrator's commitment to prevention as a priority was made clear with the establishment of an independent Pollution Prevention Office in 1988 and the accompanying directive. After broad consultation with public interest groups, private industry, members of Congress, and others, EPA is preparing to publish a final policy statement defining pollution prevention and placing it at the top of the hierarchy of preferred environmental practices (as discussed on page 12). The policy statement as well as this strategy help to signal a prominent role for prevention in the context of EPA's mission to protect human health and the environment.

Working together: improving communication and motivation

EPA has taken the first step in improving cross-program cooperation by establishing an Agency-wide Pollution Prevention Advisory Committee, comprised of representatives from program and regional offices. EPA will take the following steps to encourage programs to work together in developing multi-media prevention strategies:

- Designate special assistants for pollution prevention in each Assistant Administrator's office to coordinate activities within that program;
- Establish cross-media workgroups to identify clusters of rules that affect a particular contaminant or industry, and to explore opportunities to promote pollution prevention through coordinated rulemaking;
- Develop incentives to encourage Agency staff and managers to engage in pollution prevention efforts and to think creatively about prevention opportunities (e.g., individual and program performance measures, awards for cross-media/cross-program prevention approaches);
- Incorporate prevention as a primary tool for achieving program

PART III

INDUSTRIAL TOXICS PROJECT

Precisely because the pressure within companies for end-of-pipe solutions is so strong, it is essential that government counteracts it...

In America, nothing has galvanized senior management as much as Title III of the Superfund Amendments and Reauthorization Act.

A Survey of Industry and the Environment, The Economist, September 8, 1990.

This section reviews EPA's plan for targeting certain toxic chemicals for which focused prevention strategies will be developed. EPA's goal will be to reduce aggregate environmental releases to all media from industrial facilities of these targeted chemicals, as measured by the Toxics Release Inventory (TRI) in 1988, by 33 percent by the end of 1992 and at least 50 percent by the end of 1995. EPA will measure success according to whether its goals have been achieved on an aggregate, multi-media basis, rather than for each chemical, industry sector, or company. The Agency is principally targeting contaminants that will be regulated under the provisions of the Clean Air Act to ensure that companies participating in this voluntary program are also eligible to apply for credit under the "early reduction" provisions of that law. The Agency's 33 percent and 50 percent multi-media reduction goals are reasonable, given that the Clean Air Act is expected to eventually result in reductions of up to 90 percent in the air emissions of most contaminants.

EPA will also seek to identify significant exposures of these targeted chemicals that may arise from commercial or consumer uses of such products, and develop appropriate strategies for their prevention. While the project outlined in this section is limited to toxic chemical releases generated from industrial activities, EPA intends to work with other federal agencies to develop similarly focused prevention strategies for energy, agriculture, municipal water and wastewater, and other economic

4) EPA will work with industries to ensure that any initiative taken to reduce emissions ahead of statutory schedules receives appropriate credit toward complying with any subsequent regulatory requirements. For example, while 1988 provides the base year for measuring overall progress toward meeting the goals, EPA will explicitly recognize any results that companies have achieved since 1987, the first year for which TRI data are available. This will ensure that efforts made under the voluntary program are eligible for credit under the Clean Air Act's "early reduction" program, which provides a six year extension from compliance with new technology-based standards for those companies that reduce emissions 90-95 percent from a base year no earlier than 1987.

5) EPA will work with companies to identify and (to the extent authorized by law) eliminate barriers in existing permitting systems to cost-effective prevention.

EPA is hopeful that this voluntary effort will inspire proactive, innovative responses from the private sector, which would help to build trust in industry's willingness to respond to the public demand for environmental protection. This, in turn, would make it easier to investigate those barriers in existing law, regulations, and permitting practices that inhibit cost-effective solutions to environmental problems.

EPA's prevention project for industrial toxics will have four basic components:

- A. **Targeting.** EPA will identify 15 to 20 pollutants from the Toxics Release Inventory that present both significant risks to human health and the environment, and opportunities to reduce such risks through prevention. As discussed previously, EPA will principally target those contaminants also subject to new Clean Air Act requirements to ensure that participating companies can apply for credit under the provisions of that law for any voluntary reduction in toxic air emissions.
- B. **Outreach.** The Agency will seek voluntary, measurable commitments from industrial sources of these contaminants to reduce environmental releases through prevention.
- C. **Organizing for Action.** EPA will form cross-media workgroups to provide analytical and technical support for the outreach

will be evaluated by considering (1) the extent to which particular contaminants threaten the attainment of ambient air and water quality standards at specific locations, and (2) whether the volume of releases of a particular contaminant to the environment are significant enough to warrant concern.

- *Multiple exposure problems.* Some chemicals pose environmental problems in both their manufacture and their use. For example, the production of certain chlorinated solvents may result in the release of toxic, ozone-depleting contaminants during the manufacturing process. But chlorinated solvents tend to vaporize at room temperatures, so their use in degreasing operations at small industrial facilities or in other dispersed applications may lead to a second round of releases of the same contaminants.
- *Cross-media contamination.* Some contaminants, particularly toxics, present problems in more than one medium. Since nature does not recognize neat jurisdictional compartments, these same contaminants are often transferred across media. For example, an estimated 50 percent of the heavy metals in the Great Lakes results not from water discharges but from airborne deposits.
- *Geographic location.* The Agency will also use geographic information systems, in conjunction with Toxic Release Inventory data, to identify specific ecosystems where contamination from toxic chemicals is particularly acute as well as areas of high risk to public health or the environment, such as wellhead protection areas. The Agency will assess the extent to which contaminants are responsible for causing toxic "hotspots" in particularly productive and sensitive ecosystems.
- *Limitations of treatment technology or disposal capacity.* Some contaminants stubbornly resist traditional end-of-pipe fixes. Heavy metals, for example, cannot be thermally or biologically destroyed, and must be separated from emission gases with electrostatic precipitators or scrubbers, or from industrial wastewater through chemical precipitation. Since metals do not biodegrade, the incinerator ash or sludges that result must be contained in landfills over long periods of time at considerable expense.
- *Pollution prevention opportunity.* As an initial screening exercise,

briefly reviews EPA's plans for outreach which will challenge the responsible industries to help meet these goals.

As a first step, EPA will use TRI to identify major industrial sources of toxic chemical releases to the environment. EPA intends to produce a detailed plan for contacting these facilities or their parent companies to ask them for voluntary, measurable commitments to reduce releases of targeted contaminants to the environment and to identify how it will carry out these commitments. The plan, which will be developed by a Task Force comprised of representatives of EPA programs and regions, will be guided by the following considerations:

- Companies will be encouraged to identify and exploit technically and economically feasible prevention alternatives. Awards will be provided to facilities with the best plans, and those with the best performance in preventing pollution.
- Individual companies are free to propose their own goals. In order to make the most effective use of resources, EPA will initially direct its outreach program toward companies that emit significant amounts of the targeted chemicals.
- EPA will work with companies to address regulatory or permit barriers and, where appropriate, to provide credit for voluntary actions that meet regulatory requirements.
- EPA will make every effort to coordinate contact with industry to eliminate redundancy and paperwork.
- EPA headquarters will be contacting the companies and will coordinate among regions and with states to eliminate duplication or confusion. EPA headquarters and regions will both be represented on the Task Force drawing up the implementation plan.
- The Agency will target technical assistance using case studies from the Pollution Prevention Information Clearinghouse, and information from other sources. The cross-media workgroups discussed below will provide the basis for expanding the Agency's technical knowledge regarding pollution prevention opportunities for primary industrial sources.

- EPA's clustering project, discussed further below, will be designed to focus attention on the long-term costs of failure to reduce environmental exposures of targeted toxic pollutants.

C. ORGANIZING FOR ACTION

Once the target contaminants have been identified, EPA will form cross-media workgroups, comprised of representatives from different program offices. Depending on what seems most appropriate, these workgroups may be organized around a single contaminant (e.g., lead), a related group of contaminants (e.g., heavy metals), or a category of sources (e.g., primary and secondary smelters).

The workgroups will be charged with providing technical support and analysis for EPA's outreach (described above), and with coordinating the Agency's goal of reducing releases of targeted toxic contaminants. The Office of Pollution Prevention will provide staff support although program offices will also be expected to provide resources as needed. Workgroup activities will include the following:

- **Analyzing Prevention Opportunities.** The targeted contaminants will be selected based in part on an initial screening of opportunities for prevention. The workgroup will be charged with developing more detailed technical information about these opportunities, and with building expertise regarding the characteristics of industries identified as primary sources of the listed toxic chemicals. This responsibility will include the very important task of evaluating industry voluntary efforts, and determining whether proposed reductions would replace target chemicals with equally hazardous substitutes.

- **Characterizing Non-Industrial Sources.** As discussed above, TRI data can be used to quickly pinpoint industrial sources of the targeted contaminants. The workgroup will be responsible for identifying releases to the environment from non-industrial activities not covered by TRI, which may include small commercial establishments such as garages and dry cleaners, and the use of household products by consumers. This analysis will help the Agency to develop appropriate strategies to reduce the release of targeted toxic chemicals from non-industrial activities.

The Agency believes that prevention strategies are most likely to succeed where they have the support of the affected parties. Accordingly,

- Major corporations such as Union Carbide, Monsanto, Dow, and Al&T are already using TRI to measure the success of their existing prevention efforts and to set future goals.
- Several states have used TRI as the basis for a number of legislative efforts. Louisiana has a law mandating a 50 percent reduction in toxic air emissions by 1994; Massachusetts and Oregon have enacted similar laws. New Jersey now requires firms to submit with their TRI data additional information about pollution prevention practices. Other states have instituted a fee system based on TRI emissions to provide an economic incentive to reduce emissions.
- TRI data has been extensively analyzed by interest groups such as the Natural Resources Defense Council and the National Wildlife Federation, to evaluate prevention programs at specific facilities. The non-profit National Institute for Chemical Studies has created a scorecard out of TRI data for the chemical industry in Kanawha Valley, West Virginia.

EPA recognizes that the TRI database suffers from significant limitations. For example, it does not cover all pollutants or all sources. While TRI includes many small industrial plants, it does not cover small commercial enterprises, such as dry cleaners or garages, that make a significant contribution to environmental problems.

In another limitation, companies that are subject to TRI are required only to estimate their releases of specific chemicals to the environment after recycling, treatment or disposal, making it difficult to determine which reductions are derived from changes to the production process or reduced use of toxic raw materials. Furthermore, in the first few years of TRI data collection, some of the changes in reported releases undoubtedly reflect changes in reporting or record-keeping practices (although this is expected to improve in the near future).

The Agency is taking steps to address these shortcomings by:

- improving other databases, such as the waste minimization surveys required under RCRA, so that these may provide a better measure of pollution prevention opportunities and activities.

PART IV

NEXT STEPS

While implementation of this pollution prevention strategy proceeds, EPA will be undertaking a number of efforts to expand its scope:

- As noted, EPA will be working with the Departments of Agriculture, Energy, and Transportation to develop specific pollution prevention programs for these areas.
- EPA is continuing to work with other federal agencies to define an appropriate federal role in pollution prevention and pollution prevention strategies for federal facilities.
- Through a series of public hearings, EPA will solicit advice on the implementation of this strategy and further refine the National Pollution Prevention Agenda for the 1990s, with broad input from the public, the private sector, the environmental community, local, state, and federal government agencies, and the international community.

Pollution prevention is an evolutionary concept. As research continues, technology changes, and progress is achieved, our ideas about what is possible, feasible, and desirable will doubtless change as well. This document will need to be periodically updated as well as expanded as we move forward. The strategy will be announced in the Federal Register, and EPA will continue to solicit ideas from public and private interest groups. The Agency welcomes a continuing dialogue on the strategic vision, as well as the practical tactics, for achieving environmental gains through pollution prevention.

Releases of All Target Chemicals By Media

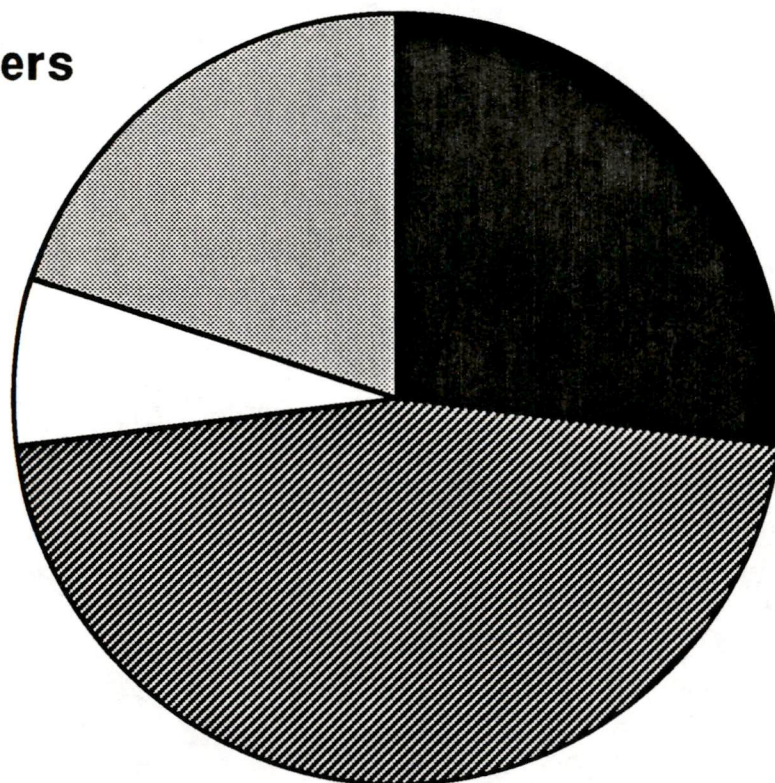
Total = 1,402 Million Pounds

Off-Site Transfers
19.7%

Other Media
7.0%

Fugitive Air
27.2%

Stack Air
46.1%



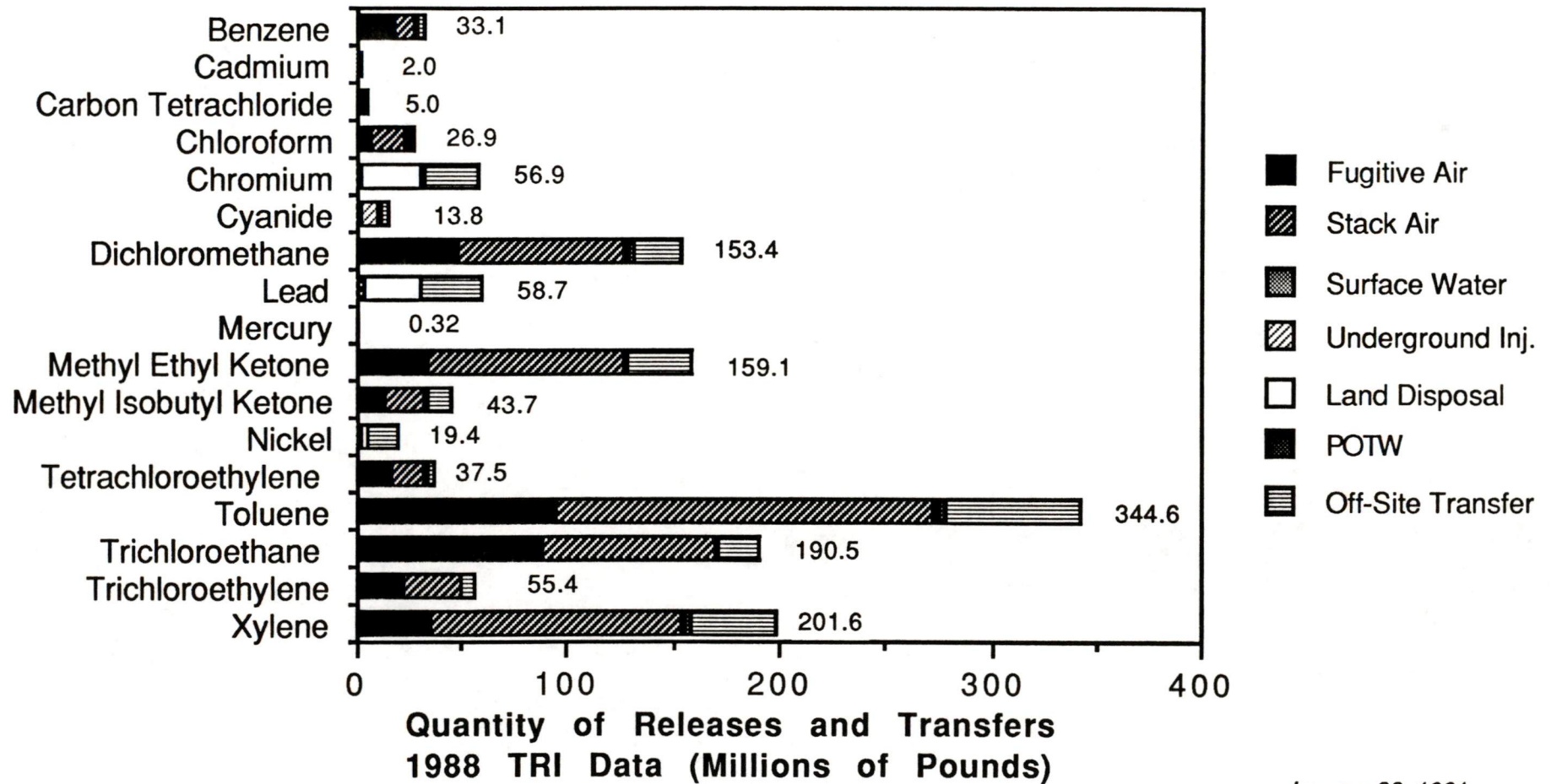
1988 TRI Data

January 22, 1991

Percent of Total Releases and Transfers

Quantity by Media for Targeted Chemicals

Total = 1,402 Million Pounds



January 22, 1991

MR. STEPHEN JOHNSON
PRESIDENT
KOMAG INC
275 SOUTH HILLVIEW DRIVE
MILPITAS, CA 95035-5417

DEAR MR. JOHNSON:

The Environmental Protection Agency is launching a voluntary initiative to reduce toxic chemical emissions that directly affects your company. I'd like to take this opportunity to introduce you to our new effort, and to invite you to consider ways that EPA and industry can work together to make significant progress in reducing toxic pollution.

Specifically, EPA has targeted 17 high priority toxic chemicals for substantial reductions. I have set a nationwide voluntary goal of a one-third reduction in total releases or off-site transfers of these chemicals by 1992, and a 50% reduction by 1995, with 1988 as a baseline year. I want to emphasize that these are *aggregate* national goals, which may not be achievable or appropriate for every company or every plant. I am convinced, however, that by working together in a cooperative manner, we can meet or exceed our objective of reducing total, nationwide releases or transfers of these chemicals. You are in the best position to identify opportunities for reducing toxics. Based on empirical evidence to date, EPA anticipates that these reductions can be accomplished through pollution prevention practices which eliminate waste at the source, rather than relying on treatment after wastes have been generated.

I have attached a list of the 17 target chemicals. In addition, we will be focusing a great deal of effort on minimizing, and where possible, eliminating, all environmental releases of dioxin. These chemicals were selected based on a combination of criteria: health and environmental effects, production volumes, and abundant opportunity for achieving reductions through pollution prevention. We will be focusing on industrial releases of these chemicals, and will use data in the Toxics Release Inventory (Section 313 of the Emergency Planning and Community Right-to-Know Act) as our yardstick of progress.

The American public has made clear that they expect nothing less than dramatic reductions in toxic chemical releases. The challenge before EPA and industrial leaders is this: how do we bring such reductions about? One way is by the conventional command-and-control option which has been the Agency's

mainstay for the past twenty years. But I believe there is another, more fruitful path that we can follow which is faster, and without the detailed direction which is likely to be demanded by the public if voluntary efforts are not fruitful.

In the summer of 1989, I met with leaders of nine companies whose facilities had been identified by EPA staff as representing exceptionally high levels of risk due to air emissions. Through a process of frank discussion and negotiation, we were able to arrive at voluntary agreements with all nine companies to reduce their toxic emissions. These efforts resulted in total commitments from all involved to achieve a collective reduction of 83% by 1993. The agreements are all in place, and the emissions are starting to drop. I remain very encouraged by the success of this effort.

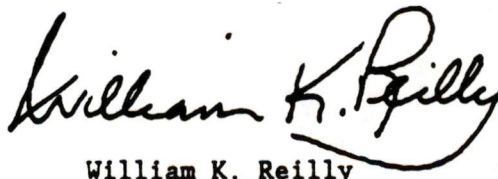
We are extending the same tactic to the hundreds of facilities that release substantial amounts of the 17 priority chemicals. Your own company's facilities are among them. We are now establishing priorities and working out a host of details. We want to learn which elements of environmental programs may inhibit aggressive reduction programs. We will also make every effort to see that reductions achieved under this initiative are given credit, where appropriate, under the new Clean Air Act requirements, and are committed to giving positive public recognition to ambitious efforts by companies such as yours in this area.

It is an important opportunity for both our organizations; therefore, I would encourage you to begin considering your response to this initiative now, as we may be contacting you shortly to arrange a meeting with my top managers to discuss your ideas and appropriate commitments to reduction. I want to emphasize that this is a voluntary program, and that there are no penalties should you decide not to participate.

If this initiative is approached with the same commitment and openness as our earlier air toxics initiative, however, together we can achieve great success and deliver historic and cost effective environmental improvements to the country.

As I travel around the nation, increasingly I am meeting a new generation of corporate leaders who are ready and able to step up to the challenge of preventing pollution before it becomes a problem. I hope we can count on your help. Thank you for giving this matter your full attention.

Sincerely yours,

A handwritten signature in dark ink, reading "William K. Reilly". The signature is fluid and cursive, with the first name "William" and last name "Reilly" clearly legible. The middle initial "K." is smaller and less distinct. The signature is written over a horizontal line.

William K. Reilly

Attachment

DRAFT

QUESTIONS AND ANSWERS ABOUT THE TOXICS REDUCTION PROGRAM

What are the target chemicals?

- o Include chlorinated organics, heavy metals and other contaminants that present significant risk to health, environment, or both.
- o 10 are known toxic potential carcinogens; 13 are persistent or bioaccumulate in the environment, making cleanup difficult, 10 contribute to ozone formation at ground level, while 6 contribute to ozone depletion in upper atmosphere.
- o All subject to regulation under new Clean Air Act and other statutes.
- o 1.4 billion pounds of target contaminants released in 1988, or about 20% of TRI inventory.

How did EPA select target chemicals?

- o Criteria for selection included significant risk to human health and the environment, opportunity for prevention.
- o All program offices made recommendations; final list reflects consensus within Agency;
- o Characteristics of contaminants or patterns of use limit effectiveness of treatment options. For example, heavy metals cannot be destroyed through incineration; organics are released from "nonpoint" uses of solvents.

What industries release the target contaminants?

- o Contaminants are produced or used by wide range of industries in the chemical, transportation, primary metals, electronics, paper and other sectors.
- o Because chemicals so widely used, no single sector or company stands out. Comparing gross amounts of target chemicals released is of limited value, because small amounts of some (e.g. chloroform) may be more hazardous than much larger releases of others (e.g., toluene).

- o TRI requires companies to report all environmental releases, including those permitted under law. Companies releasing target contaminants should not be presumed to be out of compliance.

What is the significance of the goal?

- o EPA's goal is to reduce releases or transfers of these contaminants to all media by 33% below 1988 TRI levels by end of 1992, 50% by end of 1995.

- o 1988 baseline allows EPA to recognize companies that have already made significant efforts to reduce these contaminants.

- o Goal is an aggregate, national one, rather than for individual companies, facilities or chemicals. Some companies will exceed goals, other may not. EPA will encourage everyone to do what they can.

- o EPA's objective is to achieve reduction through prevention. Companies will be encouraged to participate even if some fraction of reductions are achieved through treatment. However, participating companies should note that new Pollution Prevention Act requires measurement of pollution effort.

How does EPA define prevention?

- o Prevention includes source reduction and in-process recycling. Definition is consistent with that established in the Pollution Prevention Act of 1990.

- o Prevention can be achieved through substitution of less toxic raw materials, changes in equipment, or simple housekeeping measures (e.g., sealing leaking valves).

- o Prevention is the first, most desirable step, in a hierarchy of options that includes out-of-process recycling, treatment, and disposal. EPA believes that prevention will often -- but not always -- be the most cost-effective way to reduce pollution.

What can a voluntary program achieve that regulations cannot?

- o Early reductions: Companies may volunteer to reduce contaminants ahead of regulatory schedules.

- o Avoiding cross-media transfer: By promoting prevention and encouraging cross-program coordination, the strategy will ensure that future regulations do not transfer waste from one medium to another.

- o Beyond compliance: Strategy builds on success of some companies in finding cost-effective ways to reduce emissions below levels required by law.

What incentives do companies have for participating?

- o TRI provides a measure of progress at each facility, by requiring annual reports on releases and transfers of each chemical. Public accountability is increasingly important in motivating corporate change.
- o EPA will offer positive incentives, such as technical assistance and public recognition of exception efforts.
- o Companies that cut air emissions ahead of statutory timetables may be eligible for credit under the Clean Air Act.

What is the relationship between the industrial toxics program, and the "early reduction" provision of the Clean Air Act?

- o ITP set 50% national, multimedia reduction goal for 17 target toxic chemicals. Any agreements reached with companies under the ITP will not be enforceable, unless company wants its actions counted toward meeting regulatory requirements.
- o Under the Clean Air Act, individual sources subject to Act may get a 6 year extension from compliance with MACT standard if the company has reduced, or entered into enforceable agreement to reduce, air toxics by 90% before certain dates. Early reduction provision applies to all air toxics (including 17 targeted in the ITP program).
- o A company participating in the voluntary ITP, may also apply for credit under the Clean Air Act. Such companies would have to comply with relevant CAA provisions (e.g., 90% reductions, enforceable agreements, etc.) EPA is currently in the process of developing standards for the early reduction program.

Why not a regulatory program?

- o Voluntary approach has potential for success. Allows EPA to test the value of positive incentives like public accountability. Let industry make its own decisions within the framework of national goal, while allowing EPA and public to track results under TRI.
- o EPA's approach is consistent with new Pollution Prevention Act, which is built around public accountability and TRI, but does not authorize new, mandatory program.
- o EPA already has considerable regulatory authority under the new Clean Air Act, TSCA, and other statutes. These will

continue to provide incentive for prevention.

What is EPA asking industry to do?

- o EPA Administrator will be meeting with CEO's of companies to ask for their commitment to participate in the program.

- o EPA will work with industry to develop non-binding guidelines for participation. These will include establishing a corporate commitment to prevention (where it does not already exist), commitment to reduction goals where practical, sharing of information that is not trade-sensitive, early reporting of TRI data to allow EPA to track results, criteria for awards, etc.

Will the ITP and to industry's cost?

- o No, because industries are free to choose whether or not to participate.

- o Prevention can pay for itself through reduced raw material costs, improved process efficiencies, avoided pollution control costs, and minimizing exposure to strict liability.

- o Both the Science Advisory Board and the Chemical Manufacturers Association have found that prevention can make American industry more competitive.



UNITED STATES ENVIRONMENTAL
WASHINGTON, D.C

MR. PRESIDENT:

NSC has no objection to
forwarding the attached.

PDB

MEMORANDUM TO THE PRESIDENT

THE ADMINISTRATOR

SUBJECT: Soviet Bilateral Environmental Relations

As you know, I led a delegation to the USSR in late April to negotiate a number of bilateral environmental agreements. We now have more than 50 projects with the USSR, increasingly action-oriented. I wanted to highlight one for you prior to your meeting with President Gorbachev.

Among the agreements I signed in Moscow was one for a project we proposed to assess the problem of leakage in the Soviet natural gas distribution system, with an eye toward bringing U.S. technology to bear on reducing the waste. I believe the project would be an excellent way to deal constructively with a global environmental issue in a way that would result in significant economic benefits, both to the United States and the Soviet Union.

Environmental Background

My discussions with Soviet officials and environmentalists left me convinced that there are now extraordinary opportunities for U.S. policy toward the USSR in the field of environmental protection. This is so, I believe, because, in all essential respects, environmental reform is inseparable from the overall process of political and economic reform in the USSR.

On the crucial question of "federalism," the republics' insistence that they themselves solve the environmental problems caused by Moscow has accelerated the current devolution of power from the center to the republics. U.S. environmental cooperation directly with the republics and localities--during our visit I spoke about this possibility with seven of the fifteen republic environmental ministers--would do much to strengthen republic and local governments.

My conversations with Soviet "greens" (more than 1,000 local environmental groups and at least six republic green parties have sprung up in the last few years) conveyed a sense of the substantial changes in Soviet politics, especially at the local level. Soviet greens are influential in a number of city and provincial governments. Almost all officials elected with their support have backed democratic reforms in opposition to the old Party and state elite. Cooperation with Soviet environmentalists, especially through U.S. environmental groups, would contribute to this impressive trend.



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Environment and Economics

My sense is that environmental problems in the USSR are so large--cleanup estimates run to more than a trillion rubles--that foreign assistance cannot begin to solve them. Our goal should be more modest: by relying on internal forces of reform, to help the USSR help itself. With a focus on proper management, training programs, and coordination with the overall reform process in the USSR and seizure of especially promising and self-financing projects like the methane leak control, I believe, modest amounts of assistance can have an impact much greater than they would have in more ordinary circumstances.

A commonly encountered point of view is that a system based on private property, in contrast to the old command economy, is essential to environmental protection. Because no one was quite sure how such a system works, however, they look to the U.S. for advice and expertise. Our experience in seeking the proper balance between regulation and market incentives could prove instructive. EPA also has a variety of market-based programs, such as emissions trading under the new Clean Air Act, that are conducive to the introduction of market principles.

Repeatedly, I was asked where I would put environmental priorities in the absence of any money. This question came from the Soviet Environment Minister, the Ecology Committee of the Presidium, the Leningrad City Council, environmental groups and republic ministers. My answer was to propose annual public audits of pollution from plants, especially toxics, with reliance on a free press and an active environmental movement to focus on the egregious problems and generate public support for attending to the worst risks. Such measures cost no money but they do galvanize public support and make continuing severe contamination practically untenable.

In addition to the gas leakage problem, dealing more generally with energy efficiency in the USSR could be critical to the future of the Soviet economy and the state of that nation's environment. The Soviets told me that they would welcome the establishment of an energy efficiency center in Moscow, one in which the U.S. could play a leadership role on everything from providing policy guidance to relevant technology. I then scheduled a meeting with the mayor of Moscow who agreed to ensure such a center could be housed and staffed.

The Methane Project

Typically, U.S. pipelines lose less than 1 percent of throughput; the Soviets lose 3 to 10 percent. This "lost gas" (methane) has a potential value of \$1.5 - 7 billion. Conceivably Germany, a likely buyer of the saved gas, could be brought into the project, though U.S. industry might for the moment gain from a purely U.S. - USSR project relationship. If the "lost gas" were sold to the Germans for marks, however, it could cover the costs of American technology retrofit and provide the USSR with hard currency - all at a profit. Since methane is a potent greenhouse gas, and a major contributor to global climate change,

this project would have great environmental benefits, and also economic advantages for both the U.S. and the USSR.

Widely accepted estimates of the contribution of all methane sources to global climate change confirm that this gas is responsible for approximately 15 percent of the actual warming that might be realized over the next 50 years. While considerable uncertainty exists over the sources of methane, it is clear from analyses conducted both in the United States and elsewhere that gas pipeline leaks in the Soviet Union are responsible for a large portion of the increasing atmospheric concentrations of methane. If controlled to the U.S. level, reductions in Soviet leaks would provide 25 - 75 percent of the reductions needed to stabilize atmospheric concentrations of methane.

In addition to being a greenhouse gas, methane is also implicated in the global build-up of ground level ozone, a factor which will affect our ability to meet Clean Air Act targets in the United States over the next 20 years. We are also convinced that it plays a role both in the development of acid rain, and in prolonging the lifetime of chlorine containing compounds in the stratosphere with the unfortunate result of preventing the rapid recovery of the earth's ozone layer. A program to reduce methane emissions would thus be a practical and concrete U.S. contribution to preventing global climate change, in addition to being justifiable on other grounds. Given that the U.S. and USSR tend to stand alone in resisting targets and timetables for reducing greenhouse gases, such a project has a special appeal.

Methane leakage from natural gas systems may occur during extraction, transmission and distribution. Working with the gas industry in the United States, we have developed a full range of technologies that can be used to minimize those leaks. These technologies include better cleaning of the gas; improved systems to collect the gas from gas fields; better coating of pipelines against corrosion; improved welding technologies; improved monitoring of system failures; and improved operation and maintenance of the pipelines.

Proposed Program

In May 1991, following up on my visit to Moscow in April, experts from the U.S. Environmental Protection Agency and a private utility, Pacific Gas and Electric, met with various members of Soviet institutes, including the All-Union Pipeline Construction Research Institute, the All Union Gas Research Institute, the USSR Ministry of Oil and Gas, the State Institute of Applied Chemistry, the Science and Technology Fund of the USSR Academy of Sciences, and the Chemical Physics Institute of the USSR Academy of Sciences, to discuss options for jointly working on a mutually advantageous set of projects to study and solve the problem of gas leakage. The talks were fruitful, and both sides promised to continue working towards developing a series of specific projects for the future.

This work could easily be given priority if it were the subject of a joint communique at the G-7 Summit, or a bilateral Summit between you and President Gorbachev. A high level working group could be established. We have recent experience with the Soviets on a

similar set of projects on protection of the ozone layer, where we led several joint government-industry delegations to the Soviet Union to explore the joint development of substitutes for the chemicals that deplete ozone. In that case, we assisted Du Pont in establishing a joint venture with the Soviets to develop and test alternative chemicals. This contact played a major role in reassuring the USSR that they could safely commit to phase out chlorofluorocarbons under the Montreal Protocol.

In our view, the proposed program would have the following elements:

- rapid measurement of gas leaks in various parts of the Soviet Union, using, where appropriate, a series of sophisticated technologies developed by EPA with the Gas Research Institute for identifying and quantifying leaks;
- a fast track study of existing Soviet systems to determine the state of current Soviet technologies, including their operation and maintenance procedures;
- development of a list of potential projects for reducing gas leaks; and
- development of specific joint ventures for reducing the leaks, for enhanced operation and maintenance of the improved systems, and for the marketing of the saved gas.

Conclusions

For these and many other reasons, I believe that the environment should be an integral part of our relationship with the USSR, especially as U.S. business begins to enter the Soviet market. Many Soviets with whom I spoke say they look on the environment as a symbol of the kind of relationship they would like to see--a constructive and fruitful relationship based on long-term consideration of mutual interest. It is an area where the Soviets and its republics are deeply admiring of U.S. expertise.

EPA stands ready to assist as you consider our future relationships with the Soviet Union. Our resources are considerable: a twenty-year history of cooperation with the USSR, recently expanded to emphasize practical action and problem-solving; and solid experience with similar problems in Eastern Europe--e.g., through the Budapest Regional Environmental Center and our other SEED programs.

I am prepared to work with Ambassador Strauss, Secretary Baker and others to explore this project further, if you think this a good idea.

Respectfully,



William K. Reilly