## Washington Update





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### EPA greenhouse gas reporting rule mandated by Congress will impact a broad range of industry sectors

As part of the 500 billion dollar omnibus budget package that President Bush signed on December 26, 2007, Congress inserted a last-minute provision that requires the Environmental Protection Agency (EPA) to establish a mandatory program for U.S. companies to report greenhouse gas (GHG) emissions by June 2009. The one-paragraph mandate appropriates 3.5 million dollars for EPA to establish the new GHG emissions reporting program for "all sectors of the economy" under its existing authority under the Clean Air Act. This new rule could significantly impact a broad range of industry sectors and set the stage for future regulatory controls on GHG emissions.

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### Existing GHG reporting programs

Currently, only coal-fired power plants are required to report GHG emissions to the federal government. Some states have GHG reporting requirements (*e.g.*, California and New Mexico) and other companies report GHG emissions through a number of different voluntary emission registries such as the Climate Registry (*i.e.*, an independent organization formed last year and supported by 39 states – http: //www.theclimateregistry.org).

### Rationale for GHG reporting

Over the past few years, Congress has contemplated numerous proposals to create a national GHG reporting program as a first step to support comprehensive climate change legislation. Most observers had assumed that a national GHG reporting program would be passed as part of comprehensive federal climate change legislation. To the surprise of many, Senators Amy Klobuchar (D-MN) and Diane Feinstein (D-CA) inserted the new reporting requirement into law before any comprehensive climate change legislation was passed.

Reporting of GHG emissions is a logical first step to support comprehensive emission reduction programs. In order to develop effective policies to reduce emissions, regulators need accurate information on the source, size and growth of GHG emissions. This would be particularly true for market-based approaches to reduce GHG emissions such as "cap-and-trade" that would rely on verifiable emissions data to serve as the foundation for developing allocation systems, reduction targets and enforcement provisions.

### *EPA's discretion and direction for GHG emissions reporting*

**New Developments Include** 

**Greenhouse Gas Emissions** 

Reporting

and OSHA Compliance Guidance

The new law does not, however, specify which industries must report, emissions thresholds for reporting, or how often the reporting must occur -- those details are left up to EPA's discretion. EPA must now develop a reporting program without knowing the details of a regulatory program it will ultimately support. In addition, EPA must also try to avoid a reporting program that is inconsistent with similar programs that have already been adopted or are in the process of being adopted by states and organizations like the Climate Registry

Under the legislation EPA must issue a proposed rule by October 2008 and final rule by June 2009. EPA is taking the first steps toward developing a rule to require a broad range of industry sectors to collect and report data on their greenhouse gas emissions. EPA officials have indicated that because it already collects some GHG emissions data from some sources (e.g., carbon dioxide emissions data for cars and light trucks used to ensure automobile manufacturers' compliance with federal corporate average fuel economy or CAFE standards), it will try to avoid duplicative emissions requirements under the rulemaking. To the extent that something is already being collected, EPA is unlikely to add an additional requirement.

As EPA develops the GHG emissions reporting program, the industry needs to consider providing input on issues such as choice of baseline year for reporting, reporting thresholds, the scope of industry sectors impacted and the potential regulatory burdens on small business. Decisions on which industry sectors are subject to the rule and the type of information that must be reported could ultimately dictate how GHG emissions will be regulated for industry.

# Additional EPA regulatory actions on climate change issues

EPA is also working on several related climate change regulatory actions, including a response to the April 2, 2007 Supreme Court decision that said EPA has authority under the Clean Air Act to regulate carbon dioxide and other GHGs in motor vehicles (*Massachusetts v. EPA*, 127 S. Ct. 14338). In that case, the court also specifically directed EPA to make two separate regulatory decisions: whether it should provide a waiver for California clean vehicle standards and whether EPA itself is compelled to regulate such emissions.

On the first issue, EPA Administrator Stephen Johnson on December 19, 2007 announced the Agency's denial of California's waiver request, and EPA will issue the formal "decision document" supporting the decision soon. On whether EPA will act to regulate emissions, the agency will consider whether it must regulate in light of the high court's decision. Before such rulemaking could proceed, EPA would have to make a formal determination under the Clean Air Act that GHG emissions pose a danger to public health or welfare.

EPA will continue respond to judicial and congressional direction on shaping new climate change policy. As the new regulatory agenda evolves, the changes will likely have a significant impact on a broad array of industry sectors in a variety of ways.

### OSHA issues inspection procedure guidelines for occupational exposures of hexavalent chromium

OSHA recently issued an Instruction to provide guidelines and establish uniform inspection and compliance procedures for the new hexavalent chromium workplace exposure standard that was promulgated February 28, 2006, OSHA Directive Number: CPL 02-02-074. This new directive sets forth OSHA's policy and guidance for enforcing the hexavalent chromium workplace exposure standard.

OSHA indicated that the guidance to compliance staff is necessary for effective enforcement of the applicable safety and health standards. Where the guidance directs a compliance officer to perform a specific inspection action, the compliance officer is to make every effort to perform the action, unless there is approved reason to do otherwise. OSHA does note that the guidance is meant to be a tool to assure uniform inspection and compliance procedures, and it does not in any way affect the legal obligations of employers under the standard.

A copy of the document is available on the NASF website for your convenience. If you have any questions, please contact Christian Richter or Jeff Hannapel at crichter@thepolicygroup.com or jhannapel@thepolicygroup.com. **P&SF** 

### Test Your Plating I.Q. #439 By Dr. James H. Lindsay

**Rinsing** (with due credit to Frank *Altmayer*)

- 1. There are two reasons for rinsing in a plating operation. What are they?
- 2. What are the incentives to reduce water usage in rinsing?
- 3. Water should enter the tank just below the water level. True or false?
- 4. A rinse tank weir should be placed on the wall opposite the water entry pipe. True or false?
- 5. What are the factors that affect the amount of solution drag-out?

Answers on page 50.

## **NASF Welcomes New Members**

As of February 5, 2008

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