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May 20, 2004

TO: Lorraine Hunt, OIRA

FROM: Andrew Bopp, SGCD

My comments are attached in Word format. Please contact me if you need further information.

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- SGCD Comments to OMB on Regulatory Reform 2004.doc

May 20, 2004

Ms. Lorraine Hunt
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Office of Management and Budget
New Executive Office Building, Room 10202
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Washington, DC 20503

**RE: Comments on the OMB Draft 2004 Report to Congress on the Costs and Benefits
 of Federal Regulations, 69 Fed. Reg. 7987 (February 20, 2004)**

The Society of Glass and Ceramic Decorators (SGCD) appreciates the efforts of OMB to review unnecessarily burdensome reporting regulations that have a significant impact on small business. We are concerned primarily with EPA's Toxic Release Inventory (TRI) Lead rule which was implemented on January 17, 2001. This reporting rule is extremely burdensome to small businesses which spend hundreds of hours to track lead use and complete complicated forms to show negligible amounts of lead released to the environment. Such detailed reports are of no use to the public.

SGCD believes that simplification of the reporting process is essential, and we are encouraged that EPA is currently seeking to provide burden relief through its TRI Stakeholder Dialog process. Given that the tracking and reporting burden is ongoing, however, SGCD emphasizes that burden relief steps should be implemented as quickly as possible. We see no reason why burden reduction steps cannot be implemented within a year, and we encourage OMB to address this timing issue with EPA.

SGCD is the association of companies that decorate glass and ceramic mugs, tumblers and similar items. SGCD member companies range from large corporations that manufacture well-known tableware brands to very small family-run operations that imprint coffee mugs and souvenir glassware. Most SGCD members were included in the TRI reporting program for the first time in mid-2001 when the annual lead usage reporting threshold was retroactively reduced from 10,000 pounds/year to 100 pounds/year.

The TRI tracking and reporting burden is significant for small glass/ceramic decorators. In a fairly typical case, a small decorator reported 0 on-site lead release after spending more than 180 hours to complete a TRI Form R based on 150 pounds of annual lead usage. A sampling of three small glass and ceramic decorators indicated that average annual lead usage was 286 pounds with no lead released to the environment in 2001. These companies reported spending on average 163 hours to track lead use throughout the year and to complete the TRI Form R.

SGCD Burden Reduction Referral, 2 of 3

Even after the TRI forms are filed, the burdens continue. In December 2003, a glass decorator received a Notice of Significant Error (NOSE) from EPA for their 2002 TRI report. One week later, the company received a second copy of the same notice that listed the error which was corrected. In February 2004, the company received yet another notice listing 12 new technical errors. This 15-employee company reported 0 on-site Lead release for 2002 as they did in 2001. In addition to the obvious burden created by this rule for this small company, this certainly appears to be an inefficient use of EPA's time and resources.

Nearly Half of Glass/Ceramic Reporters Show Annual Lead Release Below 1 Pound

In SIC 32 which includes the glass and ceramic industry, 532 Form Rs for lead and lead compounds were filed for 2001 at a cost estimated by EPA to be \$7,400 per facility. Of these forms, 30 percent of companies reported 0 on-site lead releases to the environment, and an additional 16 percent of companies reported on-site releases between 0 and 1 pound. 59 percent of companies in SIC 32 reported less than 10 pounds of annual on-site lead release to the environment. The majority of these companies are very small, and their efforts to track such negligible release are extremely time-consuming.

A further analysis of EPA's Histogram of On-site Releases of Lead and Lead Compounds by Industry for 2001 reveals that all manufacturing sectors including the glass and ceramic industry (SIC 32) account for only 6 percent of reported releases, although such companies account for 85 percent of the TRI forms filed. A further review of 2001 TRI data indicates that 2,615 manufacturing companies reported 0 environmental release of lead or lead compounds. It should also be noted that the median level of lead released to the environment is 1 pound.

Given the high burden that has been placed on small businesses to produce data of no public value, as demonstrated in the 2001 data, SGCD is hopeful that EPA will implement changes that will genuinely reduce the reporting burden for companies that do not release significant amounts of lead. When reviewing the Stakeholder Dialog proposals under consideration currently by EPA, SGCD would place equal emphasis on both the creation of a new "No Significant Change" certification statement and expansion of Form A eligibility and de minimis exemptions to include lead reporters.

"No Significant Change" Certification & Simplified Reporting Form Usage

Creation of a "No Significant Change" certification statement (Form NS) would provide significant burden relief for small glass and ceramic decorators if the eligibility criteria were not overly complicated or restrictive. It is understood that such relief would be targeted towards companies with insignificant levels of on-site lead release. SGCD believes that a 10 pound annual on-site release threshold from a baseline Form R or Form A TRI report would establish reasonable criteria for Form NS use. Such a streamlined reporting format would not eliminate any useful public information, and it would achieve genuine burden relief.

Expanded Form A Eligibility, Deminimis & Range Reporting

In addition to the creation of a Form NS, it is critical that EPA restore Form A eligibility, deminimis and range reporting burden reduction options for lead TRI filers. EPA disallowed these options after it classified lead as a “PBT” substance (hazard classified through Persistence, Bioaccumulation and Toxicity). EPA’s own SAB review has already indicated, however, that this method of evaluation is not appropriate for metals. The agency is now developing new metals hazard assessment criteria which will be ready for SAB review in September 2004 and final release by the end of 2004. This provides EPA with the opportunity to restore burden saving options simply by removing the inappropriate “PBT” label from lead.

Permitting small businesses to utilize these burden saving options would ease the reporting burden for affected companies without compromising the value of information provided to the public. SGCD believes that the expansion of Form A eligibility to lead filers would provide burden relief for those companies that did not qualify for the new Form NS for whatever reason. Form A eligibility would be appropriate for companies that utilized 500 pounds of lead or less in a reporting year given that lead should never have been classified using the PBT scale. Along with Form A eligibility, SGCD would urge that the deminimis exemption and range reporting options be restored for lead TRI filers.

As the 2001 TRI report indicates, the majority of companies in SIC 32 release less than 10 pounds of lead per year, and many of these facilities release no lead at all to the environment. SGCD believes that these companies and the many companies like them in other industry segments deserve genuine burden relief which will not compromise the value of TRI information to the public.

SGCD thanks OMB for its efforts to review the TRI Lead rule. If you have any questions, please feel free to contact me at 703-838-2810.

Sincerely,



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