# GR Highlights Technology Issues, Critical Supply Chains and Chemical Management Strategies

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## Metal Finishing Industry and the Pentagon Continue Dialog on Emerging Environmental and Technology Issues

In May 2006 GR helped organize a metal finishing workshop funded by the Pentagon's Strategic Environment R&D Program (SERDP) and Environmental Security Technology Certification Program (ESTCP). The workshop focused on technology issues for surface finishing processes, primarily within the DoD depots repair and maintenance system as well as applications and alternatives in the defense manufacturing base. A paper on the proceedings of the May 2006 workshop is now available.

As a follow up to the workshop in Washington, a second workshop on November 28-29, 2006 will be part of SERDP's and ESTCP's larger annual *"Partners in Environmental Technology: Technical Symposium and Workshop,"* and will focus on best approaches for applying commercial finishing successes to "clean" technologies for defense uses and reducing potentially hazardous materials in defense weapons systems and facilities.

The November 28th session will feature presentations from the Pentagon and the metal finishing industry, including: Christian Richter (The Policy Group), Craig Bishop (Atotech), John Beatty (Army Research Laboratory), Joe Osborne (The Boeing Company), Sheldon Toepke (Aerospace Consultant) and Luke Haylock (Alcoa Fastening Systems – Aerospace). The Novemebr 29th session will provide an open forum for manufacturers, metal finishing industry suppliers and DoD depots officials to discuss DoD surface coating needs, how industry solutions can be modified to fit military requirements, technology gaps to be filled by future research and development programs and how DoD can work with industry to address evolving regulatory pressures. For more information about this important workshop visit the SREDP website at www.serdp.org/Symposium.

## EPA Proposes Residual Risk Air Emission Standards for Halogenated Solvents

Under its authority to control residual risk, EPA has proposed to place a cap on emissions from machines that use halogenated solvents for cleaning parts. [71 Fed. Reg. 47670 (August 17, 2006)]. Halogenated solvent cleaning is generally used in conjunction with industrial processes such as plating, painting, inspections, repair, assembly, heat treatment and machining.

In 1994, EPA promulgated technology-based emission standards for hazardous air pollutants from the halogenated solvent cleaning source category, referred to as the Halogenated Solvent Cleaners MACT Standard These requirements prompted facilities to make significant changes in how and what halogenated solvents were used for cleaning parts. Under section 112(f) of the Clean Air Act, EPA is required to evaluate the remaining risk to public health and the environment following the implementation of technology-based standards such as the Halogenated Solvent MACT Standard. EPA's recent proposal is intended to provide further reductions of halogenated solvent emissions beyond the controls imposed by the 1994 technology-based MACT standard.

According to EPA, if lifetime cancer risk from exposure to halogenated solvents exceeds one in a million, then more stringent residual risk standards are needed. Based on its risk findings, EPA has proposed two regulatory options to cap the facility-wide emissions of methylene chloride (MC), perchloroethylene (PCE) and trichloroethylene (TCE) from both new and existing halogenated solvent cleaning machines. Option One would impose a facility cap to reduce emissions of halogenated solvents by approximately 60 percent and Option Two would impose a cap to reduce emissions by approximately 70 percent.

Regardless of the regulatory option, these new residual risk standards could impose significant burdens on facilities that use halogenated solvents for cleaning parts. EPA has requested comments on these two regulatory options and the potential impacts on the halogenated solvents cleaning source category. The deadline for submitting comments to EPA on the proposal was October 2, 2006.

## Senate and House Republicans Announce New Legislative Proposal to Regulate Chemical Plant Security

Both the Senate and the House have been working to pass legislation on chemical plant security. On September 21, 2006, Republican leaders in the Senate and the House homeland security committees

announced an agreement to establish security standards for chemical plants as part of the appropriations process. Under the agreement, the Secretary of Homeland Security would be directed to establish interim risk-based and performance-based standards for chemical plants to protect against terrorist attacks. These interim regulations would be applicable until final regulations could be issued under other laws that are established.

Industry trade groups, including the American Chemistry Council and the Synthetic Organic Chemical Manufacturers Association, have expressed their support for legislation giving DHS the authority to require chemical companies to conduct vulnerability assessments and to close security gaps. These groups have, however, opposed "inherently safer technology" requirements.

The proposed agreement was submitted to a conference committee to reconcile the differences in the Senate and House versions of the appropriations bill. Democrats in both the Senate and the House have criticized this most recent development and continue to call for a broader approach to regulating chemical security. Environmental groups, public interest organizations and some industry trade associations are also calling for broader, more comprehensive chemical plant security legislation. This latest development in chemical plant security legislation suggests that a final decision could be reached before the November elections.

## From Toys to Technology – New Report Highlights China Manufacturing Trends

A recent analysis of Chinese-US trade patterns during the first half of 2006 by a top economist warns that, if left unaddressed, these trends could pose adverse consequences for the global economy. Manufacturers Alliance/MAPI Senior Fellow Ernest Preeg argues essentially that China's success story of industrial modernization through open trade and investment represents a serious challenge to the U.S. ability to maintain export competitiveness as well as its long-standing leadership in technological innovation. Highlights include:

- U.S. manufactured exports in 2001 were more than double those of China, while just five years later, in the first half of 2006, China passed the U.S., with $404 billion of manufactured exports compared to $367 billion for the U.S.;
- China's exports are now primarily high technology, most prominently in the information and telecommunications sector; and
- China's trade surplus grew 55% in the first 6 months of this year, driven by manufactured exports, which were up by $86.6 billion, far outweighing increases in petroleum and industrial raw materials imports, up by $15.4 billion and $6.2 billion, respectively.

For more information, see http://www.mapi.net/html/prelease.cfm?release_id=2364.