

US EPA ARCHIVE DOCUMENT

Mary A. Gade, Director

2200 Churchill Road, Springfield, IL 62794-9276

(217)782-5544

TDD: (217)782-9143

January 5, 1996

Mr. Jon Kessler
Office of Policy, Planning and Evaluation
U.S. Environmental Protection Agency
401 M Street, S.W.
Mail Code 2111
Washington, D.C. 20460

**Re: EPA Regulatory Reinvention (XL) Pilot Project -
Alternate Illinois Management Standards for Industrial and
Hazardous Waste Destined For Recycling**

Dear Mr. Kessler:

Enclosed is a joint proposal submitted by the Illinois Environmental Protection Agency (Illinois EPA) and Safety-Kleen Corp. for consideration and acceptance or approval under the U.S. Environmental Protection Agency's (U.S. EPA) Regulatory Reinvention Pilot Project Program (Project XL). The purpose of this project is to develop and test an alternate industrial and hazardous waste management system for wastes destined for recycling for re-use. This system is intended to encourage off-site recycling by reducing the paperwork burden placed on generators. The project includes replacing certain generator, transporter, TSD hazardous waste, and Illinois industrial wastes requirements with alternate management standards.

We welcome the opportunity to test alternative management strategies to drive improvements in current regulatory programs. Project XL provides a vehicle to demonstrate that environmental goals can be achieved by providing regulatory and policy flexibility, while maintaining system accountability. It is expected that this regulatory flexibility can provide efficiencies that will result in the enhancement of data collection and in greater levels of protection at lower costs, through recycling. We believe that this project will demonstrate that collaborative efforts can be successful in developing and testing new environmental protection approaches and guide future regulatory and legislative improvements. Participation of the public is included in the project.

We are anxious to continue developing this unique project and are looking forward to your response to our joint proposal. Safety-Kleen has had a preliminary discussion with U.S. EPA

Mr. Jon Kessler
January 5, 1996
Page 2

Region V on the general project framework and we intend to set up a formal meeting with
Region V representatives to explain the general scope of the project.

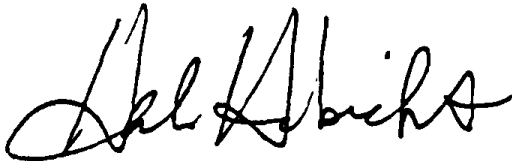
Please contact Peter Wise, Associate Director, Illinois EPA at (217) 785-8786 or Bill
Constantelos, Vice-President Environmental Policy, Safety-Kleen at (708) 468-2217 if you have
any questions.

Sincerely,



Mary A. Gade
Director
Illinois Environmental Protection Agency

and



F. Henry Habicht
Senior Vice-President
Corporate Planning and Environment
Safety-Kleen Corp.

Attachment

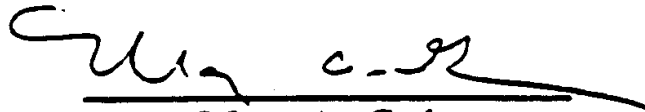
cc: Elliot P. Laws, USEPA
Michael H. Shapiro, USEPA
Norman Niedergang, USEPA Region V

January 5, 1996

PROJECT XL:

**ALTERNATE ILLINOIS MANAGEMENT STANDARDS FOR
INDUSTRIAL AND HAZARDOUS WASTE DESTINED FOR RECYCLING**

Submitted By:

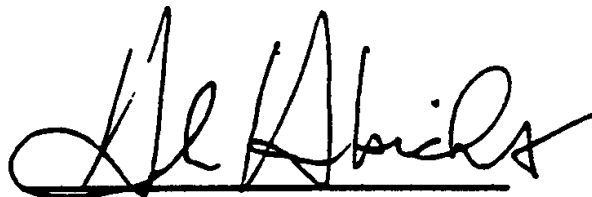


Mary A. Gade

Director

Illinois Environmental Protection Agency

and



F. Henry Habicht

Senior Vice-President

Corporate Development and Environment

Safety-Kleen Corp.

PROJECT XL PILOT PROJECT

ALTERNATE ILLINOIS MANAGEMENT STANDARDS FOR INDUSTRIAL AND HAZARDOUS WASTE DESTINED FOR RECYCLING

BACKGROUND AND PURPOSE:

The Illinois Environmental Protection Agency (Illinois EPA) and Safety-Kleen Corp. have developed this joint proposal under U.S. EPA's Project XL Program to pilot an alternate regulatory management scheme for waste destined for recycling. Under this pilot, certain RCRA hazardous waste (Subtitle C waste) and Illinois Special Waste (Subtitle D industrial waste) requirements will be replaced by recycling management standards.

This project presents an opportunity for the testing of regulatory alternatives for management of both hazardous and industrial D wastes as one class of material referred to as "recyclable industrial material". An underlying, but significant, goal of this project is to provide additional incentives for waste generators to recycle their waste by reducing costs associated with paperwork burdens. It is anticipated that the potential cost savings will be most beneficial to small businesses. New electronic methods of data transfer and management also will be tested and evaluated as part of this project. The results of this pilot will be evaluated for use in developing State and Federal legislative and regulatory improvements for the management of these recyclable materials.

SCOPE:

The State of Illinois has both a hazardous waste (Subtitle C) management program and an Illinois special waste (Industrial D) management program. Safety-Kleen currently operates seven Treatment, Storage, and Disposal (TSD) facilities in Illinois: two are recycle centers and five are branch "storage-only" facilities. All of Safety-Kleen's facilities are currently subject to hazardous and special waste regulations and permitting requirements.

Generally, waste is collected from individual generators, brought to a branch facility, and then transported to either Safety-Kleen's Dolton, Illinois Recycle Center or to Safety-Kleen's other recycle centers (depending on the waste streams or operational considerations). Reclaimed product is either delivered back to customers or sold on the open market. Illinois EPA and Safety-Kleen have determined that the pilot will include Safety-Kleen's Dolton Recycle Center (which includes branch operations) and Safety-Kleen's two branch facilities located in Elgin and Pekin, Illinois. Illinois EPA and Safety-Kleen have also determined that hazardous waste (Subtitle C) and Illinois special waste (Industrial D) destined for recycling will be the scope of this pilot project.

PROJECT OVERVIEW:

The pilot will be developed, implemented and evaluated in three phases, and will last five years. Over the course of the multi-phased project, specific management standards will be developed, tested and enforceable in lieu of certain generator, transporter, TSD and special waste requirements for waste streams that are destined for recycling. The specific requirements that will be replaced with a set of management standards will be identified under the terms of the initial phase of the project.

As the project is implemented, results will be evaluated and used to finalize the design of the later phases of the project. For example, in the paperwork area, the reduction of paperwork is the initial goal, with electronic information management and the elimination of paper as a later goal. Improved reporting systems will provide regulatory agencies information that is more comprehensive and useful than the current biennial/annual reporting system. Additionally, a consolidation of State hazardous waste and "industrial D" regulatory programs could be a template for future permitting approaches. Overall, the experience gained through this pilot project will be valuable in establishing a foundation for regulatory and legislative improvements on both the State and Federal level.

The first phase of this pilot project involves delineating the details in a Project Plan and developing a schedule for implementation of various phases of the project. The general provisions of the project are expected to include the following:

- use of DOT bills of lading in lieu of manifests for shipments of hazardous and industrial special wastes.
- reporting of all waste shipments, and movement of hazardous and industrial waste from individual generators, including Conditionally Exempt Small Quantity Generators (CESQGs), Small Quantity Generator (SQGs), Large Quantity Generators (LQGs), and Special Waste Generators.
- development and evaluation of electronic reporting and tracking systems for manifests, Land Disposal Restrictions (LDRs), and annual reports.
- development of alternatives to current permitting programs; and development of facility management standards for consolidation facilities and recycling facility.
- development of evaluation and reporting systems for the pilot project.
- development of performance measures (e.g., cost savings, better data for planning purposes, etc.) to monitor project success and use as a guide for later project phases.

- evaluation of project results for use as a foundation for regulatory and legislative improvements for the management of hazardous and non-hazardous industrial wastes.

The following outlines the draft concepts of the alternate management standards to be developed, tested and implemented under the pilot project:

Generator Requirements

The pilot includes provisions that are expected to increase the amount of waste destined for recycling for re-use. Recycling for re-use includes recyclable materials that are recovered or reclaimed into products.

An extrapolation of the manifest exemption, provided in 40 CFR 262.20(e), will be used for shipments of wastes destined for recycling for re-use. Generators will enter into a recycling agreement with Safety-Kleen. Generators or Safety-Kleen will enter into transportation agreements with transporters. DOT bills of lading will be used, in lieu of manifests, and retained in accordance with current record retention regulatory requirements. The DOT bill of lading will include a waste minimization certification and other necessary information specified in the Project Plan. U.S. EPA Identification Number requirements will continue to be used for SQGs and LQGs. Alternatives for generators' annual reports for industrial and hazardous waste, which is recycled for re-use, will be finalized under the Project Plan. All other generator requirements will remain in effect.

Transporter Requirements

DOT bills of lading will be used for shipments of waste destined for recycling for re-use in lieu of manifests. Bills of lading will be subject to the current record retention regulatory requirements for transporters. Transporters will enter into an agreement with either the generator or Safety-Kleen for transportation of waste destined for recycling for re-use. All other transporter requirements and provisions are expected to remain in effect.

Staging/Consolidation Facility Requirements

In order to support the collection of hazardous and special waste for recycling, staging/consolidation facilities will be used to consolidate local shipments and prepare them for shipment to the recycling facility. Certain state operating permits, waste authorization permits, and hazardous waste permits will be replaced with management standards appropriate for this activity. The specific permit requirements that will be replaced with alternate management standards will be defined and finalized under the Project Plan.

Recycling Facility Requirements

Recycling facility management standards also will be developed. The Recycling Center will enter into a recycling agreement with generators sending their waste for recycling for re-use. Requirements for the Recycling Center are expected to include certain general facility standards (e.g., security, general inspections, personnel training, contingency plan and appropriate response equipment, financial assurance and liability insurance, and recordkeeping and reporting requirements).

PILOT PROJECT OPERATING LOGISTICS/TERMS:

The following is an outline of the overall multi-phased approach for the pilot project:

DOT Bills of Lading:

DOT bills of lading will be used in lieu of manifests for waste shipments destined for recycling for re-use. Information that is currently provided in manifests or annual reports will be evaluated for its inclusion on the bills of lading.

PHASE I -

- Staging/Consolidation Facility will generate a manifest for shipments of waste to out-of-state recycling facilities to comply with receiving state manifest requirements.
- Waste generated at both the Staging/Consolidation Facility and the Recycling Center, which is transported out-of-state, will be accompanied by a manifest as required by the receiving state.

PHASE II -

- Agreements will be obtained for shipments to Recycling Facilities outside of Illinois allowing use of bills of lading in lieu of manifests.

PHASE III -

- Electronic bills of lading will replace paper bills of lading. Approval will have to be obtained from DOT for this phase.

Reporting:

- Generator maintains obligation for quarterly/annual reports for all waste not destined for recycling under this project. We will explore alternatives for obtaining all necessary information normally provided in these reports.
- Staging/Consolidation Facility and Recycling Center prepare all quarterly/annual reports including generator-specific waste information from CESQGs.
- Mailed copies of manifests are eliminated.

PHASE I -

- Annual reporting
- Electronic transfer via data file

PHASE II -

- Quarterly reports
- Electronic transfer via data file

PHASE III -

- Establish on-line access to data (delayed real time) for regulatory agency
- Ability to look at operating log, transactions, and waste shipments

Record Retention

- Generator - 3 years
- Transporters - 3 years
- Consolidation Facility and Recycle Facility - 3 years

PHASE I - Paper copies

PHASE II - Data file maintained, paper copies maintained until quarterly/annual reports are filed

PHASE III - Electronic records only, stationary reports to generators

STAKEHOLDER PARTICIPATION:

Stakeholder participation is a critical component of the successful implementation of this pilot project. To ensure stakeholder participation, Safety-Kleen will contact appropriate local officials, business and trade organizations, local environmental organizations, the Illinois Environmental Council, and other public interest groups. Information on this project will be exchanged with these stakeholders and their input will be solicited on how to best involve the communities surrounding Safety-Kleen's facilities.

Options for disseminating the necessary information on this project include informational meetings, mailings, brochures, and open houses. The mechanisms for information exchange will be finalized after initial contacts have been made with above-mentioned stakeholder participation.

INFORMATION OUTPUTS:

This pilot project will allow the recycling company to provide information regarding waste movements and volumes that go beyond the current regulatory requirements. The annual/biennial system does not accurately account for waste that is re-manifested from one TSD to another, making the original generation point difficult to determine. SQGs and CESQGs are not required to submit annual/biennial reports.

PERFORMANCE MEASURES:

The pilot project will include monitoring and reporting provisions to monitor project progress. Specific performance measures will be used to evaluate the success of the phases and adapt subsequent phases to maximize project performance. Examples of expected performance measures include:

- Increased volumes of waste destined for recycling for re-use
- Cost savings to generators for reduction of paperwork burden, including manifests and IEPA Identification numbers
- Cost savings by recycler for replacement of certain paperwork requirements with more cost effective reporting tools
- Cost savings by regulatory agency from reduction of paperwork handling costs, such as processing mailed manifest copies
- Benefit to regulatory agency from improved waste generation information for use as a planning tool

- Cost savings to recycler and regulatory agency from changes to the current permitting scheme for hazardous and industrial wastes
- Customer (generator, recycler, and regulatory agency) satisfaction with alternate manifesting and permitting programs

PROJECT REVIEW AND EVALUATION ACTIVITIES:

A program review system will be developed to evaluate the progress of the program by project managers at Illinois EPA and Safety-Kleen. Progress reviews by senior management are also expected on a routine basis.

The Project Plan will include provisions for self-evaluation by Safety-Kleen to evaluate compliance with project terms. Independent review and evaluation will be performed by a mutually acceptable third party. A status reporting mechanism will be developed, which will include internal senior management involvement and reporting to Illinois EPA.

Under the terms that will be established in the Project Plan phase, this project can be terminated earlier than the anticipated completion date.

PROJECT OUTPUTS AND ANTICIPATED BENEFITS:

In addition to an increase in waste recycling, a significant benefit anticipated from the pilot program is expected costs savings from reduction of paperwork generation and handling. Manifests will be replaced with alternate information systems to provide more accurate and timely information. This information will be more comprehensive and useful than current reporting systems, including information from a greater universe of generators and from Industrial D waste generators. Information on Industrial D waste generators will be useful to U.S. EPA in continued planning for the Industrial D waste program initiatives.

Both aspects of this pilot project are tests for alternate regulatory approaches that are expected to provide valuable information that is transferable to future regulatory and legislative initiatives to design more efficient and effective programs.

CONCLUSION:

The "Alternate Illinois Management Standards for Industrial and Hazardous Waste Destined for Recycling Pilot Project" meets all of the project criteria established by U.S. EPA for the Project XL Pilot Program.

1. Environmental Results

This pilot project will test an alternative framework with reduced regulatory burden for waste destined for recycling. Due to the paperwork reduction incentives, it is expected that more generators sending their waste off site will have their waste recycled. It is important that the regulatory framework supports the waste management hierarchy, providing additional incentives for management of waste for its highest use. Recycling preserves valuable natural resources and minimizes potential pollution from disposal by recovering the resources into a valuable product. These regulatory and environmental improvements can act as a basis for future regulatory reform.

2. Cost Savings and Paperwork Reduction

This pilot project is testing new regulatory approaches that are anticipated to simplify the regulatory framework, produce cost savings for generators, recyclers, and regulatory agencies, and reduce paperwork burdens while still preserving the intent of the regulations. Cost savings are anticipated by transitioning to more efficient reporting systems. The paperwork burden will be reduced by replacing hard copy reporting with more efficient electronic reports.

3. Stakeholder Support

Generators are expected to welcome the opportunity to reduce their paperwork burden. The State of Illinois and Safety-Kleen are anxious to test an alternative management scheme for regulation and permitting of facilities. The State of Illinois is also looking forward to increasing waste recycling in the State. We will solicit the input from other parties that have a stake in the environmental impacts of the project, including local governments, business, environmental and other public interests groups.

4. Innovation/Multi-Media Pollution Prevention

The current regulatory scheme needs to be improved with the advances in information systems. This pilot will test new approaches to the current manifest system and lay the groundwork for future regulatory decision-making. Additionally, more waste materials are expected to be driven towards recycling by this program.

5. Transferability

Information obtained through this pilot project can be used for designing a regulatory and legislative framework for recyclable industrial materials which replaces the current Subtitle C and D programs and encourages recycling of those materials.

6. Feasibility

This project's scope is narrow enough that it has a high degree of certainty that it can be implemented.

7. Monitoring, Reporting, and Evaluation

As outlined in the proposal, the project will have dedicated project staff, routine management review, and performance measures.

8. Shifting of Risk Burden

The self-evaluation and reporting feature of the project will shift certain oversight burdens from the regulatory agency to the private facility.