From: Jeff Scott
To: Jared Blumenfeld; Teddy Ryerson; Amy Miller; Rich Vaille
Subject: Fw: MARAD issue paper - useful background info from HQ I showed you briefly this am
Date: 04/25/2012 05:47 PM
Attachments: US NAVY - MARAD BRIEF.pdf

I'll plan to have HQ choose the follow-up as I implied in my initial response unless you see it differently. Second piece down from Rick Picardi does a good job covering the issue.

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----- Forwarded by Jeff Scott/R9/USEPA/US on 04/25/2012 02:44 PM -----

From: Jeff Scott/R9/USEPA/US
To: Rick Picardi/DC/USEPA/US@EPA
Cc: Betsy Devlin/DC/USEPA/US@EPA, Ross Elliott/DC/USEPA/US@EPA, Rich Vaille/R9/USEPA/US@EPA, Amy Miller/R9/USEPA/US@EPA, Steve Armann/R9/USEPA/US@EPA, Arlene Kabei/R9/USEPA/US@EPA, Laura Coughlan/DC/USEPA/US@EPA, Andrea Medici/DC/USEPA/US@EPA, Angela Huskey/DC/USEPA/US@EPA, Betsy Valente/DC/USEPA/US@EPA, Darrell Brown/DC/USEPA/US@EPA, Stephanie Adrian/DC/USEPA/US@EPA, Marianne Bailey/DC/USEPA/US@EPA, Patrick Cotter/DC/USEPA/US@EPA, Ann Stephanos/DC/USEPA/US@EPA, Caroline Ahearn/DC/USEPA/US@EPA, William Noggle/DC/USEPA/US@EPA
Date: 04/25/2012 09:15 AM
Subject: Re: Fw: MARAD issue paper

Thanks all for all the quick turnaround follow-up! We will let you know how our discussion goes with the RA.

Since this paper has gone to other Agencies, I suspect in advance that ultimately some HQ based discussions will need to occur between our Agency and MARAD, etc., to discuss a general unified USG position.

Thanks again!

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▼ Rick Picardi---04/25/2012 08:42:55 AM---hi Jeff For the sake of getting you information quickly, I pulled this e-mail together with input

From: Rick Picardi/DC/USEPA/US
To: Jeff Scott/R9/USEPA/US@EPA
Cc: Betsy Devlin/DC/USEPA/US@EPA, Ross Elliott/DC/USEPA/US@EPA, Rich Vaille/R9/USEPA/US@EPA, Amy Miller/R9/USEPA/US@EPA, Steve Armann/R9/USEPA/US@EPA, Arlene Kabei/R9/USEPA/US@EPA, Laura Coughlan/DC/USEPA/US@EPA, Andrea Medici/DC/USEPA/US@EPA, Angela Huskey/DC/USEPA/US@EPA, Betsy Valente/DC/USEPA/US@EPA, Darrell Brown/DC/USEPA/US@EPA, Rich Vaille/R9/USEPA/US@EPA, Stephanie Adrian/DC/USEPA/US@EPA, Marianne Bailey/DC/USEPA/US@EPA, Patrick Cotter/DC/USEPA/US@EPA, Ann Stephanos/DC/USEPA/US@EPA, Caroline Ahearn/DC/USEPA/US@EPA, William Noggle/DC/USEPA/US@EPA
Date: 04/25/2012 08:42 AM
Subject: Re: Fw: MARAD issue paper

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hi Jeff

For the sake of getting you information quickly, I pulled this e-mail together with input from a few people. We would be glad to discuss your request in greater depth later. I will schedule a conference call with you that includes several offices here at HQ.

Global Marketing Systems (GMS) is a major international buyer and seller of ships. Based on my reading of the attachment you sent, GMS is asking that the U.S. government (USG) go back to an old policy (or maybe it was a non-policy) of the 80's and 90's when the USG allowed Navy and Merchant Marine ships to be exported, more

or less uncleaned, to India and Bangledesh for scrapping under dangerous conditions. About a dozen years ago, after it become apparent that the former USG practice of exporting ships likely violated the PCB export ban and wasn't sound, the USG decided to only send our ships to scrapping facilities with environmental and worker safety protections, primarily in the United States. (I admit that I was not working on ships issues at that time so this paragraph is my recollection of the events.)

While the old USG approach allowed the United States Maritime Administration (MARAD), the Navy, and companies such as GMS, to generate revenue from exported Merchant Marine and Navy ships, the scrapping in India and Bangledesh caused significant risks to the people who scrapped the ships.

Ships being exported for recycling/disposal are potentially subject to both the Toxic Substances Control Act (TSCA) and the Resource Conservation and Recovery Act (RCRA). The likely status of the ship under RCRA would be that of scrap metal and therefore not be controlled as an export of RCRA hazardous waste (the paper inaccurately states that US policy treats the entire ship as hazardous waste). But export of any materials in or onboard the ship containing polychlorinated biphenyl (PCB) concentrations at or above 50 ppm is statutorily prohibited under TSCA unless the exporter has obtained a one year exemption to the statutory export ban from EPA through a multi-year rulemaking process. Such a rulemaking would require that EPA make specific findings as to the necessity of the export and resulting risks to human health and the environment. The US has domestic scrapping capacity that complies with RCRA and TSCA, so it would be hard to determine that exporting the ship was necessary.

The Alang facility in India may or may not be environmentally sound. As far as I know, EPA has little or no reliable information on Alang. So we cannot provide feedback on the potential improvements being made at the ship recycling center in Alang, India. But such improvements would not change the need to comply with the TSCA ban on PCB exports. Also, a ship that's exported to India may not end up at Alang given the dynamics of the 'gray market'. EPA does have some anecdotal information that there have been some improvements at a few ship scrapping operations in developing countries.

As Pat Cotter points out, GMS was the defendant in an EPA enforcement case regarding the illegal export of the SS OCEANIC in 2008-2009.

In short, since it's difficult to control ships once they're exported, EPA is unlikely to support going back to the days when the USG let ships under our responsibility be exported to developing countries where there is a

reasonable likelihood of unsafe scrapping.

Feel free to call or e-mail if you have any questions.

Thanks
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▼ Jeff Scott---04/24/2012 02:20:54 PM---Thanks in advance all! Jeff Scott, Director

From: Jeff Scott/R9/USEPA/US
To: Jim Berlow/DC/USEPA/US@EPA
Cc: Betsy Devlin/DC/USEPA/US@EPA, Rick Picardi/DC/USEPA/US@EPA, Ross Elliott/DC/USEPA/US@EPA, Rich Vaille/R9/USEPA/US@EPA, Amy Miller/R9/USEPA/US@EPA, Steve Armann, Arlene Kabei/R9/USEPA/US@EPA
Date: 04/24/2012 02:20 PM
Subject: Re: Fw: MARAD issue paper

Thanks in advance all!

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▼ Jim Berlow---04/24/2012 10:56:27 AM---Betsy/Ross/Rick: This one belongs to you. Can you respond to Jeff? ----- Forwarded by Jim Berlow/D

From: Jim Berlow/DC/USEPA/US
To: Betsy Devlin/DC/USEPA/US@EPA, Ross Elliott/DC/USEPA/US@EPA, Rick Picardi/DC/USEPA/US@EPA
Cc: Jeff Scott/R9/USEPA/US@EPA
Date: 04/24/2012 10:56 AM
Subject: Fw: MARAD issue paper

Betsy/Ross/Rick: This one belongs to you. Can you respond to Jeff?
----- Forwarded by Jim Berlow/DC/USEPA/US on 04/24/2012 01:53 PM -----

From: Jeff Scott/R9/USEPA/US
To: Suzanne Rudzinski/DC/USEPA/US@EPA, Connors.Sandra@epamail.epa.gov, Jim Berlow/DC/USEPA/US@EPA
Cc: Rich Vaille/R9/USEPA/US@EPA, Amy Miller/R9/USEPA/US@EPA
Date: 04/24/2012 12:01 PM
Subject: Fw: MARAD issue paper

Gang-

Do you have background on this paper that might be handy? I seem to recall one of you mentioning engagement with MARAD.

I just got the attached sent to me by the RA and a request for a meeting tomorrow to discuss. Any info you could provide would be appreciated.

Thanks in advance!

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----- Forwarded by Jeff Scott/R9/USEPA/US on 04/23/2012 05:47 PM -----

From: Jared Blumenfeld <jaredblumenfeld@comcast.net>
To: Amy Miller/R9/USEPA/US@EPA, Jeff Scott/R9/USEPA/US@EPA, Teddy Ryerson/R9/USEPA/US@EPA
Date: 04/23/2012 03:12 PM
Subject: Can we discuss this