

# Small Business Research Summary

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# Review And Analysis of Effect of EPA's Toxics Release Inventory (TRI) Phase II Burden Reduction Proposal on TRI Data Uses

By E. H. Pechan & Associates, Durham, NC 27707 2007. [35 pages.] Under contract number SBAHQ-03C0020

#### **Background**

Section 313 of the Emergency Planning and Community Right to Know Act (EPCRA) requires facilities to report on various quantities of chemical releases, and the amounts of chemicals managed on and off site. The public uses this information to estimate local health risks associated with these chemicals, and to develop policies to reduce these risks. EPA and other regulators use this information to develop regulations and to track progress in reducing toxic chemical releases. The original regulations were adopted in 1987, and additional requirements have been added over the years.

The reporting burden on businesses, particularly small businesses, has been substantial. In 1994, EPA adopted a short form, Form A, to replace the longer Form R in an attempt to reduce the burden on small firms with small amounts of chemicals handled within a facility. In December 2006, EPA adopted another reform in response to concerns that the 1994 Form A reform did not provide relief to enough facilities.

Critics of the new reform claim that TRI data uses will be impaired by the 2006 changes. In the absence of previous analysis on this topic, this research was conducted to identify different types of TRI data uses and determine whether the public, government regulators, or other users would lose significant information about risks if facilities substitute the short form for the long form, as permitted in the 2006 reform.

## **Overall Findings**

E.H. Pechan & Associates (Pechan) examined the effect of the October 2005 proposal on TRI data uses. Pechan reviewed over 2,000 comments on the proposed rule and identified 17 specific uses of TRI data, addressing national, state, and local concerns. Based on this analysis, the report found that the December 2006 final rule will not have significant impacts on data uses identified by commenters.

# **Highlights**

- Of the 17 examples of TRI data use the report identified, there was either no effect or no significant effect on all but one use. With respect to an examination of chemical usage in the Louisville, Kentucky area, the effect of the substitution of Form A for Form R was indeterminate.
- In addition, the Pechan analysis was based on the proposal, and not the final rule, which added back 60 percent of the Form R release-related information that was previously substituted for Form A in the proposal. As a result, the conclusion of this report is even stronger than the analysis indicates: the TRI reform as adopted by EPA in December 2006 has an insignificant effect on all identified uses of TRI data.

# **Scope and Methodology**

Pechan employed facility-level TRI data analyzed at the local, state, and national levels to estimate

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the change in data utility that commenters identified as an effect of the reporting burden reduction. This approach allowed Pechan to examine specific changes in data reported on Form R for each listed chemical within the chosen geographic region. The default was to use 2003 TRI data, the most recent available when the analysis was undertaken, but Pechan also employed historic data when necessary and available to examine the specific data use identified in the comments.

#### **Note**

This report was peer-reviewed consistent with Advocacy's data quality guidelines. More information on this process can be obtained by contacting the Director of Economic Research at advocacy@sba.gov or (202) 205-6533.

## **Ordering Information**

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