

# CHAPTER 1: GENERAL APPLICABILITY

## 1.1 INTRODUCTION

The purpose of this chapter is to help you determine if you are subject to Part 68, the risk management program rule. Part 68 covers you if you are:

- g The owner or operator of a stationary source
- g That has more than a threshold quantity
- g Of a regulated substance
- g In a process.

The goal of this chapter is to make it easy for you to identify processes that are covered by this rule so you can focus on them.

This chapter walks you through the key decision points (rather than the definition items above), starting with those provisions that may tell you that you are not subject to the rule. We first outline the general applicability provisions and the few exemptions and exclusions, then discuss which chemicals are "regulated substances." If you do not have a "regulated substance" at your site, you are not covered by this rule. The exemptions may exclude you from the rule or simply exclude certain activities from consideration. (Throughout this document, when we say "rule" we mean the regulations in part 68.)

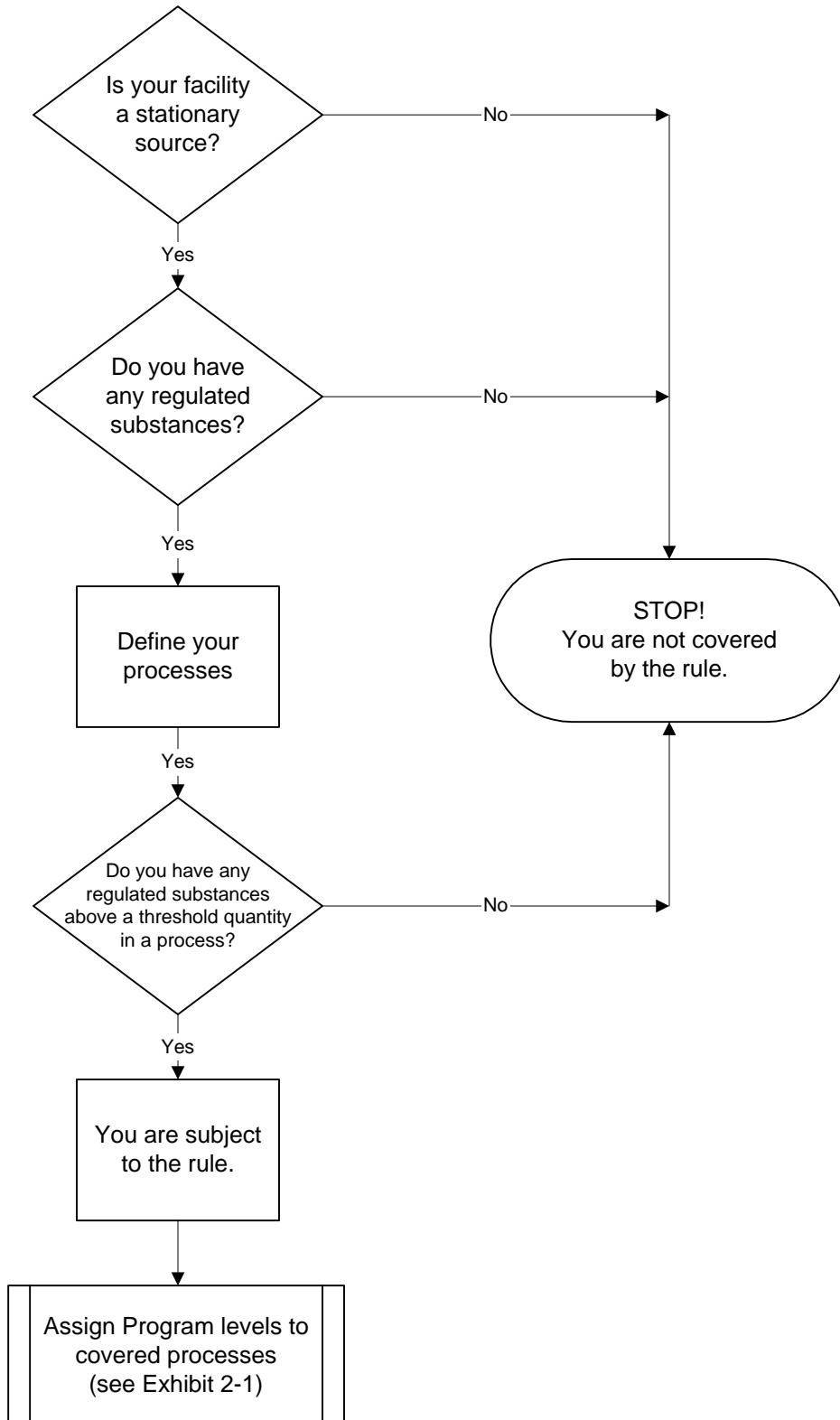
We then describe what is considered a "process," which is critical because you are subject to the rule *only* if you have more than a threshold quantity in a process. The chapter next describes how to determine whether you have more than a threshold quantity.

Finally, we discuss how you define your overall stationary source and when you must comply. These questions are important once you have decided that you are covered. For most facilities covered by this rule, the stationary source is basically all covered processes at your site. If your facility is part of a site with other divisions of your company or other companies, the discussion of stationary source will help you understand what you are responsible for in your compliance and reporting. Exhibit 1-1 presents the decision process for determining applicability.

### STATE PROGRAMS

This guidance applies to only 40 CFR part 68. You should check with your state government to determine if the state has its own accidental release prevention rules or has obtained delegation from EPA to implement and enforce part 68 in your state. State rules may be more stringent than EPA's rules. Unless your state has been granted delegation, you must comply with part 68 as described in this document even if your state has different rules under state law. See Chapter 10 for a discussion of state implementation of part 68.

# EXHIBIT 1-1 EVALUATE FACILITY TO IDENTIFY COVERED PROCESSES



## 1.2 GENERAL PROVISIONS

The CAA applies this rule to any person who owns or operates a stationary source. "Person" is defined to include

"An individual, corporation, partnership, association, State, municipality, political subdivision of a state, and any agency, department, or instrumentality of the United States and any officer, agency, or employee thereof."

The rule, therefore, applies to all levels of government as well as private businesses.

CAA section 112(r)(2)(c) defines "stationary sources" as:

"Any buildings, structures, equipment, installations, or substance emitting stationary activities

- g Which belong to the same industrial group,
- g Which are located on one or more contiguous properties,
- g Which are under the control of the same person (or persons under common control), and
- g From which an accidental release may occur."

EPA has added some language in the rule to clarify issues related to transportation (see below).

### FARMS

The rule has only one exemption: for ammonia when held by a farmer for use on a farm. This exemption applies to ammonia only when used as a fertilizer by a farmer. It does not apply to agricultural suppliers or the fertilizer manufacturer. It does not apply to farm cooperatives or to groups of farmers who buy, use, and sell ammonia.

### FLAMMABLE FUELS (§ 68.126)

The flammable substances listed in § 68.130 are excluded from coverage under part 68 when they are used as a fuel or held for sale as a fuel at a retail facility. A retail facility is defined as a stationary source at which more than half of the income is obtained from direct sales to end users or at which more than one-half of the fuel sold, by volume, is sold through a cylinder exchange program.

Unless your facility meets the definition of a "retail facility," if you hold a listed flammable substance for purposes other than on-site use as fuel, you are potentially covered by part 68. For example, if you store a listed flammable fuel in bulk for sale and do not meet the definition of a retail facility, you may be covered by the rule. If you store a listed flammable substance for non-fuel use and also use some of it on-site as a fuel, the quantity used as a fuel is not covered; the quantity not used on site

as a fuel is potentially subject to the rule. If you are a retailer who sells a flammable fuel and a listed toxic substance, the toxic substance is potentially subject to the rule, but the flammable substance is excluded from coverage.

### **TRANSPORTATION ACTIVITIES**

The rule applies only to stationary sources. Pipelines covered by DOT or under a state natural gas or hazardous liquid program for which the state has in effect a certification to DOT under 49 U.S.C. 6010.5 are not covered. Piping at your source, however, is covered.

Transportation containers used for storage not incident to transportation and transportation containers connected to equipment at a stationary source are considered part of the stationary source. Transportation containers that have been unhooked from the motive power that delivered them to the site (e.g., truck or locomotive) and left on your site for short-term or long-term storage are part of your stationary source. For example, if you have railcars on a private siding that you use as storage tanks until you are ready to hook them to your process, these railcars should be considered to be part of your source. If a tank truck is being unloaded **and** the motive power is still attached, the truck and its contents are considered to be in transportation and not covered by the rule. You should count only the substances in the piping or hosing as well as quantity unloaded. Some issues related to

transportation are still under discussion with DOT.

### **Qs & As STATIONARY SOURCE**

**Q.** What does “same industrial group” mean?

**A.** Operations at a site that belong to the same three-digit North American Industry Classification System (NAICS) code (which has replaced the old two-digit SIC codes) belong to the “same industrial group. In addition, where one or more operations at the site serve primarily as support facilities for the main operation at the site, the supporting operations are part of the “same industrial group” as the main operation.

**Q.** What does “contiguous property” mean?

**A.** Property that is adjoining. Public rights-of-way (e.g., railroads, highways) do not prevent property from being considered contiguous. Property connected only by rights-of-way are not considered contiguous (e.g., two plants with a connecting pipeline).

**Q.** What does “control of the same person” mean?

**A.** Control of the same person refers to corporate control, not site management. If two divisions of a corporation operate at the same site, even if each operation is managed separately, they will count as one source provided the other criteria are met because they are under control of the same company.

## RELATIONSHIP TO OSHA PROCESS SAFETY MANAGEMENT STANDARD EXEMPTIONS

The OSHA Process Safety Management (PSM) standard (29 CFR 1910.119) exempts flammable liquids stored in atmospheric storage tanks. The OSHA exemptions do not apply or extend to EPA's Risk Management Program Rule. Your processes are not exempt from the Risk Management Program simply because they qualify for one of the OSHA exemptions. EPA's rule covers substances stored in atmospheric storage tanks.

### 1.3 REGULATED SUBSTANCES AND THRESHOLDS

The list of substances regulated under § 68.130 is in Appendix A. Check the list carefully. If you do not have any of these substances (either as pure substances or in mixtures above 1 percent concentration) or do not have them above their listed threshold quantities, you do not need to read any further.

The list includes 77 chemicals that were listed because they are acutely toxic; they can cause serious health effects or death from short-term exposures. The list also covers 63 flammable gases and highly volatile flammable liquids. The flammable chemicals have the potential to form vapor clouds and explode or burn if released. The rule also covers flammable mixtures that include any of the listed flammables if the mixture meets the criteria for the National Fire Protection Association's (NFPA) 4 rating.

### 1.4 WHAT IS A PROCESS

The concept of "process" is key to whether you are subject to this rule. Process is defined as:

"Any activity involving a regulated substance, including any use, storage, manufacturing, handling or on-site movement of such substances or any combination of these activities. For the purposes of this definition, any group of vessels that are interconnected, or separate vessels that are located such that a regulated substance could be involved in a potential release shall be considered a single process."

"Vessel" means a reactor, tank, drum, barrel, cylinder, vat, kettle, boiler, pipe, hose, or other container.

The definition of process is identical to the definition of process under the OSHA PSM standard. It is important in determining whether you have a threshold quantity of a regulated substance and what the level of requirements you must meet if the process is covered.

What does this mean to you?

- g** If you store a regulated substance in a single vessel in quantities above the threshold quantity, you are covered.

- g** If you have interconnected vessels that altogether hold more than a threshold quantity, you are covered. The connections need not be permanent. If two or more vessels are connected occasionally, they are considered a single process for the purposes of determining whether a threshold quantity is present.
  
- g** If you have multiple unconnected vessels, containing the same substance, you will have to determine whether they need to be considered together.

### **SINGLE VESSELS**

If you have only a single vessel with regulated substances, you need not worry about the other possibilities for defining a process and can skip to the section 1.5. For the purposes of defining a threshold quantity, you need only consider the quantity in this vessel.

### **INTERCONNECTED VESSELS**

In general, if you have two or more vessels that contain a regulated substance and are connected through piping or hoses for the transfer of the regulated substance, you must consider the total quantity in all the connected vessels and piping when determining if you have a threshold quantity in a process. If the vessels are connected for transfer of the substance using hoses that are then removed, you still have to consider the contents of the vessels as one process, because if one vessel were to rupture while the hose was attached or the hose were to break during the transfer, you could lose the total quantity in both tanks. Therefore, you must count the quantities in both tanks and in any connecting piping or hoses. You cannot consider the presence of automatic shutoff valves or other devices that can limit flow, because these are assumed to fail for the purpose of determining the total quantity in a process.

In cases where vessels are connected over great distances, such as in a large refinery or multi-unit chemical plant, determining whether the vessels constitute a single process for purposes of the RMP rule may be more complicated. In the preamble to the rule, EPA clearly stated its intent to be consistent with OSHA's interpretation of "process" as that term is used in OSHA's PSM rule. Therefore, if your facility is subject to the PSM rule, the limits of your process(es) for purposes of OSHA PSM will be the limits of your process(es) for purposes of RMP (except in cases involving atmospheric storage tanks, which are exempt from PSM but not RMP). If your facility is not covered by OSHA PSM and is complicated from an engineering perspective, you should consider contacting your implementing agency for advice on determining process boundaries. EPA intends to publish further guidance on this issue.

### **CO-LOCATION**

The third possibility you must consider is whether you have separate vessels that contain the same regulated substance that are located such that they could be

involved in a single release. If so, you must add together the total quantity in all such vessels to determine if you have more than a threshold quantity. This possibility will be particularly important if you store a regulated substance in cylinders or barrels or other containers in a warehouse or outside in a rack. In some cases, you may have two vessels or systems that are in the same building or room. For each of these cases, you should ask yourself:

- g** Would a release from one of the containers lead to a release from the other? For example, if a cylinder of propane were to rupture and burn, would the fire spread to other cylinders?
- g** Would an event external to the containers, such as a fire or explosion, have the potential to release the regulated substance from multiple containers?

You must determine whether there is a credible scenario that could lead to a release of a threshold quantity.

For flammables, you should consider the distance between vessels. If a fire could spread from one vessel to others or an explosion could rupture multiple vessels, you must count all of them. For toxics, a release from a single vessel will not normally lead to a release from others unless the vessel fails catastrophically and explodes, sending metal fragments into other vessels. Co-located vessels containing toxic substances, however, may well be involved in a release caused by a fire or explosion that occurs from another source. The definition of process is predicated on the assumption that explosion will take place. In addition, a collapse of storage racks could lead to multiple vessels breaking open.

If the vessels are separated by fire walls or barricades that will contain the blast waves from explosions of the substances, you will not need to count the separated vessels, but you would count any that are in the same room.

You may not dismiss the possibility of a fire spreading based on an assumption that the fire department will be able to prevent any spread. You should ask yourself how far the fire would spread if the worst happens — the fire department is slow to arrive, the water supply fails, or the fire department decides it is safer to let the fire burn itself out. If you have vessels that, when taken together, could release more than a threshold quantity in such worst-case circumstances, you should count them as a single process.

## **PROCESSES WITH MULTIPLE CHEMICALS**

When you are determining whether you have a covered process, you should not limit your consideration to units that have the same regulated substance. A covered process includes any units that hold more than a threshold quantity of regulated substances and that are interconnected or co-located. Therefore, if you have four storage or reactor vessels holding four different regulated substances above their individual thresholds and they are located close enough to be involved in a single event, they are considered a single process. One implication of this approach is that if you have two vessels, each containing slightly less than a threshold quantity of the

same regulated substance and located a considerable distance apart, and you have other storage or process vessels in between with other regulated substances above their thresholds, the vessels with the first substance may be part of the process involving the other vessels and other regulated substances, based on co-location.

Exhibit 1-2 provides illustrations of what may be defined as a process.

## **DIFFERENCES WITH OSHA**

OSHA aggregates different flammable liquids across vessels in making threshold determinations; OSHA also aggregates different flammable gases (but does not aggregate flammable liquids with flammable gases); EPA aggregates neither. Therefore, if you have three co-located or connected reactor vessels each containing 5,000 pounds of a different flammable liquid, OSHA considers that you have 15,000 pounds of flammable liquids and are covered by the PSM standard. Under EPA's rule, you would not have a covered process because you do not meet the threshold quantity for any one of the three substances. OSHA, like EPA, does not aggregate quantities for toxics as a class (i.e., each toxic substance must meet its own threshold quantity).

## **WAREHOUSES AS A SINGLE PROCESS**

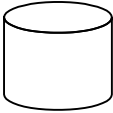
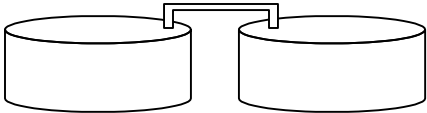
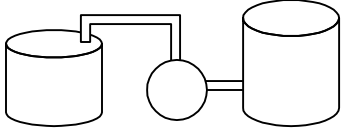
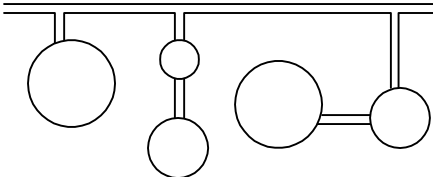
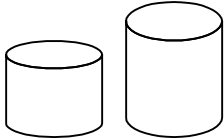
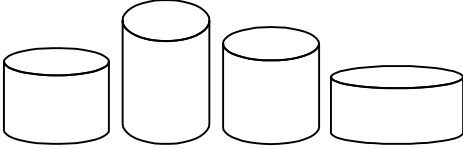

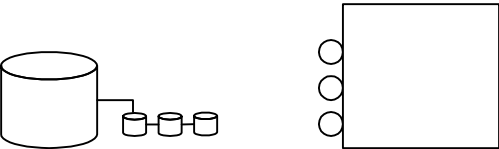
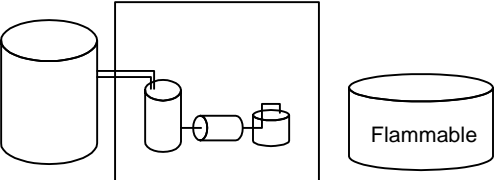
Because warehouses usually consist of one large storage area, even if subdivided, and because you are likely to have the same prevention practices for the entire warehouse, you should generally consider the warehouse building a single process. If you store chemicals outside the warehouse, they may be considered a separate process. The issue you will have to decide is whether you have more than a threshold quantity of a regulated substance to determine whether your warehouse building is a covered process. Co-location, discussed above, will probably be the key issue in determining whether your warehouse is a covered process and, if so, which chemicals must be included in your risk management program.

## **1.5 THRESHOLD QUANTITY IN A PROCESS**

The threshold quantity for each regulated substance is listed in Appendix A. You should determine whether the maximum quantity of each substance in a process is greater than the threshold quantity listed. If it is, you must comply with this rule for that process. Even if you are not covered by this rule, you may still be subject to reporting requirements under the Emergency Planning and Community Right to Know Act (EPCRA).



## EXHIBIT 1-2: PROCESS

Schematic Representation	Description	Interpretation
	<p>1 vessel 1 regulated substance above TQ</p>	<p>1 process</p>
	<p>2 or more connected vessels <i>same</i> regulated substance above TQ</p>	<p>1 process</p>
	<p>2 or more connected vessels <i>different</i> regulated substances each above TQ</p>	<p>1 process</p>
	<p>pipeline feeding multiple vessels total above TQ</p>	<p>1 process</p>
	<p>2 or more vessels co-located <i>same</i> substance total above TQ</p>	<p>1 process</p>
	<p>2 or more vessels co-located <i>different</i> substances each above TQ</p>	<p>1 process</p>
	<p>2 vessels, located so they won't be involved in a single release <i>same or different</i> substances each above TQ</p>	<p>2 processes</p>
	<p>2 locations with regulated substances each above TQ</p>	<p>1 or 2 processes depending on distance</p>
	<p>1 series of interconnected vessels <i>same or different</i> substances above TQs <i>plus</i> a co-located storage vessel containing flammables</p>	<p>1 process</p>

## **QUANTITY IN A VESSEL**

To determine if you have the threshold quantity of a regulated substance in a vessel involved in a single process, you need to consider the maximum quantity in that vessel at any one time. You do not need to consider the vessel's maximum capacity if you never fill it to that level. Base your decision on the actual maximum quantity that you may have in the vessel. Your maximum quantity may be more than your normal operating maximum quantity; for example, if you may use a vessel for emergency storage, the maximum quantity should be based on the quantity that might be stored.

"At any one time" means you need to consider the largest quantity that you ever have in the vessel. If you fill a tank with 50,000 pounds and immediately begin using the substance and depleting the contents, your maximum is 50,000 pounds.

## **AGGREGATION OF SUBSTANCES**

A toxic substance is never aggregated with a different toxic substance to determine whether a threshold quantity is present. If your process consists of co-located vessels with different toxic substances, you must determine whether each substance exceeds its threshold quantity.

A flammable substance in one vessel is never aggregated with a different flammable substance in another vessel to determine whether a threshold quantity is present. However, if a flammable mixture meets the criteria for NFPA-4 and contains different regulated flammables, it is the mixture, not the individual substances, that is considered in determining if a threshold quantity is present.

If you fill the vessel four times a year, your maximum is still 50,000 pounds. Throughput is not considered because the rule is concerned about the maximum quantity you could release in a single event.

## **QUANTITY IN A PIPELINE**

The maximum quantity in a pipeline will generally be the capacity of the pipeline (volume). In most cases, pipeline quantity will be calculated and added to the interconnected vessels.

## **INTERCONNECTED/CO-LOCATED VESSELS**

If your process consists of two or more interconnected vessels, you must determine the maximum quantity for each vessel and the connecting pipes or hoses. The maximum for each individual vessel and pipe is added together to determine the maximum for the process.

If you have determined that you must consider co-located containers as one process, you must determine the maximum quantity for each container and sum the quantities of all such containers.

## QUANTITY OF A SUBSTANCE IN A MIXTURE

### *TOXICS WITH LISTED CONCENTRATION*

Four toxic substances have listed concentrations in the rule: hydrochloric acid — 37 percent or greater; hydrofluoric acid — 50 percent or greater; nitric acid — 80 percent or greater; and ammonia — 20 percent or greater.

- g** If you have these substances in solution and their concentration is less than the listed concentration, you do not need to consider them at all.

### **Qs and As THRESHOLD DETERMINATION**

**Q.** How far apart do containers have to be to be considered different processes?

**A.** There is no hard and fast rule for how great this distance should be before you do not need to consider the vessels as part of one process. Two containers at opposite ends of a large warehouse room might have to be considered as one process if the entire warehouse or room could be engulfed in a fire. Two containers separated by the same distance out of doors might be far enough apart that a fire affecting one would be unlikely to spread to the other. You may want to consult with your local fire department. You should then use your best professional judgment. Ask yourself how much of the regulated substance could be released if the worst happens (you have a major fire, an explosion, a natural disaster).

**Q.** If I have more than 10,000 pounds of several different flammable liquids stored in the same area, but no single one is above the threshold quantity, am I covered?

**A.** No. You must have more than a threshold quantity (10,000 pounds for flammables) of a regulated substance, or more than a threshold quantity of an NFPA-4 flammable mixture containing a regulated substance. Different regulated flammables in separate vessels are not aggregated. Note that this is different from OSHA's approach under OSHA PSM, where flammable liquids are aggregated.

- g** If you have one of these four above their listed concentration, you must determine the weight of the substance in the solution and use that to calculate the quantity present. If that quantity is greater than the threshold, the process is covered. For example, aqueous ammonia is covered at concentrations above 20 percent, with a threshold quantity of 20,000 pounds.

If the solution is 25 percent ammonia, you would need 80,000 pounds of the solution to meet the threshold quantity; if the solution is 44 percent ammonia, you would need 45,455 pounds to meet the threshold quantity (quantity of mixture x percentage of regulated substance = quantity of regulated substance).

Note that in a revision to part 68, EPA changed the concentration for hydrochloric acid to 37 percent or greater (see Appendix A).

### ***TOXICS WITHOUT A LISTED CONCENTRATION***

For toxics without a listed concentration, if the concentration is less than one percent you need not consider the quantity in your threshold determination. If the concentration in a mixture is above one percent, you must calculate the weight of the regulated substance in the mixture and use that weight to determine whether a threshold quantity is present. However, if you can measure or estimate (and document) that the partial pressure of the regulated substance in the mixture is less than 10 mm Hg, you do not need to consider the mixture. Note that the partial pressure rule does not apply to toluene diisocyanate (2-4, 2-6, or mixed isomers) or oleum.

EPA treats toxic mixtures differently from OSHA. Under the OSHA PSM standard, the entire weight of the mixture is counted toward the threshold quantity; under part 68, only the weight of the toxic substance is counted.

## **FLAMMABLES**

Flammable mixtures are subject to the rule only if there is a regulated substance in the mixture above one percent and the entire mixture meets the NFPA-4 criteria. If the mixture meets both of these criteria, you must use the weight of the entire mixture (not just the listed substance) to determine if you exceed the threshold quantity. The NFPA-4 definition is as follows:

"Materials that will rapidly or completely vaporize at atmospheric pressure and normal ambient temperature or that are readily dispersed in air, and that will burn readily. This degree usually includes:

### ***FLAMMABLE GASES***

Flammable cryogenic materials

Any liquid or gaseous material that is liquid while under pressure and has a flash point below 73 F (22.8 C) and a boiling point below 100 F (37.8 C) (i.e., Class 1A flammable liquids)

Materials that will spontaneously ignite when exposed to air."

You do not need to consider gasoline, when in distribution or related storage for use as fuel for internal combustion engines when you determine the applicability of the rule.

## EXCLUSIONS

The rule has a number of exclusions that allow you to ignore certain sources that contain a regulated substance when you determine whether a threshold quantity is present. Note that these same exclusions apply to EPCRA section 313; you may be familiar with them if you comply with that provision.

## ARTICLES (68.115(B)(4))

You do not need to include in your threshold calculations any manufactured item (as defined under 29 CFR 1910.1200(b)) that:

- g Is formed to a specific shape or design during manufacture,
- g Has end use functions dependent in whole or in part upon the shape or design during end use, and
- g Does not release or otherwise result in exposure to a regulated substance under normal conditions of processing and use.

### Qs and As

#### THRESHOLD DETERMINATIONS

**Q.** I have a mixture containing 9,000 pounds of butane and 1,001 pounds of water in a process. The mixture meets the criteria for a National Fire Protection Association flammability rating of 4 (NFPA 4). Is this process covered under the RMP regulations?

**A.** Yes. The entire weight of a mixture containing a regulated flammable substance must be counted for threshold determination if the mixture itself meets the NFPA 4 criteria.

**Q.** I store consumer products in my warehouse, including hair spray and lighters. Do I need to consider the butane in these products or are they considered articles?

**A.** Listed flammable substances are excluded from coverage only if they are used as a fuel. In this case, butane is not being used as a fuel (i.e., it is not being burned to produce heat or power). As long as the butane is released from the product in normal use, you must estimate the amount of the regulated substance present. If the butane is mixed with the product, you should determine whether the product itself meets the criteria for NFPA 4. If the mixture does not meet the NFPA 4 criteria, the butane in the mixture is not counted toward the threshold.

### **USES (68.115(B)(5))**

You also do not need to include regulated substances in your calculation when in use for the following purposes:

- g** Use as a structural component of the stationary source;
- g** Use of products for routine janitorial maintenance;
- g** Use by employees of foods, drugs, cosmetics, or other personal items containing the regulated substances; and
- g** Use of regulated substances present in process water or non-contact cooling water as drawn from the environment or municipal sources, or use of regulated substances present in air used either as compressed air or as part of combustion.

### **ACTIVITIES IN LABORATORIES (68.115(B)(6))**

If a regulated substance is manufactured, processed, or used in a laboratory at a stationary source under the supervision of a technically qualified individual (as defined by § 720.3 (ee) of 40 CFR), the quantity of the substance need not be considered in determining whether a threshold quantity is present. This exclusion does not extend to:

- g** Specialty chemical production;
- g** Manufacture, processing, or use of substances in pilot plant scale operations; and
- g** Activities conducted outside the laboratory.

This exclusion is unlikely to apply to chemical distributors.

## **1.6 STATIONARY SOURCE**

The rule applies to "stationary sources" and each stationary source with one or more covered processes must file an RMP that includes all covered processes.

### **SIMPLE SOURCES**

For most facilities covered by this rule, determining what constitutes a "stationary source" is simple. If you own or lease a property, your processes are contained within the property boundary, and no other companies operate on the property, then your stationary source is defined by the property boundary and covers any process within the boundaries that has more than a threshold quantity of a regulated substance. You must comply with the rule and file a single RMP for all covered processes.

## **MULTIPLE OPERATIONS OWNED BY A SINGLE COMPANY**

If the property is owned or leased by your company, but several separate operating divisions of the company have processes at the site, the divisions' processes may be considered a single stationary source because they are controlled by a single company. Two factors will determine if the processes are to be considered a single source: Are the processes located on one or more contiguous properties? Are all of the operations in the same industrial group?

If your company does have multiple operations that are on the same property and are in the same industrial group, each operating division may develop its prevention program separately for its covered processes, but you must file a single RMP for all covered processes at the site. You should note that this is different from the requirements for filing under CAA Title V and EPCRA section 313 (the annual toxic release inventory), where each division could file separately if your company chose to do so.

## **OTHER SOURCES**

There are situations where two or more separate companies occupy the same site. The simplest of these cases is if multiple companies lease land at a site (e.g., an industrial park). Each company that has covered processes must file an RMP that includes information on its own covered processes at the site. You are responsible for filing an RMP for any operations that you own or operate.

Another possibility is that one company owns the land and operates there while leasing part of the site to a second company. If both companies have covered processes, each is considered a separate stationary source and must file separate RMPs even if they have contractual relationships, such as supplying product to each other or sharing emergency response functions.

If you and another company jointly own a site, but have separate operations at the site, you each must file separate RMPs for your covered processes. Ownership of the land is not relevant; a stationary source consists of covered processes located on the same property and controlled by a single owner.

## **JOINT VENTURES**

You and another company may jointly own covered processes. In this case, the legal entity you have established to operate these processes should file the RMP. If you consider this entity a subsidiary, you should be listed as the parent company in the RMP.

## **MULTIPLE LOCATIONS**

If you have multiple operations in the same area, but they are not on physically connected land, you must consider them separate stationary sources and file separate RMPs for each, even if the sites are connected by pipelines that move chemicals

among the sites. Remember, the rule applies to covered processes at a single location.

Exhibit 1-3 provides examples of stationary source decisions.

## 1.7 WHEN MUST YOU COMPLY

If you had a covered process prior to June 21, 1999, you must comply with the requirements of part 68 no later than June 21, 1999. This means that whenever a process starts prior to June 21, 1999, you must be in compliance with the rule on June 21, 1999. You must have developed and implemented all of the elements of the rule that apply to each of your covered processes, and you must have submitted an RMP to EPA.

If the first time you have a covered process is after June 21, 1999, or you bring a new process on line after that date, you must comply with part 68 no later than the date on which you first have a more than a threshold quantity of a regulated substance in a process.

### Q & A STATIONARY SOURCE

**Q.** If I lease space in another building and store regulated substances there, must I file a separate RMP for them?

**A.** Yes, if the other building is a separate stationary source (i.e., it is not contiguous to the property where your other processes are) you must file a separate RMP.

## 1.8 VARYING INVENTORIES AND PREDICTIVE FILING

As a chemical distributor, the main problem you are likely to face as you determine whether you are covered by this rule is that your inventory changes frequently. There may be periods when you have no regulated substances and other periods when you have several. Determining your applicability under this rule on a day-to-day basis may be difficult, and in some cases, impossible. One way to deal with this difficulty is to use predictive filing.

Predictive filing is an option that allows you to submit an RMP that includes regulated substances that may not be held at the facility at the time of submission. This option is intended to assist facilities such as chemical warehouses, chemical distributors, and batch processors whose operations involve highly variable types and quantities of regulated substances, but who are able to forecast their inventory with some degree of accuracy. Under § 68.190, you are required to update and re-submit your RMP no later than the date on which a new regulated substance is first present in a covered process above a threshold quantity. By using predictive filing, you will not be required to update and re-submit your RMP when you receive a new regulated substance if that substance was included in your latest RMP submission (as



long as you receive it in a quantity that does not trigger a revised offsite consequence analysis as provided in § 68.36).

To use predictive filing, review your inventories over the past several years and talk with your main customers to determine, to the extent possible, the kinds of materials they are planning to buy from you. If at some point during a year you normally receive enough vessels (drums, barrels, cylinders) to exceed a threshold quantity of a particular substance, list it on your registration in June 1999 even if you do not have it on the day you submit. If it appears, over time, that your customers will not be buying the substance again, you can deregister it later. In the short run, you will be safer listing too many substances, than too few, because this approach will limit the need to resubmit your RMP every time your inventory changes.

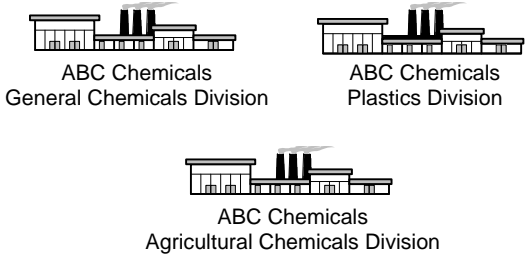
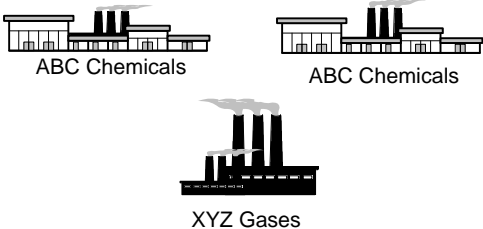
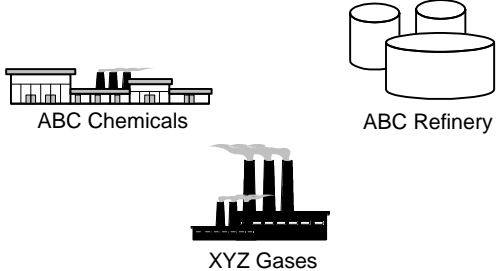
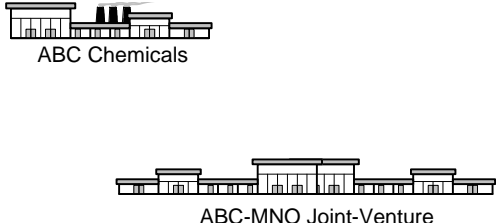
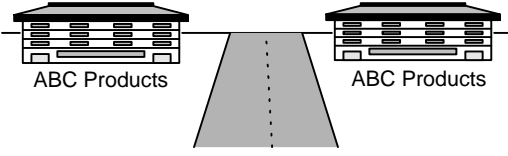
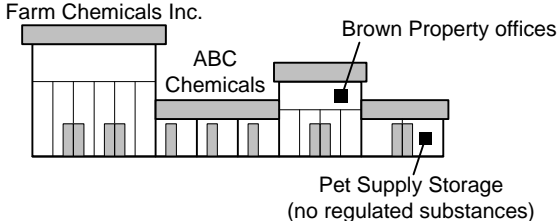
If you have flammable mixtures, you may want to register them as a class rather than listing each covered flammable substance. This approach will assure that you are in compliance with the registration requirements while limiting the effort you need to make to identify the specific substances.

If you use predictive filing, you must implement your Risk Management Program and prepare your RMP exactly as you would if you actually held all of the substances included in the RMP. This means that you must meet all rule requirements for each regulated substance for which you file, whether or not that substance is actually held on site at the time you submit your RMP. Depending on the substances for which you file, this may require you to perform additional worst-case and alternative-case scenarios and to implement additional prevention program elements. If you use this option, you must still update and resubmit your RMP if you receive a regulated substance that was not included in your latest RMP. This approach will not completely eliminate the need to update your RMP, but should limit the frequency of updates. If you use this option, you must still comply with the other update requirements stated in § 68.190. RMPs must be updated when you:

- g Add a new regulated substance above its threshold (i.e., one not already reported in your latest predictive RMP submission);
- g Add a new covered process;
- g Have the program level of the process change (see Chapter 2);
- g Make a major change that requires a revised PHA or hazard review (see Chapters 6 and 7); or
- g Make a change that changes the distance to endpoint for a worst-case release by a factor of two or more.

Listing all the regulated substances you think you are likely to handle will mean more work initially (primarily more alternative release scenarios), but will limit the

## EXHIBIT 1-3: STATIONARY SOURCE

Schematic Representation	Description	Interpretation
 <p>ABC Chemicals General Chemicals Division</p> <p>ABC Chemicals Plastics Division</p> <p>ABC Chemicals Agricultural Chemicals Division</p>	<p><i>same</i> owner <i>same</i> industrial group</p>	<p>1 stationary source 1 RMP</p>
 <p>ABC Chemicals</p> <p>ABC Chemicals</p> <p>XYZ Gases</p>	<p>two owners</p>	<p>2 stationary sources 2 RMPs 1 ABC 1 XYZ</p>
 <p>ABC Chemicals</p> <p>ABC Refinery</p> <p>XYZ Gases</p>	<p>two owners three industrial groups</p>	<p>3 stationary sources 1 ABC Chemicals 1 ABC Refinery 1 XYZ Gases</p>
 <p>ABC Chemicals</p> <p>ABC-MNO Joint-Venture</p>	<p>two owners</p>	<p>2 stationary sources 2 RMPs</p>
 <p>ABC Products</p> <p>ABC Products</p>	<p><i>same</i> owner <i>same</i> industrial group contiguous property</p>	<p>1 stationary source 1 RMP</p>
<p>Building owned by Brown Properties</p>  <p>Farm Chemicals Inc.</p> <p>ABC Chemicals</p> <p>Brown Property offices</p> <p>Pet Supply Storage (no regulated substances)</p>	<p>two owners</p>	<p>2 stationary sources 2 RMPs 1 ABC Chemicals 1 Farm Chemicals</p>

need for updates. As a rule of thumb, you will need to increase or decrease the quantity of a chemical in the single largest vessel by a factor of five or more to change the distance to an endpoint by a factor of two.

Predictive filing will work best when you simply store chemicals. If you repackage chemicals, you will need to complete prevention program information for each repackaging process. If you can predict which regulated substances you will repackage and can establish your prevention program, you can file predictively for that process. If, however, you have listed a regulated substance in your RMP based on expected storage, but you subsequently begin to repackage as well as store the chemical, you will need to update the RMP to reflect the new process.

### Qs & As COMPLIANCE DATES

**Q.** What happens if I bring a new covered process on line (e.g., install a second storage tank) after June 21, 1999?

**A.** For new covered process after the initial compliance date, you must be in compliance on the date you first have a regulated substance above the threshold quantity in that process. There is no grace period. You must develop and implement all the applicable rule elements before you start operating the new process.

**Q.** What if EPA lists a new substance?

**A.** You will have three years from the date on which the new listing is effective to come into compliance for any process that is covered because EPA has listed a new substance.

**Q.** I store 1-ton cylinders of chlorine. If I normally have 20 cylinders located together on site and register that quantity, do I need to update my RMP if I increase the number of cylinders to 200? How does this affect my worst-case scenario?

**A.** You do not necessarily need to update the RMP simply to reflect the higher quantity of chlorine. In this case, because you have not changed the size of your single largest vessel, your worst-case release scenario will not change. You will update the quantity information on your next scheduled update.

**Q.** I have stored 1-ton cylinders of chlorine. Because of customer demand, I have started repackaging and have a tank with 40,000 pounds of chlorine. Do I need to update the RMP?

**A.** Yes, for two reasons. First, if the tank is a new process, you must update your RMP immediately if it is part of an existing process, you must update within 6 months. Second, the 40,000-pound tank may result in the distance to endpoint for your worst-case release increasing by more than a factor of two. If this is the case, you will need to update that change as well.

