

PPC 9592.1995(01)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

August 10, 1995

Frederick S. Phillips
2300 N Street, N.W.
Washington, D.C. 20037-1128

Dear Mr. Phillips:

This letter is in response to your letter of May 25, 1995 concerning the management of the used oil in your clients' industrial facilities.

Specifically, your clients want to reduce the volume of the used coolant by either filtering out or evaporating off the water before the remaining used coolant is managed by re-refining or fuel-blending. Dewatering the used coolant will reduce the volume of the coolant wastestream by as much as 90 percent. Your clients would like clarification as to whether dewatering is a process that triggers EPA's Used Oil Processor requirements.

Dewatering of an oil-based coolant does not require the owners/operators of an industrial facility to follow the Used Oil Processor requirements as long as dewatering of the oil-based coolant removes the water and does not change the physical and chemical condition of the oil-based portion of the coolant. Dewatering, as described in your letter, would meet the exemption from the Used Oil Processor requirements as described in 279.20 (b)(2)(ii)(D), "Draining or otherwise removing used oil from materials containing used oil ... in order to remove excessive oil."

In your letter you indicated that after dewatering, the oil is sent "to be re-refined or fuel-blended." It is important to remember that the exemption from the Used Oil Processor requirements is contingent upon the oil being generated on-site and not sent directly to an off-site burner, see 279.20(b)(2)(iii). Sending the remaining coolant to a rerefiner and fuel-blender, as mentioned in your letter, would meet this requirement; however, shipment to an off-site burner would cause

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the generator to become regulated by the Used Oil Processor requirements.

Thank you for sharing your clients' concerns with us. I hope this letter clarifies the issues you raised. If you have any additional questions, please contact Tracy Bone at (202)260-3509.

Sincerely,

Michael Petruska, Chief
Regulatory Development Branch

Attachment

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May 25, 1995

Ms. Sylvia K. Lowrance
Director, Office of Solid Waste
United States Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

Re: Application of Used Oil Processor Requirements Under the
Used Oil Management Standards, 40 C.F.R. Part 279

Dear Ms. Lowrance:

I write on behalf of several clients seeking clarification regarding the application the used oil processor regulations (40 C.F.R. 279, Subpart F) to industrial facilities that employ evaporation and/or filtration to minimize the volume of their oil-based coolant wastestreams. EPA's position on this issue will likely have significant consequences for thousands of users of oil-based coolants.

Many machine shops and other industrial facilities use coolants composed of 90-96% water and 4-10% petroleum-based (or synthetic oil based) cooling compound. The used coolant must be drained and replaced regularly, producing a sizeable wastestream. To minimize the volume of their used-coolant wastestreams, many facilities have installed, or are contemplating installing, evaporation and/or filtration systems. The purpose of these systems is to evaporate or filter out the water component of the coolant, thus reducing by 90% or more the oil-based wastestream to be recycled or disposed. Most clients employing such systems report that their dewatered coolant is picked up by Clean Harbors, Safety Kleen, or a similar entity to be re-refined or fuel-blended.

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The evaporation and filtration processes at issue are being employed to minimize the volume, and thus the expense of managing, the coolant wastestream. This action constitutes "a basic step that is incidental or ancillary to a primary activity," in this case reducing waste volume, "that is distinct from used oil processing" (59 Fed. Reg. 10550, 10556). These activities are not designed to "make used oil more amenable for production of fuel oils, lubricants, or other used-oil derived products" (40 C.F.R. 279.50) and should not be subject to the used oil processor requirements. However, because EPA's amendment of the processor provisions (59 Fed. Reg. 10550, et seq.) does not specifically address evaporation and/or filtration of water to reduce the volume of an oil-based wastestream, we are requesting this clarification from the Agency.

Generators who dewater their oil-based coolant wastestreams do so to minimize the volume of the wastestream and thereby simplify wastestream management. Imposing the used oil processor requirements on generators who minimize their waste by evaporation and/or filtration creates a powerful disincentive to do so and runs contrary to EPA's stated goal of waste minimization.

I appreciate your consideration and look forward to learning your views on the applicability of the used oil processor requirements to the described activities. Please do not hesitate to call me if I can provide additional information or if you would like to discuss this matter.

Best regards,

Frederick S. Phillips

cc: Sheila McC. Harvey, Esq.
Stephanie M. McQueen