

Recycling and Beneficial Reuse of Boiler Slag Potential Impact of Further Regulation

At the Office of Management and Budget
Washington, D.C.
January 19, 2010

Boiler Slag Industry

November 2009 Briefing

5 of the 8 boiler slag companies were represented

- Historically the highest percentage of reuse – virtually 100%
 - No storage (long term)- No impoundments
- \$200,000,000 industry directly affecting over 10,000 small businesses and thousands of people
- ⊙ 80% of all residential roofing shingles in the U.S. contain boiler (coal) slag
- ⊙ EPA confirmed no change in the science
 - ⊙ No known information exists to support classification of boiler slag as a Listed Hazardous Waste
 - ⊙ No documented case of an adverse environmental impact from boiler slag

Impact to Boiler Slag of Further Regulation

- Minimize or eliminate historical levels of beneficial reuse
 - 15 States strictly prohibit beneficial reuse of materials classified as hazardous waste (PA, MD, VA, FL, DE, NC, CO, TN, GA, MI, ND, WI, IN, IL, and MN)
 - Stigma and liability, particularly in the residential shingle market
 - Increased disposal costs – prohibitive to continue recycling
 - Increased Greenhouse Gas Emissions
 - Increased landfill requirements and need for landfill space
 - Increased need to mine virgin materials or import alternatives
 - Existing domestic sources cannot replace the 2M tons

Economic Impact of Further Regulation

- **Residential Roofing**

- Asphalt Shingles make up approximately 80% of the total market and 80% of asphalt shingles contain Boiler Slag
- Average cost of a typical roof \$8,000 with asphalt shingles
- Other options (tile, slate, wood) range from \$12,000 to \$27,000
- Headlap Granules represent 5-7% of the cost of the shingle
- Cost increase of \$500 to \$1000 per roof without Boiler Slag

Abrasives

- Alternative abrasive costs can range from 15% to 300% higher than Coal Slag abrasives

The Stigma Is Real

- Loss of business has occurred due to the potential regulation under RCRA Subtitle C
- Several surface preparation customers have indicated they will NOT use coal slag as an abrasive blasting media due to concerns that the materials will be classified as hazardous (even if EPA adopts a hybrid approach)
- Some customers have reverted to using the potentially more dangerous silica sand for blasting for which there are documented silicosis cases
- One of Harsco's boiler slag suppliers recently requested Harsco stop selling their boiler slag to municipalities for ice control purposes due to their potential liability raising ice control costs to the municipalities

The Stigma Is Real

- **The Journal of Protective Coating & Linings**, an industry journal for the painting and coating industry has begun including ads from a company questioning the safety of blasting grit made with boiler slag and promoting their product which is not made with boiler slag
- Advertising incorrectly has referred to “Sunday night Oct 4th CBS aired a segment on the hazards of coal slag and the TVA Coal Ash Spill, this is the same by-product that is currently used in coal slag blasting products”.
- Advertising scaring the market that “After TVA Coal Waste Spill, The US Senate and House have bills on the floor that would REQUIRE the EPA to label all Coal Waste including Coal Slag as HAZARDOUS.

Economic Impact of Regulation of Coal Combustion By-products (CCBs) under Subtitle C of RCRA

- Classifying CCBs as hazardous waste under Subtitle C of RCRA (even with a beneficial use exemption) could have devastating economic effects:
 - **crushing unfunded mandate** on States/communities reeling from budget shortfalls and job losses
 - severely impact the beneficial use industry, creating a **stigma for CCBs** even with a “beneficial use” exception to subtitle C regulation
 - **increased tort litigation** resulting from the treatment of CCBs as both hazardous and non-hazardous depending on its use
 - **increase the price of electricity** for businesses and consumers as power generators accrue higher costs for compliance, transportation, storage and disposal
 - lead to **substantial job loss** in a number of coal-related industries and affect small businesses in particular