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INTEGRATED POLLUTION CONTROL

Thank you for copying to Kenneth Clarke your letter of 15 July to the Prime Minister.

The integrated pollution control framework you propose represents a significant change in the way that the most dangerous industrial emissions, discharges and wastes are controlled. Clearly, this will have a major impact on the companies affected and it is important that the arrangements finally put in place should take this fully into account. The aim should be to maximise the environmental benefit at minimum cost to industry. Against this background I have a number of reservations about the proposals.

If HMIP is to operate detailed controls across all three environmental media it will need inspectors with experience of process technology, as well as of traditional abatement controls. Otherwise there is a real risk that an ill-informed inspectorate could hinder enterprise and the development of improved manufacturing techniques. HMIP does, of course, have considerable expertise in the air pollution field. But the consultation paper fails to explain how adequate expertise is to be developed for water and waste controls.

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It will also be important for industry - which considers that HMIP already lacks sufficient resources to carry out its present duties - that the Inspectorate has adequate resources to discharge its additional responsibilities. It is not clear from your letter or the draft conclusion paper that this issue has been fully addressed.

There are three other key areas in which the draft consultation paper is regrettably silent. First it is proposed that HMIP control should apply to 'significant' quantities of wastes. But significant is not defined. This needs to be clarified because I think that small firms and companies producing small quantities of waste should not be included in the IPC framework unless a strong environmental case can be clearly shown. Second, there is no explanation of how the scheduling of new processes would relate to environmental impact assessment requirements. Finally, there is no definition as to what would constitute a modification to an existing plant requiring specific HMIP authorisation. I can certainly foresee difficulties for industry and HMIP if every modification to an existing plant or process were to require authorisation. This would represent a major obstacle to innovation, particularly in a sector like chemicals where, as I understand it, companies are continually developing plant and refining processes both with a view to increasing efficiency and to reducing the quantity or changing the mix of wastes produced. If the introduction of a new process or additional plant were to be dependent on prior authorisation, firms could well find themselves in a position where they were unable to take full advantage of market opportunities and unable incidentally to achieve environmental gains.

The consultation paper appears to give the impression that wastes can be eliminated, and that HMIP will ensure that this happens. There will, of course, be scope for waste reduction. But for the foreseeable future there is always likely to be a quantity of residual wastes that industry needs to dispose of in as cost-effective and environmentally-acceptable a manner as possible. I would see it as part of HMIP's remit to help industry to identify the best practicable environmental option disposal routes, as well as seeking - so far as is reasonably practicable - to reduce the volume of wastes generated.

Despite these concerns, I recognise that you are anxious to issue the IPC consultation paper, together with the Red List consultation paper, before the recess. In the circumstances, I agree that consultation should now proceed. I also very much welcome the inclusion of a draft Compliance Cost Assessment with the consultation paper. I hope that industry will be allowed a minimum of three months to respond.

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Once the consultation period is complete, I would be grateful if our officials could consider my reservations in light of industry's responses to the proposals and the Compliance Cost Assessment. I would also be grateful if public announcements of the consultation exercise could make it clear that the paper is very much the Government's initial view of how IPC should operate, and leaves detailed issues to be resolved in the light of the responses to the exercise and after future consultation with industry.

I am copying this letter to the Prime Minister, John Wakeham, other members of E(A) and to Sir Robin Butler.

TONY NEWTON