



Great Lakes Chemical Corporation

# FUMIGATION FAX

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## EPA Presents Options for CUE Allocation

In a series of workshops held June 16-24 at locations around the country, the Environmental Protection Agency (EPA) presented three options for allocation of Critical Use Exemptions (CUEs). The options are as follows:

- (1) QPS-like Model (modeled after Quarantine and Preshipment recordkeeping and documentation)
  - ? Production Allocations assigned to Producers and Importers on the basis of 1991 allocations.
  - ? Users must self-certify at time of purchase (will work like current QPS certification process).
- (2) QPS-like Model PLUS Canada-like model
  - ? Production Allocations assigned to Producers and Importers on the basis of 1991 allocations.
  - ? Users would be assigned Use Allocations to purchase product based on historical methyl bromide use.
  - ? Trading of Allocations among users would be permitted.
- (3) Auction Model
  - ? Production Allocations assigned to Producers and Importers on the basis of 1991 allocations.
  - ? Use Allocations would be sold to users by auction with proceeds going to the U.S. Treasury!!!

There was no support among the attendees for the Auction Model and limited support for the Canada model because of complexity. The simple QPS Model had some support, but significant questions remain over how product would be fairly allocated among the CUE applicants. Other questions that still remain to be answered include:

- (1) How much methyl bromide will be available to the U.S. and for which applications?
  - ? The decision is expected to be announced at the November Montreal Protocol meeting, where the U.S. will be pushing for their *full* request, 39% of the 1991 baseline.
- (2) Will the volume be granted as a lump amount, or will it be restricted by use sector?
  - ? If granted as a lump sum, this could be unfair treatment of some of the smaller applicants.
  - ? Will trading of allocations between sectors be allowed?
- (3) How long will the exemptions be granted for?
  - ? The original CUE applications were for 2005 and 2006, but the U.S. and other nations have requested multiple years.
- (4) What will be the timing for implementation of the allocation model?

Critical Use Exemptions are supposed to offer relief to methyl bromide users where alternatives are unavailable. At a recent congressional hearing, the EPA reassured Congress that they expect all of the requested Critical Use Exemptions to be granted. Good news! But, many questions remain to be answered before a workable system for allocating the CUEs can be established. If these questions cannot be answered, Congress has indicated a willingness to act to protect the best interests of U.S. agriculture. Methyl bromide stakeholders need to keep the pressure on their political representatives to make sure they do take appropriate action. The EPA will hold a follow up meeting on August 15 in Washington, DC, after they have reviewed and compiled the comments from the CUE discussion sessions. We will report on this meeting and on other developments as they occur.

## ALWAYS READ AND FOLLOW LABEL DIRECTIONS



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