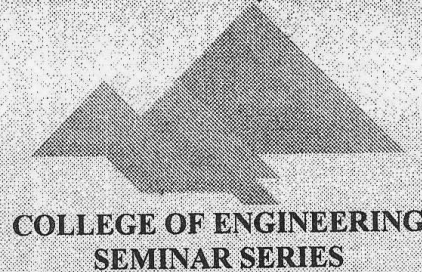


American University of Armenia



**SOME BASIC CONCEPTUAL SHORTCOMINGS IN THE TESTS
PROPOSED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY
(EPA) FOR AFFORDABILITY OF FURTHER POLLUTION CONTROL**

by

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Abstract

With respect to determination of how much a nonferrous smelting firm should be judged able to afford for further pollution control, a U.S. court ruling has found that the EPA's previously-proposed "closure" test is too severe and that the smelter owners' "profitability" must be taken into account. The EPA responded with two proposed new affordability tests labelled respectively, "rate of return" and "profit reduction." But, regrettably, the measures of profitability in these respective new tests are both shown herein to be fundamentally flawed. However, suggestions are made for revising the profit reduction test to make it conceptually correct and hence useful.

About the Speaker

Dr. Richard H. Bernhard is Professor of Industrial Engineering at North Carolina State University in Raleigh, N.C., U.S.A. He was previously Assistant Professor at Cornell University. He holds the B.M.E. and Ph.D. degrees from Cornell and the M.S. from the Sloan School of Management at M.I.T. He has done extensive research in the areas of engineering economics and decision analysis and has been an editor for IIE Transactions, The Engineering Economist and the Journal of Financial and Quantitative Analysis. He has received the NCSU Clifton A. Anderson Outstanding Faculty Award and the IIE-ASEE Eugene L. Grant Award. He has also been a Fulbright Scholar, an NSF Science Faculty Fellow and a U.S. Air Force Faculty Fellow and has been Visiting Professor in Norway, New Zealand, Brazil and, of course, Armenia. He is currently in his second summer as Visiting Professor at AUA.

Date: Thursday, June 30, 1994
Time: 3:30-5:00p.m.
Place: Auditorium, 5th floor, AUA, 40 Marshall
Baghranian Avenue

The seminar is open to the public free of charge.