

## SUPPORTING STATEMENT

### NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS (NESHAP) FOR AREA SOURCES: ELECTRIC ARC FURNACE STEELMAKING FACILITIES (40 CFR part 63, subpart YYYYY)

#### PART A

##### 1.0 Identification of the Information Collection

###### *(a) Title and Number of the Information Collection.*

“NESHAP for Area Sources: Electric Arc Furnace Steelmaking Facilities (40 CFR part 63, subpart YYYYY) (Final Rule).” This is a new information collection request (ICR). The Environmental Protection Agency (EPA) tracking number for this request is ICR number 2277.02.

###### *(b) Short Characterization.*

Potential respondents are owners or operators of electric arc furnace (EAF) steelmaking facilities that are area sources of hazardous air pollutants (HAP) emissions. The final standards establish particulate matter (PM) emission limits for control devices and opacity limits for melt shops; pollution prevention requirements for ferrous scrap that is melted in EAFs; and monitoring, reporting, and recordkeeping requirements.

All respondents are required to comply with the compliance assurance monitoring requirements in 40 CFR part 64. Respondents must conduct initial performance tests (if a performance test has not been conducted in the previous 5 years) and operate according to a startup, shutdown, and malfunction plan. Options are provided for the pollution prevention requirements for scrap: (1) restrict the use of certain scrap that contains contaminants such as mercury, organic liquids, or lead; or (2) implement a pollution prevention plan for scrap inspection and selection to limit the amount of organics, mercury, and lead in the scrap. The plans must include provisions to demonstrate compliance such as periodic inspections of incoming scrap and recordkeeping. All respondents are required to submit one-time notifications, make semiannual compliance reports, and maintain records of specific information to ensure that the rule requirements are being achieved. These requirements are listed in Attachment 1.

##### 2. Need For and Use of the Collection

*(a) Need/Authority for the Collection.*

Section 112(d) of the Clean Air Act (CAA) requires regulation of major and area sources of HAP that are listed for regulation under section 112(c). Additional requirements for area sources are described in section 112(k). We implement the area source requirements through our Integrated Urban Air Toxics Strategy (64 FR 38715, July 19, 1999). The Integrated Urban Air Toxics Strategy identifies 33 pollutants that pose the greatest public health concern in the largest number of urban areas along with the area sources that represent 90 percent of the emissions. We added EAF steelmaking facilities to the Integrated Urban Air Toxics Strategy area source category list on June 26, 2002 (67 FR 43112). Area source standards established pursuant to the Integrated Urban Air Toxics Strategy may be based on the maximum achievable control technology (MACT) under CAA section 112(d)(4) or generally available control technology (GACT) under CAA section 112(d)(5). The area source standards for EAF steelmaking facilities reflect the application of GACT for emission limits and operating limits.

Section 112(c)(6) requires EPA to list major and area source categories that emit any of seven specific pollutants (one of which is mercury). We must assure that the listed source categories account for 90 percent of the aggregate emissions of each of the seven specific pollutants and that the listed source categories are, or will be, subject to MACT standards under section 112(d). Since the initial listing (April 10, 1998), we have found that EAF steelmaking facilities are a significant contributor to mercury emissions. Concurrent with the proposed rule, we added EAF steelmaking facilities to the list of source categories under CAA section 112(c) (6). The work practice standards for EAF steelmaking facilities reflect the application of MACT for the control of mercury emissions.

Certain records and reports are necessary for the Administrator to: (1) confirm the compliance status of area sources, identify new or reconstructed sources subject to the standards; and ensure that the standards are being achieved on a continuous basis. These recordkeeping and reporting requirements are specifically authorized by section 114 of the CAA (42 U.S.C. 7414) and set out in the General Provisions for national emission standards for hazardous air pollutants (NESHAP) in 40 CFR Part 63, Subpart A.

*(b) Use/Users of the Data.*

The information will be used by Agency enforcement personnel to ensure that the rule requirements are being achieved. Based on review of the recorded information at the site and the

reported information, EPA can identify facilities that may not be in compliance and decide which plants, records, or processes should be inspected.

**3. Nonduplication, Consultations, and Other Collection Criteria**

*(a) Nonduplication.*

A computer search of the Federal Information Locator System indicated that, with the exception of the New Source Performance Standards for Electric Arc Furnaces (40 CFR Part 60, Subparts AA and Aaa), there are no similar information requests being carried out by the Federal government. A similar search of EPA's ongoing ICR's revealed no duplication of information-gathering efforts. Most of the requirements in the final standards have been adopted from the NSPS. Therefore, certain reports required by the NSPS or State or local agencies may duplicate information required by the final standards. In such cases, a copy of the report submitted for the NSPS or to the State or local agency can be provided to the Administrator in lieu of the information that would be required in the semi-annual compliance report.

*(b) Public Notice Required Prior to ICR Submission to OMB.*

Public notice is given as part of the rulemaking process..

*(c) Consultations.*

These final standards were developed in consultation with State and local agencies, EPA Regional Office experts, individual plants, and their trade associations. For example, several meetings and telephone consultations were held with representatives from the affected plants, and their trade associations. The non-EPA persons consulted on the information collection activities are identified in Table 1.

TABLE 1. PERSONS CONSULTED ON THE INFORMATION COLLECTION ACTIVITIES

Contact	Organization	Telephone Number
Eric Stuart	Steel Manufacturers' Association	202-296-1515
Jim Schultz	American Iron and Steel Institute	202-452-7180
John Wittenborn	Counsel for the Specialty Steel Industry of North America	202-342-8514

*(d) Effects of Less Frequent Collection.*

If the relevant information were collected less frequently, EPA would not be reasonably assured that a plant is in compliance with the standards.

(e) *General Guidelines.*

None of the guidelines in 5 CFR 1320.6 are being exceeded.

(f) *Confidentiality.*

All information submitted to the Agency for which a claim of confidentiality is made will be safeguarded according to the Agency policies set forth in Title 40, Chapter 1, Part 2, Subpart B -- Confidentiality of Business Information (see 40 CFR 2; 41 FR 36902, September 1, 1976; amended by 43 FR 39999, September 28, 1978; 43 FR 42251, September 28, 1978; 44 FR 17674, March 23, 1979).

(g) *Sensitive Questions.*

This ICR does not involve matters of a sensitive nature.

**4. The Respondents and the Information Requested**

(a) *Respondents/NAIC Codes.*

Potential respondents are owners or operators of new or existing EAF steelmaking facilities that are area sources of HAP. We estimate that 91 plants will be subject to the testing, monitoring, notification, reporting, and recordkeeping requirements; no new facilities are expected during the 3-year clearance period of this ICR. The NAICS codes for this industry is 331111, "Iron and Steel Mills".

(b) *Information Requested.*

(i) *Data Items, Including Recordkeeping Requirements.* Attachment 1, Source Data and Information Requirements, summarizes the proposed information collection requirements.

(ii) *Respondent Activities.* The respondent activities required by the proposed amendments are identified in Table 2 and introduced in section 6(a).

**5. The Information Collected--Agency Activities, Collection Methodology, and Information Management**

(a) *Agency Activities.*

A list of Agency activities is provided in Table 3 and introduced in section 6(c).

(b) *Collection Methodology and Management.*

Data obtained during periodic visits by EPA personnel, from records maintained by the respondents, and from information provided in notifications will be tabulated and published for internal EPA use in compliance and enforcement programs. Records of measurements, maintenance, reports, and records must be retained for two years following the date of the item.

c) *Small Entity Flexibility.*

A small entity for this industry is defined by the Small Business Administration as a firm having no more than 1,000 employees. Of the 91 facilities that will be subject to the rule, two facilities are considered to be small entities.

Although the final rule would not have a significant economic impact on the small entities, we nonetheless tried to reduce the impact of the rule on small facilities. We held several meetings with industry trade associations and company representatives to discuss the rule and have included provisions to address their concerns.

(d) *Collection Schedule.*

Information contained in the periodic reports submitted to the EPA will be entered into the Aerometric Information Retrieval System (AIRS) database which is operated and maintained by EPA's Office of Air Quality Planning and Standards. Information contained in the one-time only reports will be entered into the National Compliance Data System operated and maintained by EPA's Office of Enforcement and Compliance Assurance. Data obtained during periodic visits by Agency personnel from records maintained by the respondents will be tabulated and published for internal EPA use in enforcement and compliance programs. A schedule for collection of information and publication of data is not applicable because reports are triggered by actions of the respondents.

## **6. Estimating the Burden and Cost of the Collection**

(a) *Estimating Respondent Burden.*

The annual burden estimates for the additional recordkeeping and reporting requirements in the final rule are shown in Table 2. These numbers were derived from estimates based on EPA's experience with other standards.

(b) *Estimating Respondent Costs.*

(i) *Estimating Labor Costs.* Labor rates and associated costs are based on Bureau of Labor Statistics (BLS) data. Technical, management, and clerical average hourly rates for private industry workers were taken from the United States Department of Labor, Bureau of Labor Statistics, May 2006, "Occupational Employment Statistics" available at [www.bls.gov](http://www.bls.gov). Wages for occupational groups in NAICS 331100 (Iron and Steel) are used as the basis for the labor rates with a total compensation of \$32.93/hour for technical (environmental engineer), \$45.91/hour for environmental manager, and \$13.76/hour for clerical. These rates represent

salaries plus fringe benefits and do not include the cost of overhead. An overhead rate of 60 percent is used to account for these costs. The fully-burdened hourly wage rates used to represent respondent labor costs are: technical at \$52.69, management at \$73.46, and clerical at \$2.02.

(ii) *Estimating Capital and Operations and Maintenance (O&M) Costs.* As shown in Table 2, no (zero) capital/startup or O&M costs are associated with the rule over the 3-year period of this ICR.

(iii) *Capital/Startup vs. O&M Costs.* The estimate of capital/startup costs vs. O&M costs is shown in Table 2. No (zero) O&M costs are associated with the rule over the 3-year period of this ICR.

(iv) *Annualizing Capital Costs.* As shown in Table 2, no (zero) annualized costs are associated with the rule during the 3-year period of this ICR.

(c) *Estimating Agency Burden and Cost.*

Because the information collection requirements were developed as an incidental part of standards development, no costs can be attributed to the development of the information collection requirements. Because reporting and recordkeeping requirements on the part of the respondents are required under the NESHAP General Provisions, no operational costs will be incurred by the Federal Government. Publication and distribution of the information are part of the Compliance Data System, with the result that no Federal costs can be directly attributed to the ICR. Examination of records to be maintained by the respondents will occur incidentally as part of the periodic inspection of sources that is part of EPA's overall compliance and enforcement program, and, therefore, is not attributable to the ICR. The only costs that the Federal government will incur are user costs associated with the analysis of the reported information, as presented in Table 3.

The Agency labor rates are from the Office of Personnel Management (OPM) 2007 General Schedule which excludes locality rates of pay. These rates are from Salary Table 2007-GS available on the OPM website, [https://www.opm.gov/oca/07tables/html/gs\\_h.asp](https://www.opm.gov/oca/07tables/html/gs_h.asp). The government employee labor rates are \$14.16/hour for clerical (GS-6, Step 3), \$29.98 for technical (GS-12, Step 1), and \$36.36/hr for management (GS-13, Step 5). These rates were increased by 60 percent to include fringe benefits and overhead. The fully-burdened wage rates

used to represent Agency labor costs are: clerical at \$22.66; technical at \$43.14, and management at \$58.18.

*(d) Estimating the Respondent Universe and Total Burden and Costs.*

The EPA estimates that 91 area source plants with EAF steelmaking facilities will be subject to the rule requirements. No new respondents are anticipated during the next 3 years. Therefore, the average annual number of respondents is 30.3. Details on the number of respondents affected by each individual burden item are provided in the footnotes of Table 2.

The total number of annual responses for the final rule is 243. This number is calculated from the number of respondents subject to one-time (initial) notification requirements (91) multiplied by the number of initial reports (2 over 3 years = 0.67 per year), plus the number of respondents (91) multiplied by the number of semiannual reports (2 per year).

*(e) Bottom Line Burden Hours and Cost Tables.*

*(i) Respondent tally.* The bottom line respondent burden hours and costs, presented in Table 2, are calculated by adding person-hours per year down each column for technical, managerial, and clerical staff, and by adding down the cost column. The average annual burden for the monitoring, recordkeeping, and reporting requirements in the rule is 2,393 person hours with an annual average cost of \$121,573 with no annual capital and O&M costs.

*(ii) The Agency tally.* The average annual Federal Government cost for the existing rule is \$8,859 for 192 total annual hours. The bottom line Agency burden hours and costs for the final rule, presented in Table 3, are calculated by adding person-hours per year down each column for technical, managerial, and clerical staff, and by adding down the cost column. In this case, total cost is the sum of this total salary cost and total travel expenses for tests attended.

*(iii) Variations in the annual bottom line.* This section does not apply since no significant variation is anticipated.

*(f) Reasons for Change in Burden.*

This section does not apply because this is a new ICR.

*(g) Burden Statement*

The average annual respondent burden per facility is estimated at 79 hours. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations in 40 CFR part 63 are listed in 40 CFR part 9.

To comment on the Agency's need for this information the accuracy of the provided burden estimates, and any suggestions for minimizing respondent burden, including through the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID No. EPA-HQ-OAR-2004-0083, which is available for public viewing at the Air and Radiation Docket and Information Center in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Ave., NW, Washington, DC. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Air Docket is (202) 566-1742. An electronic version of the public docket is available at [www.regulations.gov](http://www.regulations.gov). This site can be used to submit or view public comments, access the index listing of the contents of the public docket, and to access those documents in the public docket that are available electronically. When in the system, select "search," then key in the Docket ID Number identified above. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17<sup>th</sup> Street, NW, Washington, DC 20503, Attention Desk Officer for EPA. Please include the EPA Docket ID No. EPA-HQ-OAR-2004-0083 and OMB Control Number 2060-NEW in any correspondence.

## **PART B**

This section is not applicable because statistical methods are not used in data collection associated with the proposed standards.



**TABLE 2. ANNUAL RESPONDENT BURDEN AND COST OF REPORTING AND RECORDKEEPING REQUIREMENTS OF THE PROPOSED STANDARDS**

<b>Burden item</b>	<b>(A) Person-hours per occurrence</b>	<b>(B) No. of occurrences per respondent</b>	<b>(C) Person-hours per respondent (C=A*B)</b>	<b>(D) Respondents per year<sup>a</sup></b>	<b>(E) Technical person-hours per year (E=C*D)</b>	<b>(F) Management person-hours per year (E*0.05)</b>	<b>(G) Clerical person-hours per year (E*0.1)</b>	<b>(H) Cost<sup>b</sup>, \$</b>
1. Applications	N/A							
2. Surveys and Studies	N/A							
3. Acquisition, Installation, and Utilization of Technology and Systems	N/A							
<b>4. Reporting Requirements</b>								
A. Read instructions	8	1	8	30.3	242	12	24	\$14,196
B. Required activities								
Prepare scrap plan and scrap specifications	4	1	4	30.3	121	6.1	12	\$7,098
Initial performance tests <sup>c</sup>								
C. Create information	See 4B							
D. Gather existing information	See 4B							
E. Write report	See 4B							
Initial notification of applicability	2	1	2	30.3	61	3.0	6.1	\$3,549
Notification of compliance status	2	1	2	30.3	61	3.0	6.1	\$3,549
Request for compliance extension	N/A							
Notification of performance test <sup>c</sup>								
Startup, shutdown, and malfunction plan/reports	4	1	4	30.3	121	6.1	12	\$7,098
Semiannual excess emissions reports	2	2	4	91	364	18.2	36	\$21,317
<b>5. Recordkeeping Requirements</b>								
A. Read instructions	See 4A							
B. Plan activities	See 4A							

<b>Burden item</b>	<b>(A) Person-hours per occurrence</b>	<b>(B) No. of occurrences per respondent</b>	<b>(C) Person-hours per respondent (C=A*B)</b>	<b>(D) Respondents per year<sup>a</sup></b>	<b>(E) Technical person-hours per year (E=C*D)</b>	<b>(F) Management person-hours per year (E*0.05)</b>	<b>(G) Clerical person-hours per year (E*0.1)</b>	<b>(H) Cost<sup>b</sup>, \$</b>
C. Implement activities	See 4A							
D Develop record system	4	1	4	30.3	121	6.1	12	\$7,098
E. Time to enter information	0.5	52	26	30.3	788	39	79	\$46,135
F. Time to transmit or disclose information	0.25	2	1	30.3	15	0.8	1.5	\$887
G. Time to adjust existing ways	2	1	2	30.3	61	3.0	6.1	\$3,549
F. Time to train personnel	4	1	4	30.3	121	6.1	12	\$7,098
G. Time for audits	N/A							
<b>TOTAL LABOR BURDEN AND COST</b>					<b>2,393 hrs</b>			<b>\$121,573</b>
Annualized cost of capital <sup>d</sup>								<b>\$0</b>
Operation and maintenance (O&M) <sup>d</sup>								<b>\$0</b>
Total (capital recovery plus O&M) <sup>d</sup>								<b>\$0</b>

N/A = not applicable.

<sup>a</sup> There are 91 EAF steelmaking facilities. The average number of respondents per year for one time events over the 3-year period of the ICR is 30.3 (91÷3=30.3).

<sup>b</sup> This ICR uses the following labor rates: \$73.46 for managerial labor, \$52.69 for technical labor, and \$22.02 for clerical labor. These rates are from the U.S. Department of Labor, Bureau of Labor Statistics, May 2006, for NAICS 331100 (Iron and Steel). The rates have been increased by 60% to account for overhead.

<sup>c</sup> All plants have conducted performance tests within the previous 5 years. No additional performance tests are attributed to the proposed rule.

<sup>d</sup> All plants already have installed monitoring equipment as a result of the compliance assurance monitoring rule (40 CFR part 64) and their title V permit requirements. The proposed rule will not require any additional monitoring equipment.

**TABLE 3. ANNUAL BURDEN AND COST TO THE FEDERAL/STATE GOVERNMENT OF THE PROPOSED STANDARDS**

<b>Burden Item</b>	<b>(A) Person hours per occurrence</b>	<b>(B) Occurrences per respondent</b>	<b>(C) Plants per year<sup>a</sup></b>	<b>(D) Technical hours/year (D=A*B*C)</b>	<b>(E) Management hours/year (E=0.05*D)</b>	<b>(F) Clerical-hours/year (F=0.1*D)</b>	<b>(G) Cost<sup>b</sup>, \$</b>
Report Review:							
Initial notification of applicability	1	1	30.3	30.3	1.5	3.0	\$1,610
Startup, shutdown, malfunction plan/report	2	1	30.3	60.6	3.0	6.1	\$3,220
Notification of compliance status	1	1	30.3	30.3	1.5	3.0	\$1,610
Semiannual excess emissions report	0.5	1	91	46	2.3	4.6	\$2,418
<b>TOTAL BURDEN AND COST</b>				<b>192</b>			<b>\$8,859</b>

<sup>a</sup> There are 91 EAF steelmaking facilities. The average number of respondents per year for one time events over the 3-year period of the ICR is 30.3 (91÷3=30.3).

<sup>b</sup> This ICR uses the following average hourly labor rates: 58.18 for managerial (GS-13, Step 5, \$36.36 x 1.6), \$43.14 (GS-12, Step 1, \$29.98 x 1.6) for technical and \$22.66 (GS-6, Step 3, \$14.16 x 1.6) for clerical. These rates are from the Office of Personnel Management (OPM) "2007 General Schedule" which excludes locality rates of pay.

## ATTACHMENT 1. SOURCE DATA AND INFORMATION REQUIREMENTS

Requirement	Regulation citation	General Provisions citation	Record retention
<b>STUDIES AND PLANS</b>			
Scrap management plan	63.10685(a)(1) and (b)(1)		Kept onsite at all times
Startup, shutdown, and malfunction plan		63.6(e)(3)	Kept onsite at all times
<b>REPORTS</b>			
Notification of applicability		63.9(b)(1)	5 years
Notification of construction/reconstruction		63.9(b)(4)	5 years
Compliance extension		63.9(c)	5 years
Notification of special requirements		63.9(d)	5 years
Notification of performance test		63.9(e)	5 years
Notification of opacity observations		63.9(f)	5 years
Additional COMS notifications		63.9(g)	5 years
Notification of compliance status	63.10690(b)	63.9(h)	5 years
Semiannual compliance report	63.10685(c)		5 years
Startup, shutdown, malfunction report		63.10(d)(5)(ii)	5 years
<b>RECORDKEEPING</b>			
Notifications and reports		63.10(b)(2)(xiv)	5 years
Startups, shutdowns, malfunctions		63.6(e)(1)(iii)-(v)	5 years
Performance tests, performance evaluations, and opacity observations		63.10(b)(2)(viii)-(ix)	5 years
Emission/operating limits		63.10(b)(2)(vii)	5 years
Scrap management requirements	63.10685(c)	63.10(b)(2)(iii)	5 years
Continuous monitoring systems		63.10(b)(2)(vi)- (vii), (x)-(xi) 63.10(c) ; 63.6(h)(7); 63.8(d)(3)	5 years