

**SUPPORTING STATEMENT
ENVIRONMENTAL PROTECTION AGENCY**

NESHAP FOR TACONITE IRON ORE PROCESSING (40 CFR PART 63, SUBPART RRRRR) (Renewal)

1. Identification of the Information Collection

1(a) Title of the Information Collection

NESHAP for Taconite Iron Ore Processing (40 CFR Part 63, Subpart RRRRR) (Renewal),
EPA ICR Number 2050.04, OMB Control Number 2060-0538

1(b) Short Characterization/Abstract

The National Emission Standards for Hazardous Air Pollutants (NESHAP) for Taconite Iron Ore Processing (40CFR part 63, subpart RRRRR) were proposed on December 18, 2002 (67 FR 77561), and promulgated on October 30, 2003` (68 FR 61867). These regulations apply to each existing and new taconite iron ore processing plant that is a major source of hazardous air pollutant (HAP) if it emits or has the potential to emit any single HAP at a rate of 10 tons or more per year or any combination of HAP at a rate of 25 tons or more per year. The effective sources in this subpart covers emissions from ore crushing and handling emission units, ore dryer stacks, indurating furnace stacks, finished pellet handling emission units, and fugitive dust emissions. New facilities include those that commenced construction or reconstruction after the date of proposal. This information is being collected to assure compliance with 40 CFR part 63, subpart RRRRR.

In general, all NESHAP standards require a one-time only initial notification report, initial performance tests for ore crushing and handling units and finished pellet handling units, the rule allows initial testing on representative emission units instead of on each emission unit, and for ore dryers and indurating furnaces the rule required that performance tests be conducted on all corresponding stacks. Also required are semiannual compliance reports, immediate report if actions taken in response to the startup, shutdown, or malfunction are not consistent with the plan, and a notification of compliance status report. These notifications, reports, and records are essential in determining compliance, and are required of all affected facilities subject to NESHAP.

Any owner/operator subject to the provisions of this part shall maintain a file of these measurements, and retain the file for at least five years following the date of such measurements, maintenance reports, and records. All reports are sent to the delegated state or local authority. In the event that there is no such delegated authority, the reports are sent directly to the United States Environmental Protection Agency (EPA) regional office.

Based on our consultations with industry representatives, there is an average of one

affected facility at each plant site and that each plant site has only one respondent (i.e., the owner/operator of the plant site).

The taconite iron ore industry consists of eight processing plants in the United States, which are all publicly owned subsidiaries of integrated steel companies. None of the eight plants in the United States are owned by either state, local, tribal or the Federal Government.

Over the next three years, an average of eight respondents per year will be subject to the standard, and no additional respondents per year will become subject to the standard.

The Office of Management and Budget (OMB) approved the currently active Information Collection Request (ICR) without any "Terms of Clearance."

2. Need for and Use of the Collection

2(a) Need/Authority for the Collection

The EPA is charged under Section 112 of the Clean Air Act, as amended, to establish standards of performance for each category or subcategory of major sources and area sources of hazardous air pollutants. These standards are applicable to new or existing sources of hazardous air pollutants and shall require the maximum degree of emission reduction. In addition, section 114(a) states that the Administrator may require any owner/operator subject to any requirement of this Act to:

(A) Establish and maintain such records; (B) make such reports; (C) install, use, and maintain such monitoring equipment, and use such audit procedures, or methods; (D) sample such emissions (in accordance with such procedures or methods, at such locations, at such intervals, during such periods, and in such manner as the Administrator shall prescribe); (E) keep records on control equipment parameters, production variables or other indirect data when direct monitoring of emissions is impractical; (F) submit compliance certifications in accordance with Section 114(a)(3); and (G) provide such other information as the Administrator may reasonably require.

In the Administrator's judgment, HAP emissions from taconite iron ore processing plants cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare. Therefore, the NESHAP were promulgated for this source category at 40 CFR part 63, subpart RRRRR.

2(b) Practical Utility/Users of the Data

The recordkeeping and reporting requirements in the standards ensure compliance with the applicable regulations which were promulgated in accordance with the Clean Air Act. The collected information is also used for targeting inspections and as evidence in legal proceedings.

Performance tests are required in order to determine an affected facility's initial capability to comply with the emission standards. Continuous emission monitors are used to ensure compliance with the standards at all times. During the performance test a record of the operating parameters under which compliance was achieved may be recorded and used to determine compliance in place of a continuous emission monitor.

The notifications required in the standards are used to inform the Agency or delegated authority when a source becomes subject to the requirements of the regulations. The reviewing authority may then inspect the source to check if the pollution control devices are properly installed and operated and leaks are being detected and repaired and the standards are being met. The performance test may also be observed.

The required semiannual reports are used to determine periods of excess emissions, identify problems at the facility, verify operation/maintenance procedures and for compliance determinations.

3. Non-duplication, Consultations, and Other Collection Criteria

The requested recordkeeping and reporting are required under 40 CFR part 63, subpart RRRRR).

3(a) Non-duplication

If the subject standards have not been delegated, the information is sent directly to the appropriate EPA regional office. Otherwise, the information is sent directly to the delegated state or local agency. If a state or local agency has adopted its own similar standards to implement the Federal standards, a copy of the report submitted to the state or local agency can be sent to the Administrator in lieu of the report required by the Federal standards. Therefore, no duplication exists.

3(b) Public Notice Required Prior to ICR Submission to OMB

An announcement of a public comment period for the renewal of this ICR was published in the Federal Register (74 FR 32580) on July 8, 2009. No comments were received on the burden published in the Federal Register.

3(c) Consultations

For this information collection, the previous ICR renewal was used to obtain burden estimates since this ICR renewal was processed under the “Expedited Approach” option. Per this guidance, all data and assumptions from the previous ICR renewal were used as the basis for estimating the hourly and cost burdens associated with this renewal.

The Agency has consulted industry experts and internal data sources to project the number of affected facilities and industry growth over the next three years. In a previous ICR renewal, we reviewed information available from the United States Census Bureau, websites covering taconite iron ore processing, and the AIRS Facility Subsystem (AFS) database, which is the primary source of information regarding the number of existing sources along with industry consultations which was used to verify the AFS data. We also consulted with EPA’s Office of Air Quality Planning and Standards, Information Transfer and Program Integration Division. The growth rate for the industry is based on our consultations with the Agency’s internal industry experts. Approximately eight respondents will be subject to the standard over the three year period covered by this ICR.

Consultation with industry representative (i.e., respondent) was conducted for a previous ICR to determine if there is anyway for EPA to reduce the recordkeeping and reporting burden or improve the language in the standard to make it easier to comply.

Industry trade association(s) and other interested parties were provided an opportunity to comment on the burden associated with the standard as it was being developed and the standard has been previously reviewed to determine the minimum information needed for compliance purposes.

It is our policy to respond after a thorough review of comments received since the last ICR renewal as well as those submitted in response to the first Federal Register notice. In this case, no comments were received.

3(d) Effects of Less Frequent Collection

Less frequent information collection would decrease the margin of assurance that facilities are continuing to meet the standards. Requirements for information gathering and recordkeeping are useful techniques to ensure that good operation and maintenance practices are applied and emission limitations are met. If the information required by these standards was collected less frequently, the proper operation and maintenance of control equipment and the possibility of detecting violations would be less likely.

3(e) General Guidelines

These reporting or recordkeeping requirements do not violate any of the regulations promulgated by OMB under 5 CFR part 1320, section 1320.5.

These standards require the respondents to maintain all records, including reports and

notifications for at least five years. This is consistent with the General Provisions as applied to the standards. EPA believes that the five year records retention requirement is consistent the Part 70 permit program and the five-year statute of limitations on which the permit program is based. The retention of records for five years allows EPA to establish the compliance history of a source, any pattern of non-compliance and to determine the appropriate level of enforcement action. EPA has found that the most flagrant violators have violations extending beyond five years. In addition, EPA would be prevented from pursuing the violators due to the destruction or nonexistence of essential records.

3(f) Confidentiality

Any 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 (CBI) (see 40 CFR 2; 41 FR 36902, September 1, 1976; amended by 43 FR 40000, September 8, 1978; 43 FR 42251, September 20, 1978; 44 FR 17674, March 23, 1979).

3(g) Sensitive Questions

The reporting or recordkeeping requirements in the standard do not include sensitive questions.

4. The Respondents and the Information Requested

4(a) Respondents/SIC & NAICS Codes

The respondents to the recordkeeping and reporting requirements are taconite iron ore processing facilities. The United States Standard Industrial Classification (SIC) code for the respondents affected by the standard is SIC 1011, which corresponds to the North American Industry Classification System (NAICS) 212210 code for taconite iron ore processing facilities.

4(b) Information Requested

(i) Data Items

In this ICR, all the data that is recorded or reported is required by 40 CFR part 63, subpart RRRRR.

A source must make the following reports:

| Notifications | Standard Citation by Sections |
|--|--------------------------------------|
| Initial notification | 63.9640(b)-(c), 63.9(b)-(c) |
| Notification of intent to conduct a performance test | 63.9640(d), 63.7(b)(1) |

| Notifications | Standard Citation by Sections |
|---|--------------------------------------|
| Notification of compliance status | 63.9640(e), 63.9(h)(2)(ii) |
| Request to conduct a new performance test | 63.9622(f) |

| Reports for 40 CFR Part 63, Subpart RRRRR | |
|--|--|
| Semiannual compliance report | 63.9641(a), 63.8(c)(7)-(8), 63.10(d)(5)(i) |
| Startup, shutdown, or malfunction report | 63.9641(c), 63.10(d)(5)(ii) |

A source must keep the following records:

| Recordkeeping for 40 CFR Part 63, Subpart RRRRR | |
|---|---|
| Notifications and reports | 63.9642(a)(1), 63.10(b)(2)(xiv) |
| Startups, shutdowns or malfunctions, periods where the continuous monitoring system is inoperative. | 63.9642(a)(2), 63.6(e)(3)(iii)-(v) |
| Performance tests | 63.9642(a)(3), 63.10(b)(2)(viii) |
| Records for continuous opacity monitoring system (COMS) | 63.9642(b), 63.10(b)(2)(vi), 63.6(h)(7)(i)-(ii) |
| Records required to demonstrate continuous compliance | 63.9642(c), 10(b)(2)(vii) |

Electronic Reporting

Some of the respondents are using monitoring equipment that automatically records parameter data. Although personnel at the affected facility must still evaluate the data, internal automation has significantly reduced the burden associated with monitoring and recordkeeping at a plant site.

Also, regulatory agencies in cooperation with the respondents continue to create reporting systems to transmit data electronically. However, electronic reporting systems are still not widely used. At this time, it is estimated that approximately 10 percent of the respondents use electronic reporting.

(ii) Respondent Activities

| Respondent Activities |
|---|
| Read instructions. |
| Install, calibrate, maintain, and operate CMS for opacity, or for pressure drop and liquid supply pressure for control device. |
| Perform initial performance test, Reference Method 1, 1A, 2, 2A, 2C, 2F, 2G, 3, 3A, 3B, 4, 5, 5D, or 17 tests, and repeat performance tests if necessary. |
| Write the notifications and reports listed above. |
| Enter information required to be recorded above. |
| Submit the required reports developing, acquiring, installing, and utilizing technology and systems for the purpose of collecting, validating, and verifying information. |
| Develop, acquire, install, and utilize technology and systems for the purpose of processing and maintaining information. |
| Develop, acquire, install, and utilize technology and systems for the purpose of disclosing and providing information. |
| Train personnel to be able to respond to a collection of information. |
| Transmit, or otherwise disclose the information. |

Currently, sources are using automated monitoring equipment that provides parameter data. Although personnel at the sources still need to evaluate the data, this type of monitoring equipment has significantly reduced the burden associated with monitoring and recordkeeping.

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

5(a) Agency Activities

EPA conducts the following activities in connection with the acquisition, analysis, storage, and distribution of the required information.

| Agency Activities |
|--|
| Review notifications and reports, including performance test reports, and excess emissions |

| Agency Activities |
|---|
| reports, required to be submitted by industry. |
| Audit facility records. |
| Input, analyze, and maintain data in the Air Facility System (AFS). |

5(b) Collection Methodology and Management

Following notification of startup, the reviewing authority could inspect the source to determine whether the pollution control devices are properly installed and operated. Performance test reports are used by the Agency to discern a source's initial capability to comply with the emission standard. Data and records maintained by the respondents are tabulated and published for use in compliance and enforcement programs. The semiannual reports are used for problem identification as a check on both source operation and maintenance and for compliance determinations.

Information contained in the reports is entered into the AFS which is operated and maintained by EPA's Office of Compliance. AFS is EPA's database for the collection, maintenance, and retrieval of compliance data for approximately 125,000 industrial and government-owned facilities. EPA uses the AFS for tracking air pollution compliance and enforcement by local and state regulatory agencies, EPA regional offices and EPA headquarters. EPA and its delegated Authorities can edit, store, retrieve and analyze the data.

The records required by this regulation must be retained by the owner/operator for five years.

5(c) Small Entity Flexibility

During the development of this rule, it was determined that there are no small entities (i.e., small businesses) affected by this regulation. However, the impact on small entities (i.e., small businesses) was taken into consideration during the development of the regulation. Due to technical considerations involving the process operations and the types of control equipment employed, the recordkeeping and reporting requirements are the same for both small and large entities. The Agency considers these to be the minimum requirements needed to ensure compliance and, therefore, cannot reduce them further for small entities. To the extent that larger businesses can use economies of scale to reduce their burden, the overall burden will be reduced.

5(d) Collection Schedule

The specific frequency for each information collection activity within this request is shown below in Table 1: Annual Respondent Burden and Cost - NESHP for Taconite Iron Ore

Processing (40 CFR Part 63, Subpart RRRRR) (Renewal).

6. Estimating the Burden and Cost of the Collection

Table 1 documents the computation of individual burdens for the recordkeeping and reporting requirements applicable to the industry for the subpart included in this ICR. The individual burdens are expressed under standardized headings believed to be consistent with the concept of burden under the Paperwork Reduction Act. Where appropriate, specific tasks and major assumptions have been identified. Responses to this information collection are mandatory.

The 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.

6(a) Estimating Respondent Burden

The average annual burden to industry over the next three years from these recordkeeping and reporting requirements is estimated to be 651 (Total Labor Hours from Table 1 below). The recordkeeping and reporting requirement hours shown below in Table 1 are 338.6 and 312.8, respectively. All these hours are based on Agency studies and background documents from the development of the regulation, Agency knowledge and experience with the NESHAP program, the previously approved ICR, and any comments received.

6(b) Estimating Respondent Costs

(i) Estimating Labor Costs

This ICR uses the following labor rates:

| | |
|------------|---------------------------|
| Managerial | \$114.77 (\$54.65 + 110%) |
| Technical | \$97.59 (\$46.47 + 110%) |
| Clerical | \$48.26 (\$22.98 + 110%) |

These rates are from the United States Department of Labor, Bureau of Labor Statistics, March 2009, "Table 2. Civilian Workers, by occupational and industry group." The rates are from column 1, "Total compensation." The rates have been increased by 110% to account for the benefit packages available to those employed by private industry.

(ii) Estimating Capital/Startup and Operation and Maintenance Costs

The type of industry costs associated with the information collection activities in the subject standard(s) are both labor costs which are addressed elsewhere in this ICR and the costs associated with continuous monitoring. The capital/startup costs are one time costs when a facility becomes subject to the regulation. The annual operation and maintenance costs are the

ongoing costs to maintain the monitor(s) and other costs such as photocopying and postage.

(iii) Capital/Startup vs. Operation and Maintenance (O&M) Costs

| Capital/Startup vs. Operation and Maintenance (O&M) Costs | | | | | | |
|--|--|--|--|--|---|------------------------------|
| (A) Continuous Monitoring Device | (B) Capital/ Startup Cost for One Respondent | (C) Number of New Respondents | (D) Total Capital/Startu p Cost, (B X C) | (E) Annual O&M Costs for One Respondent | (F) Number of Respondents with O&M | (G) Total O&M, (E X F) |
| Scrubbers | \$150,000 | 0 | \$0 | \$12,900 | 8 | \$103,200 |
| Baghouses | \$225,000 | 0 | \$0 | \$19,300 | 8 | \$154,400 |

The total capital/startup costs for this ICR are zero. This is the total of column D in the above table.

The total operation and maintenance (O&M) costs for this ICR are \$257,600. This is the total of column G.

The average annual cost for capital/startup and operation and maintenance costs to industry over the next three years of the ICR is estimated to be \$257,600.

6(c) Estimating Agency Burden and Cost

The only costs to the Agency are those costs associated with analysis of the reported information. EPA's overall compliance and enforcement program includes activities such as the examination of records maintained by the respondents, periodic inspection of sources of emissions, and the publication and distribution of collected information.

The average annual Agency cost during the three years of the ICR is estimated to be \$8,985.

This cost is based on the average hourly labor rate as follows:

| | |
|------------|--|
| Managerial | \$61.36 (GS-13, Step 5, \$38.35 + 60%) |
| Technical | \$45.52 (GS-12, Step 1, \$28.45 + 60%) |
| Clerical | \$24.64 (GS-6, Step 3, \$15.40 + 60%) |

These rates are from the Office of Personnel Management (OPM), "2009 General Schedule", which excludes locality rates of pay. The rates have been increased by 60% to account for the benefit packages available to government employees. Details upon which this estimate is based appear below in Table 2: Average Annual EPA Burden - NESHAP for Taconite Iron Ore

Processing (40 CFR Part 63, Subpart RRRRR) (Renewal).

6(d) Estimating the Respondent Universe and Total Burden and Costs

On average over the next three years, approximately eight existing respondents will be subject to the standard. It is estimated that no additional respondents per year will become subject. The overall average number of respondents, as shown in the table below is eight per year.

The number of respondents is calculated using the following table that addresses the three years covered by this ICR.

| Number of Respondents | | | | | |
|-----------------------|---|---------------------------------------|---|---|--|
| | Respondents That Submit Reports | | Respondents That Do Not Submit Any Reports | | |
| Year | (A) Number of New Respondents ¹ | (B) Number of Existing Respondents | (C) Number of Existing Respondents that keep records but do not submit reports | (D) Number of Existing Respondents That Are Also New Respondents | (E) Number of Respondents (E=A+B+C-D) |
| 1 | 0 | 8 | 0 | 0 | 8 |
| 2 | 0 | 8 | 0 | 0 | 8 |
| 3 | 0 | 8 | 0 | 0 | 8 |
| Average | 0 | 8 | 0 | 0 | 8 |

¹ New respondents include sources with constructed and reconstructed affected facilities.

Column D is subtracted to avoid double-counting respondents. As shown above, the average Number of Respondents over the three year period of this ICR is eight.

The total number of annual responses per year is calculated using the following table:

| Total Annual Responses | | | | |
|--|------------------------------|----------------------------|---|---|
| (A) Information Collection Activity | (B) Number of Respondents | (C) Number of Responses | (D) Number of Existing Respondents That Keep Records But Do Not Submit Reports | (E) Total Annual Responses E=(BxC)+D |
| Initial notification | 0 | 1 | 0 | 0 |
| Compliance extension request | 0 | 1 | 0 | 0 |
| Site-specific test plan | 3.2 | 1 | 0 | 3.2 |

| Total Annual Responses | | | | |
|--|-----|---|-----------------|------|
| | | | | |
| Operation and maintenance plan | 0 | 1 | 0 | 0 |
| Fugitive dust emission control plan | 0 | 1 | 0 | 0 |
| Site-specific monitoring plan | 0 | 1 | 0 | 0 |
| Semiannual compliance reports | 8 | 2 | 0 | 16 |
| Petition for alternative monitoring requirements | 0 | 1 | 0 | 0 |
| Notification of performance tests | 3.2 | 3 | 0 | 9.6 |
| | | | Total (rounded) | 28.8 |

The number of Total Annual Responses is 28.8.

The total annual labor costs are \$754,946. Details regarding these estimates may be found below in Table 1: Annual Respondent Burden and Cost - NESHAP for Taconite Iron Ore Processing (40 CFR Part 63, Subpart RRRRR) (Renewal).

6(e) Bottom Line Burden Hours and Cost Tables

The detailed bottom line burden hours and cost calculations for the respondents and the Agency are shown in Tables 1 and 2 attached, respectively, and summarized below.

(i) Respondent Tally

The total annual labor hours are 651. Details regarding these estimates may be found below in Table 1: Annual Respondent Burden and Cost - NESHAP for Taconite Iron Ore Processing (40 CFR Part 63, Subpart RRRRR) (Renewal). Furthermore, the annual public reporting and recordkeeping burden for this collection of information is estimated to average 22.6 hours per response.

The total annual capital/startup and O&M costs to the regulated entity are \$257,600. The cost calculations are detailed in Section 6(b)(iii), Capital/Startup vs. Operation and Maintenance (O&M) Costs.

(ii) The Agency Tally

The average annual Agency burden and cost over next three years is estimated to be 202 labor hours at a cost of \$8,985. See below Table 2: Average Annual EPA Burden - NESHAP for Taconite Iron Ore Processing (40 CFR Part 63, Subpart RRRRR) (Renewal).

6(f) Reasons for Change in Burden

There is an adjustment increase in the total estimated burden as currently identified in the OMB Inventory of Approved Burdens. This increase is not due to any program changes. The change in the burden and cost estimates occurred due to an incorrect calculation of the number of responses in the previous ICR. The existing eight respondents are subject to performance testing twice every five years, or 3.2 respondents per year and was changed from 1.6 respondents per year. Further, the change in labor costs for both industry and EPA is due to the use of more current labor rates.

6(g) Burden Statement

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 22.6 hours per response. 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 valid OMB Control Number. The OMB Control Numbers for EPA regulations are listed at 40 CFR part 9 and 48 CFR chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID Number EPA-HQ-OECA-2009-0428. An electronic version of the public docket is available at <http://www.regulations.gov/> which may be used to obtain a copy of the draft collection of information, submit or view public comments, access the index listing of the contents of the 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 in this document. The documents are also available for public viewing at the Enforcement and Compliance 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 docket center is (202) 566-1752. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number EPA-HQ-OECA-2009-0428 and OMB Control Number 2060-0538 in any

correspondence.

Part B of the Supporting Statement

This part is not applicable because no statistical methods were used in collecting this information.