

SUPPORTING STATEMENT

NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS (NESHAP) FOR PAINTS AND ALLIED PRODUCTS MANUFACTURING AREA SOURCES (40 CFR PART 63, SUBPART CCCCCC) (FINAL RULE)

PART A

1.0 Identification of the Information Collection

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

“NESHAP for the Paints and Allied Products Manufacturing Area Source (40 CFR part 63, subpart CCCCCC).” This is a new information collection request (ICR), and the EPA tracking number is 2348.02.

(b) *Short Characterization.*

This ICR covers information collection requirements in the final area source rule for the Paints and Allied Products Manufacturing Area Source Category (40 CFR part 63, subpart CCCCCC).

The potential respondents are owners or operators of any existing or new paints and allied products manufacturing facility that is an area source of hazardous air pollutants (HAP) emissions and uses or has the potential to emit urban air toxics, defined to be benzene, methylene chloride, and compounds of cadmium, chromium, lead and nickel. There are an estimated 2,190 facilities subject to the NESHAP for the Paints and Allied Products Manufacturing Area Source Category. The category includes any facility primarily engaged in the production of paints, inks, adhesives, stains, varnishes, shellacs, putties, sealers, caulks, and other coatings which are intended to leave a dried film of solid material on a substrate. The affected sources consist of paint and coating manufacturing, adhesive manufacturing, printing ink manufacturing, and miscellaneous chemical product and preparation manufacturing (writing and stamp inks) facilities that use or have the potential to emit any of the listed urban air toxics. Existing area source paints and allied products manufacturing facilities are currently well-controlled in terms of urban air toxics emissions as a result of product reformulation, State and national standards, permitting requirements, OSHA workplace standards, and/or management practices already taken by the industry to reduce air toxics.

Compliance, Monitoring, Reporting, and Recordkeeping The new requirements for existing area sources include an Initial Notification and Notification of Compliance Status. In addition, the requirements include annual certification that the management practices are being followed and control systems, if any, are properly operated and maintained. The annual certification is required to be kept on site in a readily-accessible location. Facilities are required to submit this annual compliance form only if there are any deviations from the control equipment or management practices. Affected facilities are exempt from Title V permitting requirements, except where an affected facility is required to obtain a Title V permit for reasons other than this final rule.

The information collection requirements for existing and new sources for the Paints and Allied Products Manufacturing Area Source Category are listed in Attachment 1.

2. Need For and Use of the Collection

(a) Need/Authority for the Collection.

Section 112 of the Clean Air Act (CAA) requires EPA to establish NESHAP for both major and area sources of HAP that are listed for regulation under CAA section 112(c). An area source is a stationary source that is not a major source (i.e., an area source does not emit and does not have the potential to emit more than 10 tons per year [tpy] of any single HAP and more than 25 tpy of any combination of HAP). Requirements for area sources in CAA sections 112(c) (3) and 112(k) direct EPA to (1) identify at least 30 air toxics that present the greatest potential health threat in the largest number of urban areas and (2) to identify sufficient area source categories to ensure that sources representing 90 percent or more of the emissions of the 30 “listed” HAP are subject to regulation. EPA implements these requirements through the Integrated Urban Air Toxics Strategy (64 FR 38715, July 19, 1999). EPA added Paints and Allied Products Manufacturing to the Integrated Urban Air Toxics Strategy area source category list on November 22, 2002 (67 FR 70427.) The initial listing of the Paints and Allied Products Manufacturing Category was based on emissions of benzene, cadmium, chromium, lead, methylene chloride, and nickel. Each of these HAP is on the list of 30 HAP identified in the 1999 strategy.

Under CAA section 112(d)(5), EPA may elect to promulgate HAP standards for area sources based on the use of generally available control technology (GACT) or management practices used by the sources. EPA can consider costs and economic impacts in determining GACT, which is particularly important when developing regulations for source categories that may have few establishments and many small businesses, or when determining whether additional control is needed for sources that are already well-controlled as a result of other air emissions standards.

Certain records and reports are necessary for the Administrator to confirm the compliance status of area sources, identify any new or reconstructed sources subject to the standards, and confirm that the standards are being achieved on a continuous basis. These recordkeeping and reporting requirements are specifically authorized by section 114 of the Clean Air Act (42 U.S.C. 7414) and set out in the part 63 NESHAP General Provisions. The recordkeeping and reporting requirements for title V permits are contained in 40 CFR 70.6 and 40 CFR 71.6. Under parts 63 and 70 or 71, the owner or operator must keep each record for 5 years following the date of each occurrence, measurement, maintenance, corrective action, report, or record.

(b) Use/Users of the Data.

The information will be used by the delegated authority (State agency, or Regional Administrator if there is no delegated State agency) to ensure that the standards and other requirements are being achieved. Based on review of the recorded information at the site and the reported information, the delegated permitting authority can identify facilities that may not be in compliance and decide which facilities, records, or processes may need inspection.

3. Nonduplication, Consultations, and Other Collection Criteria

(a) Nonduplication.

A computer search of EPA's ongoing ICRs revealed no duplication of information-gathering efforts.

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

This section is not applicable because this is a final rule-related ICR.

(c) Consultations.

The final rule was developed in consultation with individual companies, State agencies, and trade associations. The non-EPA persons consulted on the information collection activities are identified in Table 1.

(d) Effects of Less Frequent Collection.

If the relevant information were collected less frequently, the delegated permitting authority (State or EPA) will not be reasonably assured that a facility 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 section is not applicable because this ICR does not involve matters of a sensitive nature.

TABLE 1. PERSONS CONSULTED ON THE INFORMATION COLLECTION ACTIVITIES

| Contact | Organization | Telephone No. |
|----------------|--|----------------------|
| David Darling | National Paint & Coating Association ddarling@paint.org | (202) 719-3689 |
| Allison Keane | National Paint & Coating Association akeane@paint.org | (202) 719-3703 |
| George Fuchs | National Association of Printing Ink Manufacturers gfuchs@napim.org | (732) 855-1525 |
| Mark Collatz | Adhesive and Sealant Council mark.collatz@ascouncil.org | (301) 986-9700 |

4. The Respondents and the Information Requested

(a) *Respondents/NAICS Codes.*

Potential respondents under Subpart CCCCCC are owners or operators of any existing or new facility engaged in the production of paints, inks, stains, varnishes, shellacs, putties, sealers, caulks, adhesives, and other coatings which is intended to leave a dried film of solid material on a substrate. Paints and allied products manufacturing facilities are classified under the following source categories: Paint and Coating Manufacturing (NAICS 325510), Adhesive Manufacturing (NAICS 325520), Printing Ink Manufacturing (NAICS 325910), and Miscellaneous Chemical Product and Preparation Manufacturing – Writing and Stamp Inks (NAICS 325998).

There are an estimated 2,190 facilities that are subject to the NESHAP for Paints and Allied Products Manufacturing Area Source Category final rule; no new Paints and Allied Products Manufacturing area sources are expected during the 3year period of this ICR.

(b) *Information Requested.*

(i) *Data Items, Including Recordkeeping Requirements.* Attachment 1, Information Requirements, summarizes the data items, including recordkeeping and reporting requirements, for the Paints and Allied Products Manufacturing Area Source Category.

(ii) *Respondent Activities.* The respondent activities that will be required by the final rule are identified in Table 2 and are introduced in section 6(a).

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

(a) *Agency Activities.*

The Agency activities associated with the Paints and Allied Products Manufacturing Area Source Category Rule are provided in Table 3 and are introduced in section 6(c).

(b) *Collection Methodology and Management.*

Data and records maintained by the respondents are tabulated and published for use in compliance and enforcement programs of the delegated permitting authority. The notifications of compliance status, annual compliance certifications, and reports of exceedences required under the final rule are used for problem identification, as a check on source operation and maintenance, and for compliance determinations. EPA is the permitting authority until the State

agency is delegated authority to implement the final rule. Therefore, information contained in the reports submitted to the Regional Administrator will be entered into the Air Facility System (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.

(c) Small Entity Flexibility.

The Small Business Administration defines a small entity for the paints and allied products manufacturing industry as a firm having less than 500 employees. The only measurable costs attributable to the final standards are the costs of the minimal notification, recordkeeping, and reporting requirements. The final standard is estimated to impact a total of 2,190 area source facilities. We estimate that all of these facilities are small entities. Our analysis indicates that the final rule would not impose a significant adverse impact on any facilities, large or small since these average costs are less than 0.3 percent of revenues.

(d) Collection Schedule.

The specific frequency for each information collection activity within this request is shown in Table 2 for the Paints and Allied Products Manufacturing Area Source Category.

6. Estimating the Burden and Cost of the Collection

(a) Estimating Respondent Burden.

The annual burden estimates for the Paints and Allied Products Manufacturing Area Source NESHAP are shown in Table 2. These numbers were derived from estimates based on EPA's experience with other standards. No burden estimates are provided for new area sources because no new facilities are expected to become affected sources during the 3year period of this ICR.

(b) Estimating Respondent Costs.

The information collection activities for the Paints and Allied Products Manufacturing Area Source NESHAP are presented in Table 2. Because the data are already collected by

respondents as part of normal operations, no respondent development costs are associated with the information collection activities.

(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, June 2007, "Table 2. National Compensation Survey: Occupational Wages in the United States" available at <http://www.bls.gov/ncs/ocs/sp/ncbl0910.pdf> . Wages for technical labor are based on "Production occupations: Miscellaneous Assemblers & Fabricators" with a total compensation of \$15.08/hour. Wages for management labor are taken from "Production occupations: First-line supervisors/managers of production and operating workers" with a total compensation of \$22.99/hour. Wages for clerical labor are based on "Office and administrative support occupations: File clerks" with a total compensation of \$12.25/hour. These rates represent salaries plus fringe benefits and do not include the cost of overhead. An overhead rate of 110 percent is used to account for these costs. The fully-burdened hourly wage rates used to represent respondent labor costs are: technical at \$31.67, management at \$48.28, and clerical at \$25.73.

(ii) *Estimating Capital and Operations and Maintenance (O&M) Costs.* There are no capital costs associated with the information collection requirements of the Paints and Allied Products Manufacturing Area Source NESHAP. The final rule will not require affected facilities to purchase monitoring systems. There are no O&M costs associated with the Paints and Allied Products Manufacturing Area Source NESHAP because existing facilities are already in compliance with the requirements. Capital and O&M costs were not estimated for new sources because no new sources are expected during the next 3-year period.

(iii) *Annualizing Capital Costs.* For the Paints and Allied Products Manufacturing Area Source NESHAP, there are no annualized capital costs.

(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 operating permits rules in 40 CFR part 70 or part 71 and the

part 63 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) 2006 General Schedule which excludes locality rates of pay. These rates can be obtained from Salary Table 2006-GS available on the OPM website, http://www.opm.gov/oca/06tables/html/g_s_h.asp. The government employee labor rates are \$14.35/hour for clerical (GS-6, Step 3), \$26.53 for technical (GS-12, Step 1), and \$35.75/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 \$22.96; technical at \$42.45, and management at \$57.20.

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

There are an estimated 2,190 existing facilities that are subject to the Paints and Allied Products Manufacturing Area Source NESHAP. No new sources are expected during the next 3 years. Consequently, the average annual number of paint and allied products manufacturing facilities during the 3-year period of this ICR is 2,190.

For the Paints and Allied Products Manufacturing Area Source NESHAP, the components of the total annual responses attributable to this ICR are one-time initial notifications, and the notification of compliance status for the 2,190 facilities that will be subject to the rule.

The number of total annual responses for subpart CCCCCC is estimated as: 1,460 (2,190 respondents × 2 one-time notification over 3 years.)

(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 recordkeeping and reporting requirements in subpart CCCCCC for the 2,190 existing facilities that are subject to the Paints and Allied Products Manufacturing Area Source NESHAP is 4,618 person-hours, with an annual average labor cost of \$880,818 and an annualized capital cost of \$0.

(ii) *The Agency tally.* The average annual Federal Government cost is \$104,257 for 2,519 hours for subpart CCCCCC. The bottom line Agency burden hours and costs 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.

(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 is a new ICR covering information collection requirements in the final area source rule for the Paints and Allied Products Manufacturing Area Source Category (40 CFR part 63, subpart CCCCCC).

(g) *Burden Statement*

The average annual respondent burden for the final NESHAP for Paints and Allied Products Manufacturing is estimated at 3 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 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.

PART B

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

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

| | (A) Person- hours per occurrence | (B) No. of occurrences per respondent per year | (C) Person-hours per respondent per year (C=AxB) | (D) Respondents per year | (E) Technical person-hours per year (E=CxD) | (F) Management person-hours per year (Ex0.05) | (G) Clerical person-hours per year (Ex0.1) | (H) Cost, \$ (a) |
|--|---|--|--|--------------------------------|---|---|--|---------------------|
| 1. Applications | N/A | | | | | | | |
| 2. Survey and Studies | N/A | | | | | | | |
| 3. Acquisition, Installation, & Utilization of Tech. & Systems | N/A | | | | | | | |
| 4. Reporting Requirements | | | | | | | | |
| A. Read instructions (b) | 2 | 1 | 2.0 | 730 | 1,460 | 73 | 146 | \$ 53,515 |
| B. Required activities | | | | | | | | |
| Initial Notification (c) | 1 | 1 | 1.0 | 730 | 730 | 37 | 73 | \$ 26,758 |
| Notification of Compliance Status (d) | 1 | 1 | 1.0 | 730 | 730 | 37 | 73 | \$ 26,758 |
| Annual Compliance Certification | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 | \$ - |
| Report of Exceedence | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 | \$ - |
| C. Create information | See 4B | | | | | | | |
| D. Gather existing information | See 4B | | | | | | | |
| E. Write report | See 4B | | | | | | | |
| 5. Recordkeeping Requirements | | | | | | | | |
| A. Read instructions | See 4A | | | | | | | |
| B. Plan activities | See 5E | | | | | | | |
| C. Implement activities | See 5E | | | | | | | |
| D. Develop record system | See 5E | | | | | | | |
| E. Time to enter information | | | | | | | | |
| Records of all info. required by standards (c) | 0.25 | 1 | 0.25 | 730 | 183 | 9 | 18 | \$ 6,689 |
| F. Time and cost to perform VE testing (e) | 1 | 1 | 1.0 | 730 | 730 | 37 | 73 | \$ 760,408 |
| G. Time to adjust existing ways to comply w/ prev. appl. req. | N/A | | | | | | | |
| H. Time to transmit or disclose information (d) | 0.25 | 1 | 0.25 | 730 | 183 | 9 | 18 | \$ 6,689 |
| I. Time for audits | N/A | | | | | | | |
| TOTAL ANNUAL BURDEN AND COST (SALARY) | | | | | 4,015 | 201 | 402 | \$ 880,818 |
| TOTAL ANNUAL NUMBER OF RESPONSES | | | | | | | | 1,460 |
| ANNUAL CAPITAL COSTS: | | | | | | | | |
| Total annual capital | | | | | | | | N/A |
| ANNUALIZED CAPITAL COSTS: | | | | | | | | |
| Total annualized capital | | | | | | | | N/A |
| TOTAL ANNUALIZED COSTS (Annualized capital + O&M costs) | | | | | | | | N/A |

N/A = Not Applicable.

(a) Costs are based on the following hourly rates: technical at \$31.67, management at \$48.28, and clerical at \$25.73. Management person-hours and clerical person-hours are assumed to be 5 percent and 10 percent of technical person-hours, respectively.

(b) There are an estimated 2,510 existing Paint and allied products manufacturing facilities and no new facilities are expected ;

(c) Initial Notification is required to be submitted no later than 120 days after the date of publication of the final rule in the Federal Register.

(d) Notification of Compliance Status is required to be submitted on or before 2 years and 120 days after publication of the final rule in the Federal Register.

(e) Cost includes \$335 per facility to certify technical person in VE (EPA Method 9) testing.

**ATTACHMENT 1. INFORMATION REQUIREMENTS--NESHAP FOR PAINTS AND ALLIED PRODUCTS MANUFACTURING AREA
SOURCES**

| Requirement | Citation for existing sources | Citation for new sources | General Provisions citation |
|---|--------------------------------------|---------------------------------|-------------------------------------|
| Monitoring | N/A | N/A | N/A |
| Notifications | | | |
| Notification of applicability | §63.11603(a)(1) | §63.11603(a)(1) | 40 CFR 63.9(a)(2) |
| Notification of construction/reconstruction | N/A | N/A | 40 CFR 63.9(b)(5) |
| Notification of special compliance requirements | N/A | N/A | 40 CFR 63.9(d) |
| Notification of performance test | N/A | N/A | 40 CFR 63.9(e) |
| Notification of opacity/VE observations | N/A | N/A | 40 CFR 63.9(f) |
| Additional CMS notifications | N/A | N/A | 40 CFR 63.9(g) |
| Notification of compliance status | §63. 11603(a)(2) | §63. 11603(a)(2) | 40 CFR 63.9(h) |
| Notification of changes in information | N/A | N/A | 40 CFR 63.9(j) |
| Plans | | | |
| SSM plan | N/A | N/A | 40 CFR 63.6(e)(3) |
| Performance test plan | N/A | N/A | 40 CFR 63.7(c)(2) |
| CMS quality control plan | N/A | N/A | 40 CFR 63.8(d) |
| CMS performance evaluation test plan | N/A | N/A | 40 CFR 63.8(e)(3) |
| Records | | | |
| Records of notifications | §63. 11603 (c)(1) | §63. 11603 (c)(1) | 40 CFR 63.10 |
| Records that demonstrate continuous compliance | §63. 11603 (c)(2) | §63. 11603 (c)(2) | 40 CFR 63.10 |
| Monitoring/inspection information | §63. 11603 (c)(3) | §63. 11603 (c)(3) | 40 CFR 63.10 |
| Reports | | | |
| Reports of exceedences | §63. 11603 (b)(3) | §63. 11603 (b)(3) | N/A |
| Semiannual monitoring reports | N/A | N/A | N/A |
| Initial/repeat performance tests | N/A | N/A | 40 CFR 63.7(e)(1) /40 CFR63.6(h)(7) |
| Quality assurance test plan | N/A | N/A | 40 CFR 63.7(c) |
| CMS performance evaluation/report | N/A | N/A | 40 CFR 63.8(e)(5) |
| SSM reports | N/A | N/A | 40 CFR 63.6(e)(3) |
| Excess emissions reports | N/A | N/A | 40 CFR 63.10(e)(3) |
| Annual compliance certifications | §63. 11603 (b) | §63. 11603 (b) | N/A |