

STANDARD FORM 83 SUPPORTING STATEMENT
FOR OMB REVIEW OF ICR No. 2356.02

REPORTING AND RECORDKEEPING REQUIREMENTS FOR THE
NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS FOR AREA
SOURCES: CHEMICAL PREPARATIONS INDUSTRY
(40 CFR 63, SUBPART BBBB)BBB)

U.S. Environmental Protection Agency
Office of Air Quality Planning and Standards
Research Triangle Park, NC 27711

December 4, 2009
PART A OF THE SUPPORTING STATEMENT FOR

REPORTING AND RECORDKEEPING REQUIREMENTS FOR CHEMICAL
PREPARATIONS INDUSTRY AREA SOURCE NESHP

1. IDENTIFICATION OF THE INFORMATION COLLECTION

(a) Title of the Information Collection.

"Reporting and Recordkeeping Requirements for the National Emission Standards for Hazardous Air Pollutants for Area Sources: Chemical Preparations Industry."

(b) Characterization/Abstract.

This supporting statement was prepared for a U.S. Environmental Protection Agency (EPA) rulemaking developed under authority of section 112 of the Clean Air Act (CAA). The final rule amends title 40, chapter I, part 63 of the Code of Federal Regulations (CFR), adding subpart BBBB - NESHP for Area Sources: Chemical Preparations Industry. (Hereinafter, this subpart is referred to as the NESHP.) The NESHP includes emission standards and monitoring, reporting, and recordkeeping requirements for area sources of hazardous air pollutants (HAP).

This ICR presents the burden to respondents, owners or operators of affected sources, and the implementing agency. The chemical preparations industry source category consists of an estimated 26 existing facilities nationwide that are area sources. All existing area source facilities must be in compliance with the requirements of the NESHP within one year after the effective date (promulgation date) of the standard. All new or reconstructed affected sources must be in compliance with the requirements of the NESHP on the date of startup or the effective date, whichever is later.

The tables in Attachments A and B contain the respondent and agency burden estimates, respectively. For this ICR, the burden

estimates were prepared for monitoring activities that will be conducted over the 3-year period following promulgation of the NESHAP. This ICR is based upon the 26 existing facilities that we anticipate will conduct the required initial compliance demonstration, monitoring, recordkeeping, and reporting activities. We do not anticipate any new or reconstructed facilities in the 3-year period. The total cost for complying with those activities for the 3-year period covered by the ICR is estimated to be \$526,854 for all of the affected sources. Of the total estimated cost, \$525,294 is labor dollars and \$1,560 is operation and maintenance. See section 6 for more details on the initial compliance demonstration, monitoring, recordkeeping, and reporting cost estimates.

2. AUTHORITY/NEED FOR AND USE OF THE COLLECTION

(a) Need/Authority for the Collection.

Section 112 of the Clean Air Act (CAA) directs EPA to develop regulations for HAP emissions from stationary sources. The chemical preparations industry source category contains area sources of HAP emissions and is included on our list of categories scheduled for regulation. HAP metal compounds for chromium, lead, manganese, and nickel are identified as being emitted from the source category.

Section 114 of the CAA gives us authority to collect data and information necessary to enforce standards established under section 112 of the CAA. Certain records and reports are necessary to enable the Administrator to: (1) identify existing and new sources subject to the NESHAP; and (2) ensure that the requirements specified for an affected source subject to the NESHAP, which are based on the generally available control technology (GACT), are being achieved.

(b) Practical Utility/Users of the Data.

The information obtained under the initial compliance demonstration, monitoring, recordkeeping, and reporting will be used by our enforcement personnel to: (1) identify existing and new HAP emission points subject to the NESHAP; (2) ensure that GACT is being properly applied; and (3) ensure that vent collection systems and control devices are being properly operated and maintained on a continuous basis to reduce HAP emissions from mixers, mixing and blending tanks, mills, and extruders.

Records and reports are necessary to enable us to identify facilities subject to the NESHAP that may not be in compliance. Based on reported information, we can decide whether to inspect a facility and which records or processes to inspect. The records that facilities maintain must indicate to us whether facility personnel are operating and maintaining vent collection systems and control devices properly.

3. NONDUPLICATION, CONSULTATIONS, AND OTHER COLLECTION CRITERIA

(a) Nonduplication.

This ICR contains recordkeeping requirements for the NESHAP. In most cases, enforcement of the NESHAP standards in subpart 40 CFR part 63 has been delegated to State air pollution control agencies. In such cases, the reports required by the NESHAP will be submitted to the appropriate State agency, and not directly to EPA. Thus, there is a minimal possibility for the submittal of duplicate information to State agencies and EPA.

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

A public notice of this collection will be provided in the notice of the final NESHAP.

(c) Consultations.

The EPA involved State small business environmental assistance programs in the development of the NESHAP and the associated recordkeeping and reporting requirements. These groups have provided valuable insight relevant to this rulemaking effort. The EPA has considered their comments and concerns in developing the regulation.

(d) Effects of Less Frequent Collection.

If owners and operators of affected sources were allowed to submit compliance demonstrations of relevant information less frequently, we would not be reasonably assured that a source is in compliance with the NESHAP. In addition, our authority to take administrative action would be significantly reduced. The information demonstrating compliance is collected on the least frequent interval that will allow us to ensure compliance with the rule.

(e) General Guidelines.

The NESHAP will require owners or operators of an affected source to retain records for five years, which exceeds the three-year retention period contained in the guidelines in 5 CFR 1320.6. The five-year retention period is consistent with the subpart A General Provisions of 40 CFR part 63 and the retention requirement in the operating permit program under Title V of the CAA. All subsequent general guidelines have been followed and do not violate any of the Paperwork Reduction Act guidelines contained in 5 CFR 1320.6.

(f) Confidentiality and Sensitive Questions.

(i) Confidentiality. All information submitted to EPA for

which a claim of confidentiality is made will be safeguarded according to EPA 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).

(ii) Sensitive Questions.

Information that will be reported consists of emissions data, operating parameters, material safety data sheets (MSDS), and other information that are not expected to be of a sensitive nature. Therefore, this section is not applicable.

4. THE RESPONDENTS AND THE INFORMATION REQUESTED

(a) Respondents/NAICS Codes.

Respondents are owners or operators of all existing and new HAP metal compound-emitting area affected sources in the chemical preparations industry source category. The source category and affected sources regulated with the promulgation of the NESHAP are classified under the following North American Industrial Classification System (NAICS) code: 325998 - "All other miscellaneous chemical product and preparation manufacturing." At proposal we believed that it was possible for the source category to include HAP metal compound-emitting facilities classified in the following NAICS codes: 325510 - "Paint and coating manufacturing;" 325199 - "All other basic chemical manufacturing;" or, 311942 - "Spice and extract manufacturing." However, based upon comments we received on the proposed rule, we now recognize that affected sources in this category "only" occur within NAICS code 325998. This recognition does not, however, change the estimated number of affected sources, or any other assumptions in this ICR by which burden estimates are calculated.

(b) Information Requested.

The standards are based upon the use of vent collection systems and control devices to reduce HAP emissions. Facilities will monitor and record operating parameters of the vent collection system and control devices to demonstrate continuous compliance with emission limitations. The burden estimates presented in this ICR assume the use of vent collection systems and control devices to comply with the standards, and using performance tests, engineering calculations, performance guarantees, operating parameter monitoring, and recordkeeping to demonstrate continuous compliance.

(i) Data items. Respondents will be required to submit one-time reports for: (1) initial notification that existing facilities are subject to the standard; (2) notification of intent to construct or reconstruct new facilities; (3) notification of commencement of construction or reconstruction of new facilities; (4) notification of anticipated and actual startup dates for newly constructed or reconstructed facilities; (5) request for compliance extension for existing and new facilities; (6) notification of initial performance tests for existing and new facilities (if necessary); and (7) notification of compliance status for existing and new facilities.

Affected sources subject to the NESHAP will be required to submit semiannual compliance reports. These reports demonstrate compliance with the published emission standards. Each compliance report will have to be signed by a responsible company official who certifies its accuracy and certifies that the affected source has complied with the relevant standards. Initial compliance demonstrations, which could consist of performance test results, control device performance guarantees, or engineering calculations will be included as part of the

initial compliance report. Section 5(d) discusses the collection schedule for notifications and reports.

Affected sources subject to the NESHAP will be required to maintain records of the following: (1) a copy of each notification and report submitted, and documentation supporting each notification and report submitted; (2) records of initial compliance demonstrations; (3) records of continuous parameter monitoring; (4) records of calibration and maintenance to continuous parameter monitoring equipment; and (5) records of vent collection system and control device inspections.

The NESHAP will require owners or operators of an affected source to retain records for five years. Records must be maintained on-site for at least two years after the date they are created. Records may be kept off-site for the remaining three years but must be made readily available upon request.

(ii) Respondent activities. The specific activities that we assumed will be performed by respondents to meet the requirements of the NESHAP in the first three years after promulgation are presented in Tables 1 through 3 of Attachment A. We estimate that the respondents will consist of 26 existing area source facilities.

In the first year of this ICR, we have assumed that all 26 existing facilities will read the regulation and submit an initial notification indicating they are subject to the emission standard. Additionally, we assumed that all 26 existing facilities will perform the following one-time activities: (1) submit notification of compliance status and initial compliance demonstration (prior emissions test, performance guarantee information, or engineering calculations); (2) plan recordkeeping activities; (3) develop a monitoring plan; and (4) train personnel. We assumed half of the existing facilities will use existing performance tests to demonstrate compliance with the

emission limits. We assumed that the remaining facilities will use performance guarantee information or engineering calculations to demonstrate compliance. We have assumed that the following on-going reporting and recordkeeping activities will occur each year for each new and existing facility: (1) recording continuous operating parameters and malfunctions; (2) recording periods of target HAP service and deviations; (3) inspecting and maintaining vent collection systems and control devices; (4) inspecting, calibrating and maintaining continuous parameter monitoring systems; (5) storing, filing, and maintaining records; and (6) gathering information for and submitting semiannual compliance reports.

5. THE INFORMATION COLLECTED--AGENCY ACTIVITIES, COLLECTION METHODOLOGY, AND INFORMATION MANAGEMENT

(a) Agency Activities.

A list of our activities and assumptions for the first three years after promulgation of the NESHAP is provided in Tables 1 through 3 Attachment B.

(b) Collection Methodology and Management.

Information contained in the one-time-only reports will be entered into the Aerometric Information Retrieval System (AIRS) Facility Subsystem (AFS) that is maintained and operated by our Office of Air Quality Planning and Standards (OAQPS).

Information contained in the semiannual compliance reports submitted to us will be reviewed for accuracy and completeness. Data from records maintained by the respondents and obtained during periodic visits by our personnel will be tabulated and published for internal use in compliance and enforcement programs.

(c) Small Entity Flexibility.

Minimizing the information collection burden for all sizes of organizations is a continuing effort on our part. We have reduced the recordkeeping and reporting requirements to include only the information needed by us to determine compliance with the NESHAP.

A small entity is defined, according to the Small Business Administration (SBA) size standards and NAICS code, as one with 500 or fewer employees (NAICS code 325199 has a small business definition of entities with fewer than 1,000 employees, but we do not have any existing facilities with this primary NAICS code in our inventory of chemical preparations facilities).

Approximately 38 percent of the area source facilities that would be covered by the final standards are considered to be small businesses. Due to the high percentage of companies that are small businesses, it is likely that some small businesses will be affected by this NESHAP. However, we have determined that the final NESHAP will not have a significant impact on small businesses. It is estimated that no companies will incur compliance costs, which include the cost of monitoring, inspection, recordkeeping and reporting costs, in excess of 1 percent of sales. Additionally, we have limited the initial compliance demonstration, monitoring, recordkeeping, and reporting requirements for all facilities, including those owned by small businesses, to the minimum necessary to ensure compliance.

(d) Collection Schedule.

The NESHAP has an anticipated promulgation date on or about October 15, 2009. Collection of data will begin after promulgation of the standards. The schedule for reports that will be required by the NESHAP is summarized below.

All area source facilities must submit an initial notification that they are subject to NESHAP. As specified in Section 63.9(b)(2), existing affected sources and new affected sources with startup dates before promulgation will submit an initial notification no later than 120 days after promulgation. For new or reconstructed affected sources with startup dates on or after promulgation, an initial notification will likely be submitted in conjunction with the notification of intent to construct or reconstruct.

Chemical preparations industry facilities will submit a notification of intent to conduct an initial performance test, if a test is necessary, at least 60 days before the performance test is scheduled to begin, as required in Section 63.7(b)(1). A notification of compliance status, including the initial performance test results, would be due before the close of business on the 60th day following the completion of the performance test, according to Section 63.10(d)(2). Existing sources will submit notifications of performance tests and notifications of compliance status during the first year covered by this ICR. No new sources are expected to be constructed during the first three years after promulgation.

For all area sources, the first compliance report submitted will cover the period beginning on the specified compliance date and ending on June 30 or December 31, whichever date is the first date following the end of the first calendar half after the specified compliance date. This initial compliance report must be postmarked or delivered no later than July 31 or January 31,

whichever date follows the end of the first calendar half after the specified compliance date. Compliance reports subsequent to the initial compliance report will be submitted semiannually on the same schedule as the initial compliance report and cover the reporting period from January 1 through June 30 or July 1 through December 31.

6. ESTIMATING THE BURDEN AND COST OF THE COLLECTION

(a) Estimating Respondent Burden.

Tables 1 through 3 of Attachment A presents the recordkeeping and reporting costs incurred by the 26 existing chemical preparations industry facilities during the first three years following promulgation of the NESHAP. No new facilities are anticipated during this 3-year period because of the current housing and economic downturn.

Based upon our analysis of information obtained about these facilities, we believe that all facilities can comply with NESHAP emission limits using existing control devices. In every case, the systems currently installed on existing control devices to monitor their operation can also be used to demonstrate ongoing compliance with the NESHAP emission limits. However, we have assumed that all of the existing facilities will need to periodically inspect the collection, control and monitoring equipment to ensure it is being operated and maintained properly.

(b) Estimating Respondent Costs.

(i) Estimating labor costs.

The respondent labor costs are based upon hourly labor rates obtained from the U.S. Department of Labor, Bureau of Labor Statistics (May 2007 National Industry-Specific Occupational Employment and Wage Estimates; NAICS 325900 - Other chemical product and preparation manufacturing;

(http://www.bls.gov/oes/2007/may/naics4_325900.htm). The labor costs were adjusted using the most recent employee cost index available for manufacturing, from Bureau of Labor Statistics (<http://stats.bls.gov/news.release/eci.t06.htm>). The adjusted, including benefits and overhead, cost of technical labor for the chemical preparations industry is estimated to be \$75.88 per hour, the cost of managerial labor to be \$114.44 per hour, and the cost of clerical labor to be \$32.89 per hour. Managerial and clerical labor hours were calculated as 5 and 10 percent, respectively, of technical hours.

The total annual estimates of technical labor hours per activity and the number of activities per facility listed in Table 4 of Attachment A are based upon experience with information collection requirements of similar standards.

(ii) Estimating capital/start-up costs.

There are no capital costs associated with the NESHAP.

(iii) Estimating operating and maintenance (O&M) costs.

The annual O&M costs include the cost of photocopying and mailing reports for initial compliance demonstrations (engineering calculations or performance guarantee information) and semiannual compliance reports.

Photocopying and postage costs are incurred when reports required by the NESHAP are submitted to regulatory agencies. These costs were estimated to be \$7.50 per report (\$0.10/page, 15 pages/report, and \$0.50 postage/report). The annual average cost of photocopying and postage for the years covered by this ICR is estimated to be \$520.

(c) Estimating the Government's Burden and Cost.

The costs that the government will incur over the 3-year period following promulgation are: (1) labor costs to review the NESHAP requirements, observing initial performance tests (if

needed), and analyzing reported information from respondents; and (2) O&M costs for travel expenses for observing initial performance tests. We have assumed that State agencies will be delegated to implement the rule. Therefore, thirteen State offices that oversee the 26 existing area source facilities will be required to read and understand the rule requirements. Several notifications and reports will be reviewed by agency technical personnel, including performance test reports, one-time-only notifications, and semi-annual compliance reports for new sources.

The estimates of the government's technical labor hours per activity and the number of activities per year listed in Tables 1 through 3 Attachment B are based upon experience with information collection requirements for similar standards. Activities that are one-time-only are identified as such in the table footnotes.

Labor rates for Federal government employees have been used to develop our burden estimates, and are based on the 2009 General Schedule (GS) hourly base salary data (by grade and step) from the U.S. Office of Personnel Management Internet web site: (<http://www.opm.gov/oca/01tables/gshrly/html/01gshr.htm>). The adjusted, including benefits and overhead, average hourly labor cost of \$51.60 for technical staff (GS-12, Step 5), \$85.28 for managerial staff (GS-15, Step 5), and \$29.09 for clerical staff (GS-7, Step 5). All labor costs are in January 2009 dollars. Similar to respondent burden estimates, managerial and clerical labor hours were calculated as 5 and 10 percent, respectively, of each technical labor hour requirement.

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

The chemical preparations industry source category consists of an estimated 26 existing facilities nationwide. This

estimation is based on data obtained from the National Emissions Inventory (NEI) and from searches of on-line operating permit databases. The industry burden is calculated based upon the assumption that all existing facilities will remain in operation during the 3-year period.

(e) Bottom Line Burden Hours and Costs Tables.

(i) Respondent tally.

The bottom line respondent burden hours and costs are summarized in Table 4 of Attachment A. The total nationwide burden for regulated area sources for the first three years after promulgation of the NESHAP are estimated to be 7,116 total labor hours at a labor cost of \$525,294. These labor hours and labor costs represent 26 existing area source facilities.

As shown in Table 4, the total O&M costs to comply with the standard were estimated to be \$1,560 for existing sources for the first three years after promulgation of the rule. The total O&M costs reflect costs that are associated with report submittals that are not included in the labor hour burden estimate.

(ii) The government tally.

The bottom line government burden hours and costs that would result from this ICR for the first three years following promulgation of the NESHAP are presented in Table 4 of Attachment B. These estimated hours and costs represent 26 existing area source facilities.

As shown in Table 4, the estimated Federal government burden labor hours and costs of the NESHAP for the first three years after promulgation are 413 total labor hours at a cost of \$21,129. There are no O&M costs incurred by the government in the first three years after promulgation of the rule.

(iii) Variations in the annual bottom line.

Variations in the annual bottom line for this regulation may occur over the year following promulgation of this rule because certain activities such as reading and understanding the rule and submitting notifications of compliance tests and compliance status are one-time occurrences, rather than on-going activities.

(f) Reasons for Change in Burden.

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

(g) Burden Statement.

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 137 hours per response. Burden means total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a government agency. This includes the time needed to review instructions; inspect, maintain, 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 are listed in 40 CFR part 9 and 48 CFR chapter 15.

To comment on 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-OAR-2009-028 which is available for online viewing at www.regulations.gov, or in person at the Air and Radiation Docket and Information Center in the EPA Docket Center (EPA/DC), EPA West Building, Room B102, 1301 Constitution Avenue, NW, Washington, D.C. 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 Chemical Preparations Industry Area Source NESHAP docket is (202) 566-1742. An electronic version of the public docket is available at 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 17th Street, NW, Washington, D.C. 20503, Attention: Desk Office for EPA. Please include the EPA Docket ID Number EPA-HQ-OAR-2009-028 and OMB Control Number 2060-NEW in any correspondence.

Attachment A

Tables 1 through 4

- Table 1: Annual Respondent Burden and Cost of Recordkeeping and Reporting Requirements for Year 1 of the NESHAP for Area Sources: Chemical Preparations Industry
- Table 2: Annual Respondent Burden and Cost of Recordkeeping and Reporting Requirements for Year 2 of the NESHAP for Area Sources: Chemical Preparations Industry
- Table 3: Annual Respondent Burden and Cost of Recordkeeping and Reporting Requirements for Year 3 of the NESHAP for Area Sources: Chemical Preparations Industry
- Table 4: Summary of Respondent Burden for the NESHAP for Area Sources (Years 1 through 3): Chemical Preparations Industry

Attachment B

Tables 1 through 4

- Table 1: Annual Federal Government Burden and Cost of Recordkeeping and Reporting Requirements for Year 1 of the NESHAP for Area Sources: Chemical Preparations Industry
- Table 2: Annual Federal Government Burden and Cost of Recordkeeping and Reporting Requirements for Year 2 of the NESHAP for Area Sources: Chemical Preparations Industry
- Table 3: Annual Federal Government Burden and Cost of Recordkeeping and Reporting Requirements for Year 3 of the NESHAP for Area Sources: Chemical Preparations Industry
- Table 4: Summary of Federal Government Burden for the NESHAP for Area Sources (Years 1 through 3): Chemical Preparations Industry