

**SUPPORTING STATEMENT  
ENVIRONMENTAL PROTECTION AGENCY**

**NESHAP for Shipbuilding and Ship Repair Facilities - Surface Coating (40 CFR Part 63, Subpart II) (Final Rule)**

**1. Identification of the Information Collection**

**1(a) Title of the Information Collection**

NESHAP for Shipbuilding and Ship Repair Facilities - Surface Coating (40 CFR Part 63, Subpart II), EPA ICR Number 1712.08, OMB Control Number 2060-0330

**1(b) Short Characterization/Abstract**

The National Emission Standards for Hazardous Air Pollutants – Maximum Achievable Control Technology (NESHAP-MACT) for the regulations published at 40 CFR part 63, subpart II were proposed on December 6, 1994 and promulgated on December 15, 1995. These regulations apply to shipbuilding and repair facilities that are major sources of hazardous air pollutants (HAP), commencing construction, modification, or reconstruction after the date of proposal. This information is being collected to assure compliance with 40 CFR part 63, subpart II.

In general, all NESHAP-MACT standards require initial notifications, performance tests, and periodic reports. Owners or operators are also required to maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility, or any period during which the monitoring system is inoperative. These notifications, reports, and records are essential in determining compliance and are required of all sources subject to NESHAP-MACT.

Owners or operators of shipbuilding and ship repair facilities to which this regulation is applicable must choose one of the four compliance options described in the final rule or install and monitor a specific control system to control coating emissions and to reduce HAP emissions to the compliance level. The respondents would be subject to sections of subpart A relating to national emission standards for hazardous air pollutants. These requirements include those associated with the initial notification and the notification of compliance status for the first six months and every six months thereafter. In addition, respondents would be required to submit with the initial notification an implementation plan that describes the coating compliance procedures, recordkeeping procedures, and transfer, handling, and storage procedures that the source intends to use.

Respondents choosing any of the four compliance options described in the final rule must record the following: the total volume of coating applied at the source to ships; the volume of each low-usage-exempt coating applied; the identities of the coatings used, their appropriate coating categories, and applicable volatile organic hazardous air pollutants (VOHAP) limits; certifications of the as-supplied volatile organic compounds (VOC) content of each batch of

coating; a determination of whether containers meet the standards; and the results of any Method 24 or approved VOHAP measurement test conducted on individual containers of coating, as applied.

Any owner or 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.

This action finalizes the residual risk and technology review conducted for the Shipbuilding and Ship Repair (surface coating) NESHAP. We are re-adopting the current MACT standard based on a finding of acceptable risk under the risk review, and based on lack of cost-effective control options under the technology review. We are adding provisions to provide an affirmative defense against civil penalties for exceedances of emission standards caused by malfunctions, as well as criteria for establishing the affirmative defense. We are also eliminating exemptions for periods of startup and shutdown.

## **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 (CAA), 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 or 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 surface coating at shipbuilding and repair facilities cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare. Therefore, the NESHAP-MACT for this source category were promulgated at 40 CFR part 63, subpart II.

## **2(b) Practical Utility/Users of the Data**

When control equipment is installed as an alternative to use of low volatile organic compound (VOC) coatings, the control of emissions of HAP from surface coating at shipbuilding and repair facilities requires the installation of properly designed equipment and the operation and maintenance of that equipment. Emissions of HAP from surface coating at shipbuilding and repair facilities are the result of operation of the affected facilities. In general, the subject standards are achieved and HAP emissions are reduced through the use of coatings which comply with the VOC limits set forth in 40 CFR part 63, subpart II. The notifications required in the applicable regulations 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 ensure that the pollution control devices are properly installed and operated and that the regulations are being met. Performance test reports are needed as these are the Agency's record of a source's initial capability to comply with the emission standards, and serve as a record of the operating conditions under which compliance was achieved. The semiannual reports are used for problem identification, as a check on source operation and maintenance, and for compliance determinations. The information generated by the monitoring, recordkeeping and reporting requirements described in this ICR is used by the Agency to ensure that facilities affected by the NESHAP-MACT continue to operate the control equipment and achieve continuous compliance with the regulation. Adequate monitoring, recordkeeping, and reporting are necessary to ensure compliance with the applicable regulations as required by the Clean Air Act. Also, the information collected from recordkeeping and reporting requirements is used for targeting inspections, and is of sufficient quality to be used as evidence in court.

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

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

### **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 their 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**

Public notice will be given by means of a Federal Register Notice of Final Rulemaking.

### **3(c) Consultations**

The EPA Office of Air Quality Planning and Standards (OAQPS) conducted a review and discussions with industry during initiation of the Shipbuilding and Ship Repair Residual

Risk Assessment. Results from that activity were used in preparation of this ICR.

### **3(d) Effects of Less Frequent Collection**

Less frequent information collection would decrease the margin of assurance that facilities are continuing to meet the required 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 likelihood of detecting poor operation and maintenance of control equipment and noncompliance would decrease.

### **3(e) General Guidelines**

None of these reporting or recordkeeping requirements violate any of the regulations established by OMB at 5 CFR 1320.5.

These standards require affected facilities 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 with the part 70 permit program and the five-year statute of limitations on which the permit program is based. Also, the retention of records for five years would allow EPA to establish the compliance history of a source and any pattern of compliance for purposes of determining the appropriate level of enforcement action. Historically, EPA has found that the most flagrant violators frequently have violations extending beyond the five years. EPA would be prevented from pursuing the worst violators due to the destruction or nonexistence of records if records were retained for less than five years.

### **3(f) Confidentiality**

The required information has been determined to be non-confidential. However, 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 – Confidential 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**

None of the reporting or recordkeeping requirements contain sensitive questions.

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

### **4(a) Respondents/SIC Codes**

The respondents of the recordkeeping and reporting requirements are owners and operators of new and existing shipbuilding and ship repair facilities that are classified as major

sources of HAP under section 112 of the CAA. The primary SIC code for the respondents affected by the rule is 3731 which corresponds to the NAICS (The North American Industry Classification System) 336611. The regulation applies only to shipbuilding and ship repair operations affecting commercial and military vessels; it does not apply to boat yards that only build or repair pleasure crafts, which the final rule defines as any marine or fresh-water vessel that is used by individuals for non-commercial, non-military, and recreational purposes and which is less than 20 meters in length.

#### **4(b) Information Requested**

##### **(i) Data Items**

All data in this ICR that is recorded and/or reported is required by the NESHAP for Shipbuilding and Ship Repair Facilities - Surface Coating (40 CFR part 63, subpart II).

A source must make the following reports:

<b>Reports for 40 CFR part 63, subpart II</b>	
Construction/reconstruction	63.5
Initial notifications	63.9(b), 63.787(a)
Report of performance test results	63.10(d)(2), 63.788(a)
Initial performance test	63.7(b), 63.9(e)
Rescheduled initial performance test	63.7(b)(2)
Continuous monitoring system notifications	63.9(g)
Request for extension of compliance, adjustments in time periods, and changes in information	63.9(c), (i), and (j), 63.787(a)
Special compliance requirements	63.9(d), 63.787(a)
Compliance status	63.9(h)
Opacity or visible emissions	63.10(d)(3), 63.788(a)
Startup, shutdown, malfunction reports	63.10(d)(5), 63.788(a)
Progress reports	63.10(d)(4), 63.788(a)
Additional reports for sources with continuous monitoring systems	63.10(e), 63.788(a)
Implementation plan	63.787(b)
Semiannual report of coating and thinner usage	63.788(c)
Request for waiver of recordkeeping or reporting requirements	63.10(f), 63.788(a)

A source must maintain the following records:

<b>Recordkeeping for 40 CFR part 63, subpart II</b>	
Startups, shutdowns, malfunctions, periods where the continuous monitoring system is inoperative	63.10(b)(2), 63.788(a)
All reports and notifications	63.10(a), 63.10(b), 63.788(a), 63.788(b)
Record of applicability	63.10(b)(3), 63.788(a)
Records for sources with continuous monitoring systems	63.10(c), 63.788(a)
Records of coating applied	63.788(b)(1)
Records related to initial notification and implementation plan	63.788(b)(2)
Records related to coatings and containers used	63.788(b)(2)
Records related to coatings and thinners used	63.788(b)(3)
Records are required to be retained for five years. The first 2 years of records must be retained at the facility.	63.788(b)

**(ii) Respondent Activities**

<b>Respondent Activities</b>
Read instructions.
Install, calibrate, maintain, and operate Compliance Monitoring System (CMS) for opacity, or for pressure drop and liquid supply pressure for control device, if approved and used.
Perform initial performance test, Reference Method 24 test, 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.
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.
Transmit, or otherwise disclose the information.

This collection does not make use of automated, mechanical, or other technical collection techniques. Respondents will most likely submit hard copy reports, although some may submit electronic versions. The rule allows records to be maintained in hard copy or electronic format to allow flexibility and minimize burden.

***(iii) Summary of Requirements.***

EPA is including in Table 3 an estimate of the burden associated with performing an affirmative defense. EPA is providing this as an illustrative example of the potential additional administrative burden a source may incur to assert in an Affirmative Defense in response to an action to enforce the standards set forth in the applicable subpart.

This illustrative estimate is not considered a duplicate estimate of cost under the General Duty to Minimize Emissions clause under 63.6(e)(1)(i), which states: “At all times, the owner and operator must operate and maintain any affected source, including associated air pollution control equipment and monitoring equipment, in a manner consistent with safety and good air pollution control practices for minimizing emissions. Determining whether such operation and maintenance procedures are being used will be based on information available to the Administrator which may include, but is not limited to, monitoring results, review of operation and maintenance procedures, review of operation and maintenance records, and inspection of the source.”

To provide the public with an estimate of the relative magnitude of the burden associated with an assertion of the affirmative defense position adopted by a source, EPA provides an administrative adjustment to this ICR that estimates the costs of the notification, recordkeeping and reporting requirements associated with the assertion of the affirmative defense. EPA’s estimate for the required notification, reports and records, including the root cause analysis, associated with a single incident totals approximately \$3,141 and is based on the time and effort required of a source to review relevant data, interview plant employees, and document the events surrounding a malfunction that has caused an exceedance of an emission limit. The estimate also includes time to produce and retain the records and reports for submission to EPA. EPA provides this illustrative estimate of this burden because these costs are only incurred if there has been a violation and a source chooses to take advantage of the affirmative defense.

In this source category, it is unlikely that a control device malfunction would cause an exceedance of any emission limit. For reasons explained in the FRN, we have asserted that although a cost for affirmative defense is possible, we believe that malfunctions are unlikely. Thus for these source categories, EPA is not assigning any burden associated with affirmative defense.

**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.

<b>Agency Activities</b>
Observe initial performance tests and repeat performance tests if necessary.

<b>Agency Activities</b>
Review notifications and reports, including performance test reports, and excess emissions reports, required to be submitted by industry.
Audit facility records.
Input, analyze, and maintain data in the Air Facility System (AFS) database.

### **5(b) Collection Methodology and Management**

Performance test reports are used by the Agency to discern a source's initial capability to comply with the emission standard and to note the operating conditions under which compliance was achieved. 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 source operation and maintenance, and for compliance determinations.

Information contained in the reports is entered into the AFS which is operated and maintained by the EPA Office of Compliance. AFS is the EPA database for the collection, maintenance, and retrieval of compliance and annual emission inventory data for more than 100,000 industrial and government-owned facilities. EPA uses AFS for tracking air pollution compliance and enforcement by local and state regulatory agencies, and 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 or operator for five years.

### **5(c) Small Entity Flexibility**

The recordkeeping and reporting requirements were selected within the context of this specific subpart and the specific process equipment and pollutants. The requirements reflect the burden on small businesses. To the extent that larger businesses can use economies of scale to reduce their burden, the overall burden will be reduced. Although the recordkeeping and reporting requirements are the same for small and larger businesses, the Agency considers these requirements the minimum needed to ensure compliance and, therefore, cannot reduce them further for small businesses. However, there is a "low usage" exemption, which may reduce the recordkeeping and reporting burden for some small businesses. This "low usage" exemption stipulates that the provisions of the regulation do not apply to coatings used in volumes of less than 200 liters per year.

### **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 - NESHAP for Shipbuilding and Ship Repair Facilities -Surface Coating (40 CFR Part 63, Subpart II) (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 at 28,594 (rounded) person-hours. These hours are based on an Agency review and discussions with the industry during initiation of the Shipbuilding and Ship Repair Residual Risk Assessment, the AFS, Agency studies and background documents from the development of the regulation, Agency knowledge and experience with the NESHAP program, and the previously approved ICR.

### 6(b) Estimating Respondent Costs

#### (i) Estimating Labor Costs

This ICR uses the following labor rates: \$89.94 per hour for Executive, Administrative, and Managerial labor; \$61.66 per hour for Technical labor, and \$38.39 per hour for Clerical labor. These rates are from the United States Department of Labor, Bureau of Labor Statistics, September 2002, "Table 10. Private industry, by occupational and industry group." The rates are from column 1, "Total compensation." The rates have been increased by 110 percent to account for the benefit packages available to those employed by private industry.

Managerial	\$89.94	(\$42.83 + 110%)
Technical	\$61.66	(\$29.36 + 110%)
Clerical	\$38.39	(\$18.28 + 110%)

#### (ii) Estimating Capital and Operation and Maintenance Costs

The only type of industry costs associated with the information collection activity in the standards are labor costs. There are no capital/startup or operation and maintenance costs. There is no requirement for the installation of control equipment and the recent review and discussion with industry found no facilities using control equipment as an alternative to low solvent coatings. Monthly performance tests involve calculations only, and rely on data that is either readily available or routinely collected as part of normal operations. Most of the measurements and calculations required for monthly performance tests under this standard are consistent with the respondents' normal recordkeeping practices. Semiannual reports are essentially statements that all performance tests showed the source to be in compliance with the emissions limitations.

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

The only type of industry costs associated with the information collection activity in the regulations are labor costs. There are no capital/startup or operation and maintenance costs.

### (iv) Affirmative Defense/Root Cause Analysis/Malfunction Costs.

EPA's estimate for a root cause analysis is based on general experience to calculate the time and effort required of a source to review relevant data, interview plant employees, and reconstruct the events prior to a malfunction in order to determine primary and contributing causes. The level of effort also includes time to produce and retain the report in document form so that the source will have it available should EPA or state enforcement agencies ever request to review it.

**TABLE 3. COST ESTIMATE FOR ROOT CAUSE ANALYSIS**

<b>Personnel</b>	<b>Number of Personnel</b>	<b>Time Requirement (hours)</b>	<b>Total Hours</b>	<b>Hourly Rate (\$/hr)</b>	<b>Total</b>
Technical Personnel	3	6	18	98.20	\$1,768
Managerial Personnel	2	6	12	114.49	\$1,374
Total	5		30		\$3,141

In this source category, it is unlikely that a control device malfunction would cause an exceedence of any emission limit. Thus for these source categories, EPA is not assigning any burden associated with affirmative defense.

### 6(c) Estimating Agency Burden and Cost

The only Federal costs are user costs associated with analysis of the reported information. Publication and distribution of the information are part of the AFS program. Examination of records to be maintained by the respondents will occur as part of the periodic inspection of sources, which is part of the EPA compliance and enforcement program.

The average annual Federal government cost during the three years of the ICR is estimated to be \$8,846 (rounded). [See Table 2 in Section 6(e)]. This cost is based on an average hourly rate of a GS-12, Step 1, times a 1.6 benefits multiplication factor to account for government overhead expenses for a total of \$39.49. This rate is from the Office of Personnel Management (OPM) "2003 General Schedule" which excludes locality rates of pay. Details upon which this estimate is based appear below in Table 2: Annual Agency Burden and Cost – NESHAP for Shipbuilding and Ship Repair Facilities – Surface Coating (40 CFR Part 63, Subpart II).

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

Approximately 56 sources are currently subject to the regulation, and the number of sources subject to the regulation is expected to remain the same during the next three years.

<b>Respondent Universe and Number of Responses Per Year</b>						
Regulation Citation	(A) Average Number of New Respondents Per Year	(B) Number of Reports for New Sources	(C) Number of Existing Respondents	(D) Number of Reports for Existing Sources	(F) Number of Respondents That Keep Records But Do Not Submit Reports	(E) Total Annual Responses (AxB)+(CxD)+F
NESHAP 40 CFR part 63, subpart II	0	2	56	2	0	112

The number of total respondents is 56. This number is the sum of column A and column C of the Respondent Universe and Number of Responses Per Year table. This represents the number of existing sources plus the number of new sources averaged over the three-year period (i.e., the total of the number of new respondents over the three-year period divided by three years).

The total annual response is 112. This number is in column E of the Respondent Universe and Number of Responses Per Year table above.

The total annual labor costs are \$1,740,381 (rounded). Details upon which this estimate is based appear below in Table 1 Annual Respondent Burden and Cost - NESHAP for Shipbuilding and Ship Repair Facilities - Surface Coating (40 CFR Part 63, Subpart II) (Renewal).

Note that the total annual capital and O&M costs to the regulated entity are \$0. These costs are detailed in Section 6(b)(iii), Capital/Startup vs. Operation and Maintenance (O&M) Costs.

#### **6(e) Bottom Line Burden Hours Burden Hours and Cost Tables**

The bottom line burden hours and cost tables for both the Agency and the respondents are attached below.

#### **6(f) Reasons for Change in Burden**

There is no change in the burden hours or cost to the respondents in this ICR compared to the previous ICR. This is due to two considerations. First, the regulations have not changed over the past three years and are not anticipated to change over the next three years. Second, the growth rate for the respondents is very low, negative or nonexistent. Therefore, the labor hours and cost figures in the previous ICR reflect the current burden to the respondents and are reiterated in this ICR. In the previous ICR the cost figure was rounded-up to the nearest thousand. In this ICR, the figure is rounded to the nearest dollar.

EPA provides an adjustment to this ICR that estimates the costs of the notification, recordkeeping and reporting requirements associated with the assertion of the affirmative defense. EPA's estimate for the required notification, reports and records, including the root cause analysis, associated with a single incident totals approximately \$3,141 and is based on the time and effort required of a source to review relevant data, interview plant employees, and document the events surrounding a malfunction that has caused an exceedance of an emission limit. The estimate also includes time to produce and retain the records and reports for submission to EPA.

For the purpose of estimating the annual burden in this category, EPA is attributing no instances of affirmative defense. The costs below are illustrative of affirmative defense, which we see sources having no need for, given the technical reasons explained in the FRN.

### **6(g) Burden Statement**

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 255 (rounded) 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-OAR-2010-0786. 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 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 and Radiation Docket is (202) 566-1742. 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-OAR-2010-0786 and OMB Control Number 2060-0330 in any correspondence.

**Part B of the Supporting Statement**

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

**TABLE 1 Annual Respondent Burden and Cost  
NESHAP for Shipbuilding and Ship Repair Facilities - Surface Coating (40 CFR Part 63, Subpart II)**

REPORTING/RECORDKEEPING REQUIREMENT	Hours/ Occurrence (A)	Occurrences/ Year (B)	Hours/Year (C=A*B) (C)	Respondents/ Year (D)	Technical Hours/Year (E=C*D) (E)	Management Hours/ Year (F=E*.05) (F)	Clerical Hours/ Year (G=E*.1) (G)	Costs/Year (H)
1. APPLICATIONS	N/A	N/A	N/A	N/A	N/A			N/A
2. SURVEY AND STUDIES	N/A	N/A	N/A	N/A	N/A			N/A
3. REPORTING REQUIREMENTS								
a. Read Instructions	1	1	1	0	0	0	0	0
b. Required Activities		-----Included in 3e-----						
c. Create Information		-----Included in 3e-----						
d. Gather Existing Information		-----Included in 3e-----						
e. Write Report								
Notification of Construction/Reconstruction	2	1	2	0	0	0	0	0
Notification of Demonstration of CMS	N/A	N/A	N/A	N/A	N/A			
Report of Performance Test	N/A	N/A	N/A	N/A	N/A			
Initial Notification and Implementation	14	1	14	0	0	0	0	0
Semiannual Notification	8	2	16	56	896	45	90	\$62,716.42
TOTAL REPORTING BURDEN				Total Hours =	1,032		Total Cost =	\$62,716.42
4. RECORDKEEPING REQUIREMENTS								
a. Read Instructions		-----Included in 3a-----						
b. Plan Activities	N/A	N/A	N/A	N/A	N/A			
c. Implement Activities	8	50	400	56	22,400	1,120	2,240	\$1,567,910.40
d. Develop Record System	8	1	8	0	0	0	0	0
e. Train Personnel	28	1	28	56	1,568	78	157	\$109,753.73
g. Audits	N/A	N/A	N/A	N/A	N/A			
TOTAL RECORDKEEPING BURDEN				Total Hours =	27,562		Total Cost =	\$1,677,664.13
TOTAL ANNUAL BURDEN				Total Hours =	<b>28,594</b>		Total Cost =	<b>\$1,740,380.54</b>
<p><u>Assumptions</u></p> <p>Number of affected facilities (per year) 56</p> <p>Costs assume a rate of \$61.66/hour for technical, \$89.94/hour for executive, and \$38.39/hour for clerical.</p> <p>Rate of failed performance tests 20%</p> <p>Number of new facilities (per year) 0</p> <p>Assumes an operating schedule of 50 weeks per year</p>								

**TABLE 2 Annual Agency Burden and Cost  
NESHAP for Shipbuilding and Ship Repair Facilities - Surface Coating (40 CFR Part 63, Subpart II)**

REPORTING/RECORDKEEPING REQUIREMENT		EPA Hours/Occurrence (A)	Occurrences/Plant/Year (B)	EPA Hours/Year (C=AxB) (C)	Plants/Year (D)	EPA Hours/ Year (E=CxD) (E)
INITIAL PERFORMANCE TESTS		N/A				
REPEAT PERFORMANCE TEST		N/A				
REPORT REVIEW						
	Notification of Construction	2	1	2	0	0
	Review of Initial Notification and Implementation Plan	2	1	2	0	0
	Review of Semiannual Notification of Compliance Status	2	2	4	56	224
TOTAL ANNUAL HOURS						<b>224</b>
SALARY BURDEN (per year)						<b>\$8,845.76</b>

Assumptions

Number of affected facilities (per year)	56
EPA labor rate (GS-12 Step 1 x 1.6 for overhead expenses)	\$39.49