

MACT floor less stringent for the remaining facilities. One approach that has been suggested to mitigate this effect would be to establish the MACT floor now, based on controls in place for the entire category, and to allow facilities to become part of the low-risk subcategory in the future, after the MACT standard is established. This would allow low risk facilities to use the section 112(c)(9) exemption without affecting the MACT floor calculation. The EPA requests comment on this suggested approach.

Another approach under section 112(c)(9) would be to define a subcategory of facilities within the PCWP source category based upon technological differences, such as differences in production rate, emission vent flow rates, overall facility size, emissions characteristics, processes, or air pollution control device viability. The EPA requests comment on how we might establish PCWP subcategories based on these, or other, source characteristics. If it could then be determined that each source in this technologically-defined subcategory presents a low risk to the surrounding community, the subcategory could then be delisted in accordance with section 112(c)(9). The EPA requests comment on the concept of identifying technologically-based subcategories that may include only low-risk facilities within the PCWP source category.

If this section 112(c)(9) approach were adopted, the rulemaking would likely indicate that the rule does not apply to any source that demonstrates that it belongs in a subcategory which has been delisted under section 112(c)(9).

*Consideration of criteria pollutants.* Finally, EPA projects that adoption of the MACT floor level of controls would result in increases in NO<sub>x</sub> emissions. This pollutant is a precursor in the formation of fine PM, which has been associated with a variety of adverse health effects (including premature mortality, chronic bronchitis, and increased frequency of asthma attacks). The EPA requests comment on the extent to which consideration should be given to the adverse effects of the possible increase in NO<sub>x</sub> emissions from applying MACT technology, in the context of implementing our authority under section 112(c)(9) or other exemptions.

#### *H. What Are the Economic Impacts?*

The economic impact analysis shows that the expected price increases for affected output would range from only 0.7 to 2.5 percent as a result of the proposed NESHAP for PCWP manufacturers. The expected change in production of affected output is a

reduction of 0.1 to 0.7 percent for PCWP manufacturers as a result of the proposed rule. There is only one plant closure expected out of the 223 facilities affected by the proposed rule. It should be noted that the baseline economic condition of the facility predicted to close rather than incur the costs of compliance with the proposed rule affects the closure estimate provided by the economic model, and that the facility predicted to close appears to have low profitability levels currently. Therefore, it is likely that there is no adverse impact expected to occur for those industries that produce output affected by the proposed rule, such as hardboard, softwood plywood and veneer, engineered wood products, and other wood composites.

#### *I. What Are the Social Costs and Benefits?*

Our assessment of costs and benefits of the proposed rule is detailed in the "Regulatory Impact Analysis for the Proposed Plywood and Composite Wood Products MACT." The Regulatory Impact Analysis (RIA) is located in Docket number A-98-44.

It is estimated that 3 years after implementation of the proposed requirements, HAP would be reduced by 9,700 Mg/yr (11,000 tons/yr) due to reductions in formaldehyde, acetaldehyde, acrolein, methanol, phenol and several other HAP from existing PCWP emission sources. The health effects associated with these HAP are discussed earlier in this preamble.

At this time, we are unable to provide a comprehensive quantification and monetization of the HAP-related benefits of this proposal. Nevertheless, it is possible to derive rough estimates for one of the more important benefit categories, *i.e.*, the potential number of cancer cases avoided and cancer risk reduced as a result of the imposition of the MACT level of control on this source category. Our analysis suggests that imposition of the MACT level of control would reduce cancer cases by zero to less than one case per year, on average, starting some years after implementation of the standards. We present these results in the RIA. This risk reduction estimate is uncertain and should be regarded as an extremely rough estimate and should be viewed in the context of the full spectrum of unquantified noncancer effects associated with the HAP reductions.

The control technologies used to reduce the level of HAP emitted from PCWP sources are also expected to reduce emissions of CO, PM<sub>10</sub>, and VOC. It is estimated that CO emission reductions total approximately 10,000

Mg/yr (11,000 tons/yr), PM<sub>10</sub> emission reductions total approximately 11,000 Mg/yr (13,000 tons/yr), and VOC emission reductions (approximated as THC) total approximately 25,000 Mg/yr (27,000 tons/yr). These estimated reductions occur from existing sources in operation 3 years after the implementation of the requirements of the proposed rule and are expected to continue throughout the life of the sources. Human health effects associated with exposure to CO include cardiovascular system and central nervous system (CNS) effects, which are directly related to reduced oxygen content of blood and which can result in modification of visual perception, hearing, motor and sensorimotor performance, vigilance, and cognitive ability. The VOC emissions reductions may lead to some reduction in ozone concentrations in areas in which the affected sources are located. There are both human health and welfare effects that result from exposure to ozone, and these effects are listed in Table 3 of this preamble.

At the present time, we cannot provide a monetary estimate for the benefits associated with the reductions in CO. We also did not provide a monetary estimate for the benefits associated with the changes in ozone concentrations that result from the VOC emission reductions since we are unable to do the necessary air quality modeling to estimate the ozone concentration changes. For PM<sub>10</sub>, we did not provide a monetary estimate for the benefits associated with the reduction of the emissions, although these reductions are likely to have significant health benefits to populations living in the vicinity of affected sources.

There may be increases in NO<sub>x</sub> emissions associated with the proposed rule as a result of increased use of incineration-based controls. These NO<sub>x</sub> emission increases by themselves could cause some increase in ozone and PM concentrations, which could lead to impacts on human health and welfare as listed in Table 3. The potential impacts associated with increases in ambient PM and ozone due to these emission increases are discussed in the RIA. In addition to potential NO<sub>x</sub> increases at affected sources, the proposed rule may also result in additional electricity use at affected sources due to application of controls. These potential increases in electricity use may increase emissions of SO<sub>2</sub> and NO<sub>x</sub> from electricity generating utilities. As such, the proposed rule may result in additional health impacts from increased ambient PM and ozone from these increased