

defines a minimum level of control that can be considered for MACT standards, commonly referred to as the MACT floor—which for new sources, is the level of control achieved by the best controlled similar source, and for existing sources is the level of control achieved by the average of the best performing 12 percent of sources in the category (or the best-performing five sources for categories with fewer than 30 sources).

Control technologies and their performance are discussed in the background information document for this proposal (Docket number A-98-44). We considered emission reductions, costs, environmental impacts, and energy impacts in selecting the proposed MACT standards. The proposed standards achieve sizable reductions in HAP and other pollutant emissions.

## 2. Social Costs and Benefits

The regulatory analyses prepared for this proposed rule, including our assessment of costs and benefits, is detailed in the “Regulatory Impact Analysis for the Proposed Plywood and Composite Wood Products NESHAP” in Docket A-98-44. Based on estimated compliance costs associated with this proposed rule and the predicted change in prices and production in the affected industries, the estimated social costs of this proposed rule are \$134.2 million (1999 dollars). The social costs of this proposed rule are the costs imposed upon society as a result of efforts toward compliance, and include the effects upon consumers of products made by the affected facilities.

It is estimated that 3 years after implementation of the requirements as proposed, HAP would be reduced by 9,700 Mg/yr (11,000 tons/yr) due to reductions in formaldehyde, acetaldehyde, acrolein, methanol and other HAP from PCWP sources. Formaldehyde and acetaldehyde have been classified as “probable human carcinogens.” Acrolein, methanol and the other HAP are not considered carcinogenic, but produce several other toxic effects. If implemented, the requirements of this proposed rule would also achieve reductions of 10,000 Mg/yr (11,000 tons/yr) of CO, approximately 11,000 Mg/yr (13,000 tons/yr) of PM<sub>10</sub>, and approximately 25,000 Mg/yr (27,000 tons/yr) of VOC (approximated as THC). Exposure to CO can effect the cardiovascular system and the central nervous system. The PM emissions can result in fatalities and many respiratory problems (such as asthma or bronchitis).

At the present time, we cannot provide a monetary estimate for the benefits associated with the reductions in HAP and CO. For VOC, we are not able to estimate the benefits associated with the reductions due to a lack of available air quality modeling to estimate the change in ozone concentrations that occur with VOC emissions reductions. We estimated the benefits associated with health effects of PM<sub>10</sub> but were unable to quantify all categories of benefits (particularly those associated with ecosystem and environmental effects). The estimated benefits include the effects of potential additional NO<sub>x</sub> emissions that result from additional combustion controls. The estimates of the potential additional NO<sub>x</sub> emissions are presented in Section IV of this preamble. Nitrogen oxides are transformed into PM<sub>10</sub> in the atmosphere, and these emissions hence offset the benefits from the PM<sub>10</sub> reductions mentioned above. Total monetized benefits for the PM<sub>10</sub> and NO<sub>x</sub> emissions changes using our preferred approach to value benefits is \$8.5 million (1999 dollars), and \$5.3 million (1999 dollars) using an alternative age-adjusted approach recommended by others. The two approaches to valuing benefits is discussed in more detail in this preamble in the Executive Order 12866 section and in the Regulatory Impact Analysis. The monetized benefits should be considered along with the many categories of benefits that we are unable to place a dollar value on to consider the total benefits of this proposed rule.

## 3. Regulatory Alternatives Considered

The proposed standards reflect the MACT floor, the least stringent regulatory alternative we may propose. In addition, we are proposing the least burdensome and most flexible monitoring, reporting, and recordkeeping requirements that we believe will assure compliance with the compliance options and requirements of this proposed rule. Therefore, the proposed regulatory alternative reflects the least costly, most cost-effective, and least burdensome regulatory option that achieves the objectives of the proposed rule.

## 4. Effects on the National Economy

The economic impact analysis for this proposed rule estimates effects upon employment and foreign trade for the industries affected by this proposed rule. The total reduction in employment for the affected industries is 0.3 percent of the current employment level (or 225 employees). This estimate includes the

increase in employment among firms in these industries that do not incur any cost associated with the proposed rule. There is also minimal change in the foreign trade behavior for the firms in these industries since the level of imports of affected composite wood products only increases by less than 0.1 percent.

## 5. Consultation With Government Officials

Throughout the development of this proposed rule, we interacted with representatives of affected State and local officials to inform them of the progress of our rulemaking efforts. We also consulted with representatives from other entities affected by the proposed rule, such as the American Forest & Paper Association, National Council for Air and Stream Improvement, APA—The Engineered Wood Association, Composite Panel Association, American Hardboard Association, Hardwood Plywood and Veneer Association, and representatives from affected companies. We will continue to interact with government officials and other entities during the public comment period for this proposed rule and throughout development of the promulgated PCWP standards.

The number of small entities that are significantly affected by today's proposed PCWP standards is not expected to be substantial. This proposed rule contains no regulatory requirements that might significantly affect small governments because no PCWP facilities are owned by such governments. The full analysis of potential regulatory impacts on small organizations, small governments, and small businesses is included in the economic impact analysis in the docket and is listed at the beginning of today's action under **SUPPLEMENTARY INFORMATION**. Because the number of small entities that are likely to experience significant economic impacts as a result of today's proposed standards is not expected to be substantial, no plan to inform and advise small governments is required under section 203 of the UMRA.

*F. Regulatory Flexibility Act (RFA), as Amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996, 5 U.S.C. 601 et seq.*

The RFA generally requires an agency to prepare a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements under the Administrative Procedure Act or any other statute unless the agency certifies that the rule will not have a significant economic impact on a