

producers make composites for use by another part of their company in a larger product. Merchant producers sell their products on the open market, either to consumers or other businesses.

In our analysis, captive producers of reinforced plastic composites are expected to fully absorb their compliance costs, which is a conservative approach. We assess impacts as if captive producers are viewed as a profit center like a merchant producer but unable to pass on costs. This is done in lieu of an analysis attempting to estimate cost-pass through for the myriad of final products that use reinforced plastics. We assume merchant producers will attempt to pass through costs to their customers.

Through the market impacts described above, the final NESHAP create both gainers and losers within the merchant segment. Some merchant facilities are projected to experience profit increases with the final rule; however, the majority that continue operating are projected to lose profits. The economic impact analysis indicates that 36 out of 301 merchant facilities (12 percent) and 89 out of 466 product lines (19 percent) at these facilities are at risk of closure because of the final NESHAP. These facilities are believed to be small businesses. Note that this number is slightly higher than the estimate of facility closure at proposal, which was 10 percent. This change is not due to any change in stringency of the final rule as applied to small businesses. It is due the reduction in stringency of the final rule for large sources. More information on the measures we have taken to minimize the small business impacts may be found in the Regulatory Flexibility Act discussion in this preamble. Furthermore, the analysis indicates that ten of the 133 captive facilities (7.5 percent) may be at risk of closure if unable to pass on costs to their customers.

Based on the market analysis, the annual social costs of the final rule are projected to be \$19.9 million. The social costs are slightly less than the engineering cost estimate of \$21.5 million because producers pass on a portion of these costs to consumers through price increases in an effort to reduce their regulatory burden. These costs are distributed across the many consumers and producers of reinforced plastic composites. Directly affected producers, in aggregate, are expected to lose \$6.2 million annually in profits, with those not subject to the final NESHAP gaining \$18 million. The consumers of reinforced plastic composites are expected to lose \$31.7 million due to higher prices and lower

consumption levels associated with the final NESHAP. For more information on the economic analysis, consult the final economic impacts analysis document in the docket for this project.

IV. Summary of Changes Since Proposal

A. Above-the-Floor Capture and Control Requirements for Existing Sources

In the proposed rule, existing facilities that are a small business as defined by the Small Business Administration (SBA) regulations at 13 CFR 121.201, and that emitted 250 tpy or more of HAP, or existing facilities that are not a small business and emitted 100 tpy or more of HAP, from the combination of all open molding, centrifugal casting, continuous lamination/casting, pultrusion, SMC manufacturing, mixing, and BMC manufacturing operations, were required to reduce the total HAP emissions from these operations by at least 95 percent by weight. In the final rule, this requirement now only applies to centrifugal casting and continuous lamination/casting operations, and the threshold has been changed to 100 tpy for both large and small businesses. This reduced the number of facilities we estimated would have to meet an above-the-floor requirement from 34 to 3, reduced the industry annualized costs of the final NESHAP from \$26.0 million per year to \$21.5 million per year, and reduced the HAP emissions reduction estimate from 14,500 to 7,700 tpy. In addition, for centrifugal casting, the percent reduction requirement only applies to HAP emissions that are vented from the closed centrifugal casting mold. It does not apply to HAP emissions that occur from other operations such as pouring or spraying resin into a centrifugal casting mold while it is open.

B. Replacing the Point Value Equations With HAP Emissions Factor Equations Based on the Unified Emissions Factors, and Changes to Centrifugal Casting HAP Emissions Factors

In the proposed rule, we used a group of equations called point value equations to determine surrogate HAP emissions factors. These factors were then used to rank existing facilities to determine existing source MACT floors for open molding operations. However, we specified that the point value equations were not considered HAP emissions factors and, therefore, should not be used for HAP emissions reporting. This resulted in the potential for facilities to have to use two different sets of equations for HAP emissions

reporting and MACT compliance determinations.

In the final rule, we have eliminated the point value equations and replaced them with HAP emissions factor equations that are identical to HAP emissions factor equations that are being used in this industry for HAP emissions calculations, called the Unified Emissions Factors. Therefore, facilities now will have the same equations for MACT compliance determinations and HAP emissions calculations for HAP emissions reports.

For centrifugal casting, we have retained the HAP emissions factor equation in the proposed rule for sources that blow heated air through the mold during spinning and curing. For other centrifugal casters, we have created a new HAP emissions factor equation based on more recent information. This new HAP emissions factor significantly changes the numerical value of the floor (pounds of HAP emissions per ton of resin used) from the value in the proposed rule. However, it did not change the floor facility or the level of control a facility would need to meet the floor.

These new HAP emissions factor equations were also used to re-rank existing facilities to establish the floor level of control for existing sources. Though this change did result in different floor values in lb/ton, it did not change the level of control actually required to meet the floor. However, as discussed below, our reanalysis did result in changes to some floors for other reasons.

C. MACT Floors for Existing Sources

There are several changes to the MACT floors for existing sources, and for new sources that emit less than 100 tpy for the combination of all open molding, centrifugal casting, pultrusion, SMC and BMC manufacturing, mixing, and continuous lamination/casting operations. These changes were a result of facilities submitting additional data that indicated our original analysis of their facility HAP emissions factors were in error, or out of date.

For noncorrosion-resistant resins applied using mechanical application, the proposed rule had different floors for filled and unfilled resins. The reason for separating filled and unfilled resins was that at the time of proposal, nonatomized resin application techniques were not available for filled resins. Since proposal, filled resins now can be applied using nonatomized spray. Therefore, we now have combined the two process/product groupings into one. Also, several facilities in this process/product