

part 9 of currently approved ICR control numbers issued by OMB for various regulations.

C. Regulatory Flexibility Analysis

The EPA has prepared a Final Regulatory Flexibility Analysis (FRFA) in connection with the final rule. For purposes of assessing the impacts of

today's final rule on small entities, small entity is defined as: (1) A small business ranging from 500 to 1,000 employees as defined by the Small Business Administration's size standards; (2) a small governmental jurisdiction that is a government of a city, county, town, school district or

special district with a population of less than 50,000; and (3) a small organization that is any not-for-profit enterprise which is independently owned and operated and is not dominant in its field. The table below presents the size threshold for small businesses by NAICS Codes.

Category	NAICS codes	Maximum number of employees to be considered a small business
Manufacturing	335312 336211 336112 33612 336213 336413 33651	1000
	325211 327993 332998 33312 33651 335311 335313 33422 33653 336399	750
All other identified NAICS Codes in this source category		500

In accordance with section 603 of the RFA, EPA prepared an initial regulatory flexibility analysis (IRFA) for the proposed rule and convened a Small Business Advocacy Review Panel to obtain advice and recommendations of representatives of the regulated small entities in accordance with section 609(b) of the RFA (*see* 66 FR 40324). A detailed discussion of the Panel's advice and recommendations is found in Docket ID No. OAR-2003-0003 (formerly Docket No. A-94-52). A summary of the panel's recommendations is presented below.

We have also prepared a FRFA for today's rule. The FRFA addresses the issues raised by public comments on the IRFA. The FRFA is available in the docket and is summarized below.

Section 112 of the CAA requires us to list categories and subcategories of major sources and, in some cases, area sources of HAP and to establish NESHAP for the listed source categories and subcategories. The Reinforced Plastic Composites Production source category (major sources only) was included on the initial list of source categories published on July 16, 1992 (57 FR 31576). Major sources of HAP are those that have the potential to emit greater than 10 tpy of any one HAP or 25 tpy of any combination of HAP.

The objective of the final rule is to apply standards based on MACT to all major sources in this source category. The criteria used to establish MACT are contained in section 112(d) of the CAA.

We received several comments on the economic analysis for the proposed rule. However, these comments related to the general analysis methodology and were mainly focused on the above-the-floor requirements. These requirements did not impact any small businesses in our analysis. We had no comments specifically in the IRFA.

Based on SBA size definitions and reported sales and employment data, we identified 279 of the 357 companies owning reinforced plastic composites facilities as small businesses. Although small businesses represent almost 80 percent of the companies within the source category, they are expected to incur 53 percent of the total industry compliance costs of \$21.5 million. The average total annual compliance cost is projected to be \$40,000 per small company, compared to the industry average of \$60,000 per company. Under the final standards, the mean annual compliance cost, as a share of sales, for small businesses is 0.8 percent, and the median is 0.5 percent, with a range of 0.01 to 9.6 percent. We estimate that 24 percent of small businesses (or 67 firms)

may experience an impact greater than 1 percent of sales, and 5 percent of small businesses (or 14 firms) may experience an impact greater than 3 percent of sales.

We also performed an economic impact analysis (EIA) that accounted for firm behavior to provide an estimate of the facility and market impacts of the final rule. This industry is characterized by profit margins of 3 to 4 percent. Small businesses were found to have higher per-unit production costs under baseline conditions and incur slightly higher per-unit compliance costs. As a result of these factors, the economic analysis indicates that 12 percent of facilities owned by small business are at risk of closure because of the final rule. Note that this number is slightly higher than the estimate at proposal, which was 10 percent. This change is not due to any change in stringency of the rule as applied to small businesses. It is due to the reduction in stringency of the rule for large businesses.

Although any facility closures are cause for concern, the number of facilities at risk for closure would be the same if the final rule required only the MACT floor level of control for all facilities. The MACT floor is the least stringent level allowed by statute.