

conducted another review of all NCA facilities in the MP&M questionnaire database to determine the destination of discharged wastewater (*i.e.*, either directly to surface waters or indirectly to POTWs or both) and the applicability of the final rule to discharged wastewaters. As a result of this review, EPA did not identify any NCA direct discharging facilities or NCA facilities that do not discharge wastewater (*i.e.*, zero discharge or contract haulers) or do not use process water (dry facilities) in its rulemaking record. All of the NCA facilities in EPA's database are indirect dischargers. Therefore, EPA cannot evaluate treatment systems at direct dischargers. As a result, EPA transferred cost and pollutant loading data from the best performing indirect facilities in order to evaluate direct discharging limitations in this subcategory.

In 2001, EPA proposed to establish BPT/BCT/BAT limitations for direct dischargers in the NCA subcategory based on the Option 2 technology. EPA evaluated the cost of effluent reductions, quantity of pollutant reductions, and the economic achievability of compliance with BPT/BCT/BAT limitations based on the Option 2 technology. Based on the revisions and corrections to the EPA Cost & Loadings Model discussed in the NODA and in section IV.B.1 of today's final rule, the costs of the Option 2 technology were disproportionate to the projected toxic pollutants reductions (cost-effectiveness values (in 1981\$) in excess of \$1,925/PE).

EPA decided not to establish BPT/BCT/BAT limitations based on the Option 2 technology for the NCA subcategory for following reasons: (1) EPA identified no NCA direct dischargers; and (2) the costs of Option 2 are disproportionate to the estimated toxic pollutant reductions (*i.e.*, \$1,925/PE). EPA concludes that for existing direct dischargers in the NCA subcategory, Option 2 is not the best practicable control technology, best conventional pollutant control technology, or best available technology economically achievable. EPA has decided not to establish new BPT, BCT, or BAT limitations for existing NCA direct dischargers based on the Option 2 technology. EPA identified no NCA direct dischargers through its survey efforts. However, if such facilities do exist, they would be subject to part 433.

2. New Source Performance Standards (NSPS)

EPA proposed to establish NSPS for direct dischargers in the NCA subcategory based on the Option 2 technology. For today's final rule EPA

evaluated setting NCA NSPS based on the Option 2 technology and assessed the financial burden to new NCA direct dischargers. Specifically, EPA's 'barrier to entry' analysis identified whether NCA NSPS based on the Option 2 technology would pose sufficient financial burden on new NCA facilities to constitute a material barrier to entry into the MP&M point source category.

EPA projects a barrier to entry for NCA NSPS based on the Option 2 technology as approximately 26% of NCA direct dischargers have new source compliance costs that are between 3% and 5% of revenue. Consequently, EPA is today rejecting Option 2 technology as the basis for NSPS in the NCA subcategory. EPA has selected "no further regulation" for new NCA direct dischargers and is not revising NSPS for new NCA direct dischargers, which will remain subject to part 433. See section 11 of the TDD for a description of how these new source compliance costs were developed and Chapter 9 of the EEBA for a description of the framework EPA used for the barrier to entry analysis and general discussion of the results.

3. Pretreatment Standards for Existing and New Sources (PSES/PSNS)

EPA proposed "no further regulation" for existing and new indirect dischargers in the NCA subcategory. EPA based this decision on the economic impacts to indirect dischargers associated with Option 2 and the small quantity of toxic pollutants discharged by facilities in this subcategory, even after a economically-achievable flow cutoff is applied (*see* 66 FR 467). For the reasons set out in the 2001 proposal, EPA has decided not to establish new regulations and is not establishing PSES or PSNS in the NCA subcategory. These facilities remain subject to parts 413 or 433, or both, as applicable. EPA also notes that facilities regulated by parts 413 and/or 433 PSES must comply with part 433 PSNS if the changes to their facilities are determined to make them new sources.

E. Steel Forming & Finishing Subcategory

EPA is not revising limitations or standards for any facilities that would have been subject to this subcategory. Such facilities will continue to be regulated by the General Pretreatment Standards (part 403), local limits, permit limits, and Iron & Steel effluent limitations guidelines (part 420) as applicable.

1. BPT/BCT/BAT

EPA proposed to establish BPT/BCT/BAT for existing direct dischargers in the SFF subcategory in this part (40 CFR part 438) based on the Option 2 technology (*see* section VI.A for a description of Option 2). For the final rule, EPA evaluated the cost of effluent reductions, pollutant reductions, and the economic achievability of compliance with BPT/BCT/BAT limitations based on the Option 2 technology. Based on the revisions and corrections to the EPA Cost & Loadings Model discussed in the NODA and in section IV.B.1 of today's final rule, EPA determined that the compliance costs of Option 2 are not economically achievable. EPA estimates that compliance with BPT/BCT/BAT limitations based on the Option 2 technology will result in the closure of 17% of the existing direct dischargers in this subcategory (7 of 41 existing SFF direct dischargers). EPA concludes that for existing direct dischargers in the SFF subcategory, Option 2 is not the best practicable control technology, best conventional pollutant control technology, or best available technology economically achievable, and therefore, EPA is not establishing new BPT, BCT, or BAT limitations for existing SFF direct dischargers based on the Option 2 technology. These facilities will remain subject to part 420.

2. New Source Performance Standards (NSPS)

EPA proposed to establish NSPS for new direct dischargers in the SFF subcategory based on the Option 4 technology. Option 4 technology is similar to Option 2 (including Option 2 flow control and pollution prevention) but includes oils removal using ultrafiltration and solids separation by a microfilter (instead of a clarifier). As explained in section VI.A.4, EPA concluded its database is insufficient to support a determination that the Option 4 standards are technically achievable. Consequently, EPA is today rejecting Option 4 technology as the basis for NSPS in the SFF subcategory. EPA has selected "no further regulation" for new SFF direct dischargers and is not revising NSPS for new SFF direct dischargers, which will remain subject to part 420.

3. Pretreatment Standards for Existing Sources (PSES)

EPA proposed to establish PSES for existing indirect dischargers in the SFF subcategory based on the Option 2 technology. Based on the revisions and corrections to the EPA Cost & Loadings