

materials consumed in the manufacturing process. The cost of utilities, where applicable, is also included in the direct costs. Indirect costs typically include overhead, taxes, insurance, and administrative costs, as well as capital recovery costs.

Existing sources. To comply with the emission limits, we estimated that existing facilities would likely use reformulated coatings, thinners, and cleaning materials. No capital costs have been attributed to these compliance methods. We estimated full costs for 517 of the estimated 655 metal furniture surface coating facilities. Of the remaining 138 facilities, approximately 59 facilities would have only recordkeeping and reporting costs because these facilities would already be in compliance with the standards (based on questionnaire responses). We estimated that 79 facilities would achieve area source status before the compliance date of the final standards and will not incur compliance costs directly attributable to the rule.

We estimated no incremental costs associated with the use of lower-HAP coatings and thinners. Only the incremental cost of organic HAP-free cleaning materials over organic HAP cleaning materials was counted. The average annual cost for each facility incurring full costs is approximately \$26,000. This value includes monitoring, recordkeeping, and reporting costs.

We estimated total nationwide annual costs in the 5th year to comply with the emission limits to be \$14.8 million for existing sources. These costs include \$4.66 million direct costs associated with material usage and \$10.1 million for recordkeeping and reporting.

New sources. As previously stated in this preamble, we anticipate that all new sources will reduce potential HAP emissions to less than the major source threshold. All of these new sources will be area sources not subject to the rule and will incur no costs directly attributable to the rule.

C. What Are the Economic Impacts?

We performed an economic impact analysis (EIA) to provide an estimate of the facility and market impacts of the standards as well as its social costs. In general, we expect the economic impacts of the standards to be minimal, with price increases and production decreases of less than 0.1 percent. Given the negligible market impacts of this rule, the social costs are expected to be roughly the same as the estimated engineering compliance costs of \$14.8 million for existing sources.

For affected facilities, the distribution of costs is slanted toward the lower impact levels with many facilities incurring only those related to recordkeeping and reporting. The EIA indicates that these regulatory costs are expected to represent only 0.1 percent of the value of product shipments, which should not cause producers to cease or alter their current operations. Hence, no firms or facilities are expected to become at risk of closure because of the standards. International trade impacts would only occur for the metal household furniture segment of the industry, but the small price increase (that is, 0.04 percent) on this segment indicates negligible impacts, if any. Based on the projected characteristics and costs for new sources, we do not expect any differential impacts on these sources. For more information, refer to the "Economic Impact Analysis of the Proposed NESHAP: Surface Coating of Metal Furniture" (Docket ID No OAR-2002-0048, formerly Docket No. A-97-40).

D. What Are the Nonair Health, Environmental, and Energy Impacts?

Based on information from the industry questionnaire responses, there was no indication that the use of low-organic-HAP content coatings, thinners, and cleaning materials would result in any increase or decrease in nonair health, environmental, and energy impacts. There would be no change in the utility requirements associated with the use of these materials, so there would be no change in the amount of energy consumed as a result of the material conversion. Also, we estimate that there would be no significant change in the amount of materials used or the amount of waste produced and there would be no additional energy requirements for affected sources.

VIII. Statutory and Executive Order Reviews

A. Executive Order 12866, Regulatory Planning and Review

Under Executive Order 12866 (58 FR 51735, October 4, 1993), EPA must determine whether the regulatory action is "significant" and therefore subject to Office of Management and Budget (OMB) review and the requirements of the Executive Order. The Executive Order defines "significant regulatory action" as one that is likely to result in a rule that may:

(1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy,

productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;

(2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs, or the rights and obligation of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order.

It has been determined that this rule is not a "significant regulatory action" under the terms of Executive Order 12866 and is therefore not subject to OMB review.

B. Paperwork Reduction Act

The information collection requirements in the rule have been submitted for approval to OMB under the Paperwork Reduction Act, 44 U.S.C. 3501, *et seq.* An Information Collection Request (ICR) document has been prepared by EPA (ICR No. 1952.02) and a copy may be obtained from Susan Auby by mail at the Collection Strategies Division (2822T), U.S. EPA, 1200 Pennsylvania Avenue, NW., Washington, DC 20460, by e-mail at auby.susan@epa.gov, or by calling (202) 566-1672. A copy may also be downloaded off the Internet at <http://www.epa.gov/icr>. The information requirements are not effective until OMB approves them.

The information requirements are based on notification, recordkeeping, and reporting requirements in the NESHAP General Provisions (40 CFR part 63, subpart A), which are mandatory for all operators subject to national emission standards. These recordkeeping and reporting requirements are specifically authorized by section 114 of the CAA (42 U.S.C. 7414). All information submitted to EPA pursuant to the recordkeeping and reporting requirements for which a claim of confidentiality is made is safeguarded according to Agency policies set forth in 40 CFR part 2, subpart B.

The rule would require maintaining records of all coatings, thinners, and cleaning materials data and calculations used to determine compliance. This information includes the volume used during each monthly compliance period, mass fraction organic HAP, density, and, for coatings only, volume fraction solids.

If an add-on control device is used, records must be kept of the capture efficiency of the capture system,