

the actions that constitute burden reduction and cost savings. Specifically, commenters referred to EPA's claim of a burden reduction and cost savings associated with the 300,000 lbs. threshold for reporting of Form U, Part III information on industrial processing and use, and consumer and commercial use. EPA simply meant that providing a partial exemption for chemicals below the 300,000 lbs. threshold is a concession to the burden that the rule imposes on reporting sites, and that the Agency has no other basis for this exemption other than to mitigate the increase in burden. EPA presented a similar discussion comparing options considered under the rule for other partial reporting exemptions such as the petroleum streams exemption. These discussions are put into the appropriate context in the economic analysis. A commenter also took issue with the fact that EPA asserts that reporting processing and use information on the top 10 NAICS codes will reduce costs (versus reporting on an unlimited number of NAICS codes), given that identifying these top 10 could take considerable effort. EPA continues to believe that reporting only the top 10 NAICS codes will be less burdensome than reporting all NAICS codes associated with industrial processing or use operations.

2. *Cost comments.* Two commenters asserted that compliance costs for chemicals manufactured in amounts below the 25,000 lbs. threshold are not zero and that, as production volume for a chemical approaches the threshold, tracking costs will accrue to determine if production will cross the threshold.

Compliance determination (the act of determining the need to comply with a regulation) occurs on a per-site basis. This means that all sites that report under IURA are assumed to incur the same average cost for determining compliance, regardless of the number of chemicals reported. Some small number of firms that are not required to report may incur some negligible costs in this regard, but EPA believes the costs to be relatively small given that it is standard business practice for a company to be aware of the volumes it produces. The existence of voluntary submitters does not imply that below-threshold compliance costs are non-zero; it simply indicates that some firms choose to respond to IUR when reporting is not required.

Another commenter determined that member companies in its organization would experience no savings from raising the threshold from 10,000 lbs. to 25,000 lbs. as no reports are eliminated. In 1994, EPA received approximately

3,800 reports for chemicals produced in quantities between 10,000 and 25,000 lbs. As a result, the Agency anticipates that a significant number of reports will be eliminated by raising the reporting threshold.

3. *Benefits comments.* Commenters stated that EPA has overestimated the benefits of this rule and should quantify the benefits. However, given that IURA is an information rule and its benefits are therefore indirect, it is currently not possible to quantify the benefits of the rule. Only by collecting the information required under the IURA can EPA begin to assess thoroughly the risks from a portion of the more than 76,000 chemicals in commerce. The actions that result from EPA review of the IURA data will have direct health and environmental benefits, benefits that typically can be quantified. Commenters offered no alternate assessment, quantitative or otherwise, of the benefits from IURA. In the absence of quantified benefit figures, it is impossible to make simple comparisons to estimates of reporting costs. Thus, EPA must balance the needs of the Agency for data with which to address important environmental and health risks, with the burdens of obtaining such data. In doing so, the uses of and need for the data are carefully addressed both within the Agency, and during interagency review. EPA has made every attempt to collect only the information necessary to meet Agency goals for obtaining screening level exposure-related information.

4. *Small business impact comments.* Several commenters argued that EPA's analysis of the impacts of IURA on small businesses is insufficient to meet the requirements of the Regulatory Flexibility Act (RFA), as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) of 1996. EPA's analysis of small business impacts fully complies with the RFA, as amended. For rules subject to the RFA, the Agency is required to undertake specific actions (such as preparing an initial regulatory flexibility analysis and convening a small business advocacy review panel) unless it certifies that the rule will not have a significant impact on a substantial number of small entities. EPA prepared a thorough small entity analysis that meets the requirements of the RFA. The analysis for the final rule can be found in the "Revised Economic Analysis for the Amended Inventory Update Rule" (Ref. 7). For both the proposed and final rules, EPA certified that there will not be a significant impact on a substantial number of small entities. A summary of

the analysis and the certification can be found in Unit V.B.

5. *Non-regulatory alternatives.* Commenters also stated that EPA did not identify any non-regulatory alternatives and failed to assess the relative costs and benefits of an alternative approach. In the economic analysis for the proposed rule, the Agency did not specifically identify non-regulatory alternatives to the reporting requirements. However, the Agency did consider non-regulatory alternatives and has added a discussion to the economic analysis.

The Agency primarily considered two non-regulatory alternatives. First, the Agency considered using publicly available information, as discussed in Unit III.A.3. The Agency found that the information to be collected through IURA was not publicly available and therefore this was not a viable option. Second, the Agency considered a voluntary approach to collecting this information, similar to the UEIP collection discussed in Unit III.A.1. However, information collected through a voluntary program may lack consistency, may not be sufficiently comprehensive, or may not occur on a recurring basis, and therefore would not fully serve the purposes of IURA information. Therefore, a voluntary approach was not a viable option.

IV. Materials in the Rulemaking Record

The public version of the official record for this rulemaking has been established as described in Unit I.B.1. under docket ID number OPPT-2002-0054. This record includes the documents located in the docket as well as the documents that are referenced in those documents. The following is a listing of the documents that are specifically referenced in this final rule. These documents, and the documents referenced therein, are also included in the public version of the official record. Please note that some referenced documents are already publicly available and this list includes the relevant location information.

1. U.S. EPA, "Reducing Risk: Setting Priorities and Strategies for Environmental Protection," Science Advisory Board, (SAB-EC-90-021), 1990.

2. National Academy of Public Administration, "Setting Priorities, Getting Results - A New Direction for EPA," 1995.

3. Chemical Manufacturers Association, Synthetic Organic Chemical Manufacturers Association, U.S. EPA, Chemical Specialties Manufacturing Association, American Petroleum Institute, "Round 3 of the