

Leather Finishing Operations

**1. Identification of the Information Collection**

(a) Title of the Information Collection

"National Emission Standards for Hazardous Air Pollutants (NESHAP) for Leather Finishing Operations"

(b) Short Characterization

Respondents are owners or operators of any existing, reconstructed, or new leather finishing operation, which is defined as an individual process or group of processes used for the finishing of leather. Leather finishing is defined as a single process or group of processes used to adjust and improve the physical and aesthetic characteristics of the leather surface through the multistage application of a coating comprised of dyes, pigments, film-forming materials, and performance modifiers dissolved or suspended in liquid carriers. A leather finishing operation is only subject to the regulation if it is a major source of HAP emissions, or is collocated with other sources that are individually or collectively a major source of HAP emissions. "Major source" means that the process used to finish the leather and any supporting equipment used in finishing operations at a facility emit or have the potential to emit 10 tons per year or more of a single HAP or 25 tons per year or more of any combination of HAP.

Owners or operators of leather finishing operations must submit a number of notifications and reports to demonstrate compliance with the Leather Finishing Operations NESHAP. Each existing leather finishing operation that is a major source must submit an initial notification which includes: the name and address of the owner or operator, the physical address of the source, and a brief description of the source including the types

of leather product process operations performed and nominal operating capacity. Any leather finishing operation that starts up after proposal but before promulgation must submit an initial notification, similar to the one submitted by existing sources. Each new or reconstructed source that starts up after promulgation must submit a series of notifications in addition to the initial notification which include: notification of intent to construct or reconstruct and notification of startup.

Both new and existing leather finishing operations must develop a plan for demonstrating compliance which specifies procedures to measure finish amounts used, HAP content of finishes, and production levels for each leather product process operation. The plan for demonstrating compliance must be completed by the compliance date and kept on site and available for inspection. The source must follow the specific procedures in the plan for demonstrating compliance to document the finish amount used, the HAP content of the finish, and the production levels for each leather product process operation.

Once a leather finishing operation has collected 12 months of leather production data after the date of initial notification, the leather finishing operation must submit an annual compliance status certification report. This report includes: the name and address of the owner or operator, the physical address of the source, each product process operation type performed during the previous 12 months, each HAP identified in finishes applied during the previous 12 months, and a compliance status certification indicating whether the source complied with all of the requirements of these NESHAP during the previous 12 months. Each subsequent year, the source must submit an annual compliance status certification report.

All reports are submitted to the U.S. EPA Administrator. If the Administrator has delegated authority to your State, then the State has the primary authority to administer and enforce these NESHAP. If the Administrator has not delegated authority to your

State, then the EPA Regional Office has the primary authority to administer and enforce these NESHAP.

The information collection involves 19 respondents, which includes 18 existing and 1 new sources over the 3-year period. The total respondent cost is estimated to be \$64,705. The Agency cost is estimated to be \$7,673.

(c) Deviation from the standard

If the owner or operator reports a compliance ratio greater than 1.00 resulting from a known or unknown cause for which no Federally-approved or promulgated exemption from an emission limitation or standard applies, then a deviation report must be written and submitted to the Administrator by the fifteenth of the following month in which you determined the deviation from the compliance ratio. The deviation report must include all records that the source is required to maintain that pertain to the periods during which the compliance ratio was reported to be greater than 1.00.

(d) Record retention

Owners or operations of a leather finishing operation must maintain a copy of all NESHAP related records for a period of five years after each occurrence, measurement, maintenance action, or corrective action. These records must be kept onsite for a minimum of two years after each occurrence, measurement, maintenance action, or corrective action. All reports are to be submitted upon request to EPA or the respondent's state or local agency, whichever ever has been delegated enforcement authority by EPA. The information will be used to determine whether or not leather finishing operations subject to the NESHAP are achieving the standards.

## 2. Need For and Use of the Collection

### (a) Need/Authority for the Collection

The Environmental Protection Agency is charged under section 112 of the Clean Air Act (CAA), as amended in 1990, to establish:

. . . emission standards for each category or subcategory of major sources and area sources of hazardous air pollutants listed for regulation...

A revised list of source categories was published in the Federal Register on June 4, 1996 (61 FR 28207) which added the source category of leather tanning and finishing operations. However, these proposed NESHAP modifies the listing of this source category by deleting tanning facilities from the definition and renaming the source category Leather Finishing Operations. In addition, section 114(a)(1) of the CAA states that:

. . . the Administrator may require any person who owns or operates any emission source or who is subject to any requirement of this Act . . . to (A) establish and maintain such records, (B) make such reports, (C) install, use, and maintain such monitoring equipment or methods, (D) sample such emissions (in accordance with such methods, at such locations, at such intervals, and in such manner as the Administrator shall prescribe), and (E) provide such other information, as he may reasonably require.

Certain reports are necessary to enable the Administrator to identify leather finishing operations subject to these NESHAP and to determine if the standards are being achieved.

### (b) Use/Users of the Data

The information will be used by Agency enforcement personnel to identify sources subject to the standards and ensure that the emission standard is being met.

In addition, records and reports are necessary to enable the EPA to identify leather finishing operations that may not be in compliance with the standards. Based on reported information, the EPA can decide which leather finishing operations and what records should be inspected.

### **3. Nonduplication, Consultations, and Other Collection Criteria**

#### (a) Nonduplication

Duplication in the reporting of leather finishing operations emission data is not anticipated. These NESHAP are the only federal emission standards to be applied to leather finishing operations at this time.

#### (b) Public Notice Required Prior to ICR Submission to OMB

This section does not apply since public notice will be given as part of the proposal process for the Leather Finishing Operations NESHAP.

#### (c) Consultations

The EPA advised interested parties in 1996 of additional categories considered as major sources of HAP. Several meetings were also held with affected sources during development of the proposed standards to solicit comments on the requirements. The EPA received a total of seven letters commenting on the proposed standard. The comments were summarized and addressed in the EPA document "Public Comments and EPA Responses to the Proposed NESHAP for Leather Finishing Operations (Docket No. A-99-38)." Changes made to the rule as a result of addressing these comments did not affect the estimate of burden for the standard.

#### (d) Effects of Less Frequent Data Collection

The Leather Finishing Operations NESHAP requires the reports described in 1(b) of this supporting statement.

If the relevant information were collected less frequently, the EPA would not be reasonably assured that a facility is in compliance with the standard.

(e) General Guidelines

This rule requires that owners and operators of leather finishing operations retain compliance records for a minimum period of 5 years, thus exceeding general guidelines for records to be kept for 3 years. The longer time period is necessary for the NESHAP to be consistent with the 5-year recordkeeping requirement in the operating permit program under Title V of the CAA. Since each leather finishing operation is required to obtain an operating permit, the 5-year recordkeeping requirement of the NESHAP does not increase the recordkeeping burden. This collection does not violate any of the other general guidelines for information collections.

(f) Confidentiality

Most data submitted will not be confidential. If any information is submitted to the EPA for which a claim of confidentiality is made, the information would be safeguarded according to the Agency policies set forth in title 40, chapter 1, part 2, subpart B.

(g) Sensitive Questions

This section is not applicable because this ICR does not involve matters of a sensitive nature.

#### **4. The Respondents and the Information Requested**

(a) Respondents/NAICS (SIC codes)

Respondents are owners or operators of any existing, reconstructed, or new leather finishing operation. The North American Industrial Classification System (NAICS) codes for the leather finishing operations affected by the NESHAP include Code 3161 -- Leather and Hide Tanning and Finishing. Under the old SIC reference system, leather finishing operations affected by

the NESHAP are classified as Code 3111 -- Leather Tanning and Finishing.

(b) Information Requested

(i) Data items

Attachment 1, entitled Source Data and Information Requirements, summarizes the section of the regulation that contain the requirements.

(ii) Respondent Activities

The activities that will allow the respondent to meet the reporting and recordkeeping requirements of the Leather Finishing Operations NESHAP are provided under the first column of Tables 1, 2, and 3.

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**5. The Information Collected - - Agency Activities, Collection Methodology, and Information Management**

(a) Agency Activities

A list of Agency activities is provided in Tables 4, 5, and 6.

(b) Collection Methodology and Management

Respondents for existing leather finishing operations will submit an initial notification to EPA as described in 1(b).

From the Excel spreadsheet, insert Table 1

From the Excel spreadsheet, insert Table 2

From the Excel spreadsheet, insert Table 3

From the Excel spreadsheet, insert Table 4

From the Excel spreadsheet, insert Table 5

From the Excel spreadsheet, insert Table 6

These respondents must also develop a plan for demonstrating compliance by the compliance date. The plan for demonstrating compliance must be kept on site and available for inspection. The plan for demonstrating compliance will detail how the source will record and report the finish inventory, HAP content of the finishes, and the production level in each type of leather product process operation. Since this information request includes only the first three years after promulgation of the rule, recordkeeping and compliance status reports for existing sources are not included. A few new sources will report as discussed below.

Respondents for new or reconstructed sources must submit a series of notifications associated with construction and startup of the process. A new source must develop and implement a plan for demonstrating compliance upon startup. Within 60 days of its first compliance ratio determination, a source must submit a compliance status notification. The source then submits an annual compliance status certification every 12 calendar months following the compliance status notification.

Respondents will most likely submit hard copy reports, although some may submit electronic versions. The rule allows records to be retained in hard copy or electronic format to allow flexibility and minimize burden. The EPA will review the submitted information to determine whether a source is in compliance with the rule. Files of the hard copy reports will be kept by Regional Offices. The EPA will use location and facility information submitted in the reports to update the Aerometric Information Retrieval System (AIRS) facility subsystem operated by the Office of Air Quality Planning and Standards. Data in AIRS can be publicly accessed via the Internet from Envirofacts at [http://www.epa.gov/enviro/index\\_java.html](http://www.epa.gov/enviro/index_java.html) or through a Freedom of Information Act request to EPA. As part of EPA's ongoing enforcement program, compliance inspections will be conducted to verify compliance. Data obtained during such inspections will be

tabulated and published for EPA internal use in enforcement programs.

(c) Small Entity Flexibility

For these NESHAP, the EPA defines a small entity as a leather finishing operation that does not meet the major source definition. These sources are exempt from the rule.

(d) Collection Schedule

Schedules for the initial and periodic reports are described in section 6(a).

## **6. Estimating The Burden and Cost of the Collection**

(a) Estimating Respondent Burden

Tables 1, 2, and 3 present an itemized breakdown of the reporting and recordkeeping requirements with the annual cost and labor requirements for the respondents subject to these NESHAP for the three year period following promulgation that is required to be included on OMB form 83-I. Table 1 presents the annual cost and labor respondent burden estimates for the first year after promulgation. Tables 2 and 3 present the burden estimates for years 2 and 3, respectively.

The cost and burden estimates were derived from EPA's experience with other standards and from discussions with industry representatives. There are approximately 18 sources currently operating that will have to comply with the NESHAP. These sources will submit an initial notification report, and develop a plan for demonstrating compliance within the first three years after promulgation.

It is estimated that one leather finishing operation will be constructed or reconstructed following proposal of the Leather Finishing Operations NESHAP. This new or reconstructed source must submit the following: notification of intent to construct or reconstruct, notification of startup, and notification of actual emission data. By the startup date, the new leather

finishing operation must develop and implement a plan for demonstrating compliance that specifies how the source will measure and record finish usage, HAP content of the finishes, and the production level in each leather product process operation. New sources that startup after the effective date of these NESHAP must be in compliance upon startup. A new source must also submit a initial notification no later than 60 days after its initial start-up of production equipment. The source then submits an annual compliance certification report every 12 months following the initial notification.

The reporting and recordkeeping requirements differ in each of the first 3 years after promulgation of the NESHAP. During the first year, initial notifications will be required from all 18 leather finishing facilities. During the second year, only one new or modified source will submit any notifications, reports, or plans. During the third year, all 18 existing sources must develop a plan for demonstrating compliance.

The majority of burden items are one-time only requirements. The only recurring burden items are the annual compliance certification report and monthly compliance ratio determinations. The time required to document finish usage, to document HAP content of finishes, and to document production levels of leather product process operations are nominal and in most cases are already being performed for other purposes such as business accounting, state reporting requirements, or local reporting requirements. Therefore, the recordkeeping can be performed by existing personnel.

(b) Estimating Respondent Costs

The total cost for each respondent activity which includes operating and maintenance (O&M) costs, labor costs, capital costs, and startup costs are presented in Tables 1, 2, and 3.

(i) Estimating Labor Costs

Labor costs were estimated using available labor rates (March 1999) posted on the Internet under the Private Industry

Employment Cost Trends reported by the Bureau of Labor Statistics at <http://stats.bls.gov>. The total compensation hourly rate which includes wages, salaries and benefits for the private and civilian sector for technical workers is \$45, managerial workers is \$67 and clerical workers at \$28.

(ii) Estimating Capital and Operations and Maintenance Costs

The Leather Finishing Operations NESHAP does not require any special monitoring or recordkeeping equipment. Therefore, no capital and operations and maintenance costs are associated with recordkeeping or reporting for the Leather Finishing Operations NESHAP.

(c) Estimating Agency Burden and Cost

The Agency burden and cost estimates include only those items where the government would incur additional costs as a result of the information collection. These costs include user costs associated with the review and analysis of the reported information. These are presented in Tables 4, 5, and 6. Labor rates and associated costs are assumed to be the same as those used for the respondent burden estimate: \$45/technical hour, \$67/management hour, and \$28/clerical hour.

Items of cost that have or would already be incurred because of other ongoing programs were not included. It will take the agency no additional time to collect the information from respondents because the NESHAP requires respondents to submit the required reports. EPA will publish the NESHAP in the Federal Register, making it available on the EPA Technology Transfer Network (TTN) via the Internet at <http://www.epa.gov/ttn/>.

The EPA will notify states, trade associations, etc. as part of EPA's normal rule communication procedures, so there will be no additional costs for notifying respondents of information collection requirements. There will be no costs for database development or distribution of collected information because the information will be used to update the existing AIRS facility subsystem database. There will be no additional costs for

examining records that are maintained by the respondent (rather than submitted). This examination would occur incidentally as part of the periodic inspection of sources that is part of EPA's overall compliance and enforcement program and, therefore, would not be incurred as a result of NESHAP requirements.

(d) Estimating the Respondent Universe and Total Burden Costs

The burden is estimated for 18 existing and 1 new or reconstructed source. The 18 existing sources will submit the initial notification, and develop a plan for demonstrating compliance. The 1 new or reconstructed source must submit a notification of intent to construct or reconstruct and notification of startup. This new or reconstructed source must also develop a plan for demonstrating compliance upon startup.

The total three year cost for all the respondents is \$64,705. Dividing the three year total by three yields an annual average burden of \$21,568. This total is presented in Table 7.

(e) Bottom Line Burden Hours and Cost Tables

(i) Respondent Tally

A breakdown for each of the respondents collection, reporting, and recordkeeping activities required by the NESHAP is presented in Tables 1, 2, and 3. The estimate of total annual hours and the annualized cost requested from the respondents provided in 13(c) and 14(c) of OMB form 83-I is based on the assumptions outlined in section 6(d) of this supporting statement. The EPA estimates the respondent burden by totaling the hours per year for technical, managerial, and clerical staff, for the first 3 years after promulgation and then dividing that total by three. The results are summarized in Table 7. The EPA estimates that in each of the three years after promulgation, the leather finishing industry would expend 485 hours (422 technical, 21 managerial and 42 clerical) at a cost of \$21,568 to meet the monitoring, recordkeeping, and reporting requirements.

(ii) The Agency Tally

Tables 4, 5, and 6 provides a breakdown for each of the Agency activities required for the NESHAP. The review activities and the labor costs vary each year according to respondent submittals. The bottom line Agency burden hours, presented in

From the Excel spreadsheet, insert Tables 7 and 8

Table 8, are calculated by totaling the hours per year for technical, managerial, and clerical staff (as specified for respondents), and then dividing each by three. The estimated average annual burden for the Agency would be 58 hours (50 technical, 3 managerial and 5 clerical) annually at a cost of \$2,558 per year.

(iii) Variations in the Annual Bottom Line

The respondent costs for year 3 are greater than year 1 and year 2 because the 18 existing leather finishing operations are required to develop and implement a plan for demonstrating compliance. During the first year, existing sources must also read related directions and submit an initial notification. During the second year, only 1 new or modified source is required to submit or develop reports, plans, or notifications. An itemized list of variations for year 1 through year 3 are provided in Tables 1, 2, and 3, respectively. A summary of the respondent burden and labor estimate including the year totals and annual averages is provided in Table 7.

The Agency burden does not vary as widely each year for the first three years after promulgation. Tables 4, 5, and 6 itemize the variation in burden each year.

A summary of the annual burden and the three year averages are provided in Table 8. The costs in year one are the highest because the 18 existing sources will submit initial notifications. The cost in year 2 is the lowest, because only 1 new or reconstructed leather finishing operation is required to submit a notification. Review of the plan for demonstrating compliance is optional and unlikely for the Government to review until the annual compliance certification report indicates a problem.

(f) Reasons for Change In Burden

This is the first submittal of this burden estimate; therefore, this section is not applicable.

(g) Burden Statement

Table 7 presents a summary of the annual burden and cost for leather finishing operations. The total respondent burden is estimated to average 26.9 hours per respondent per year. This estimate includes time for reporting and recordkeeping activities required by the Leather Finishing Operations NESHAP. Table 8 presents a summary of the annual burden and cost for the Federal Government. The total burden for the Federal Government is estimated to average 3.2 hours per respondent per year. This estimate includes time for recordkeeping and support activities required by the Leather Finishing Operations NESHAP.

Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR Part 9 and 48 CFR Chapter 15.

Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques to the U.S. Environmental Protection Agency, Office of Environmental Information, Collection Strategies Division (2822), 1200 Pennsylvania Avenue,

NW, Washington, DC 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW, Washington, DC 20503, Attention: Desk Officer for EPA. Include the EPA ICR number and OMB control number in any correspondence.

PART B OF THE SUPPORTING STATEMENT

This section is not applicable because statistical methods are not used in data collection associated with this regulation.

ATTACHMENT 1

SOURCE DATA AND INFORMATION REQUIREMENTS

Requirement	Regulation Reference
<u>Recordkeeping</u>	
Finish Inventory	63.5335 and 63.5430
HAP Content	63.5390 and 63.5430
Leather Inventory	63.5400 and 63.5430
12 month Compliance Ratio	63.5330 and 63.5430
<u>Reporting</u>	
Existing Sources	
Initial Notification	63.5415
New Sources	
Notification of intent to construct or reconstruct	63.5415
Notification of Startup	63.5415
All Sources	
Notification of intent to conduct a Site-Specific Test	63.5415
Notification of Compliance Status	63.5415
Annual Compliance Certification	63.5420
Deviation Report	63.5420