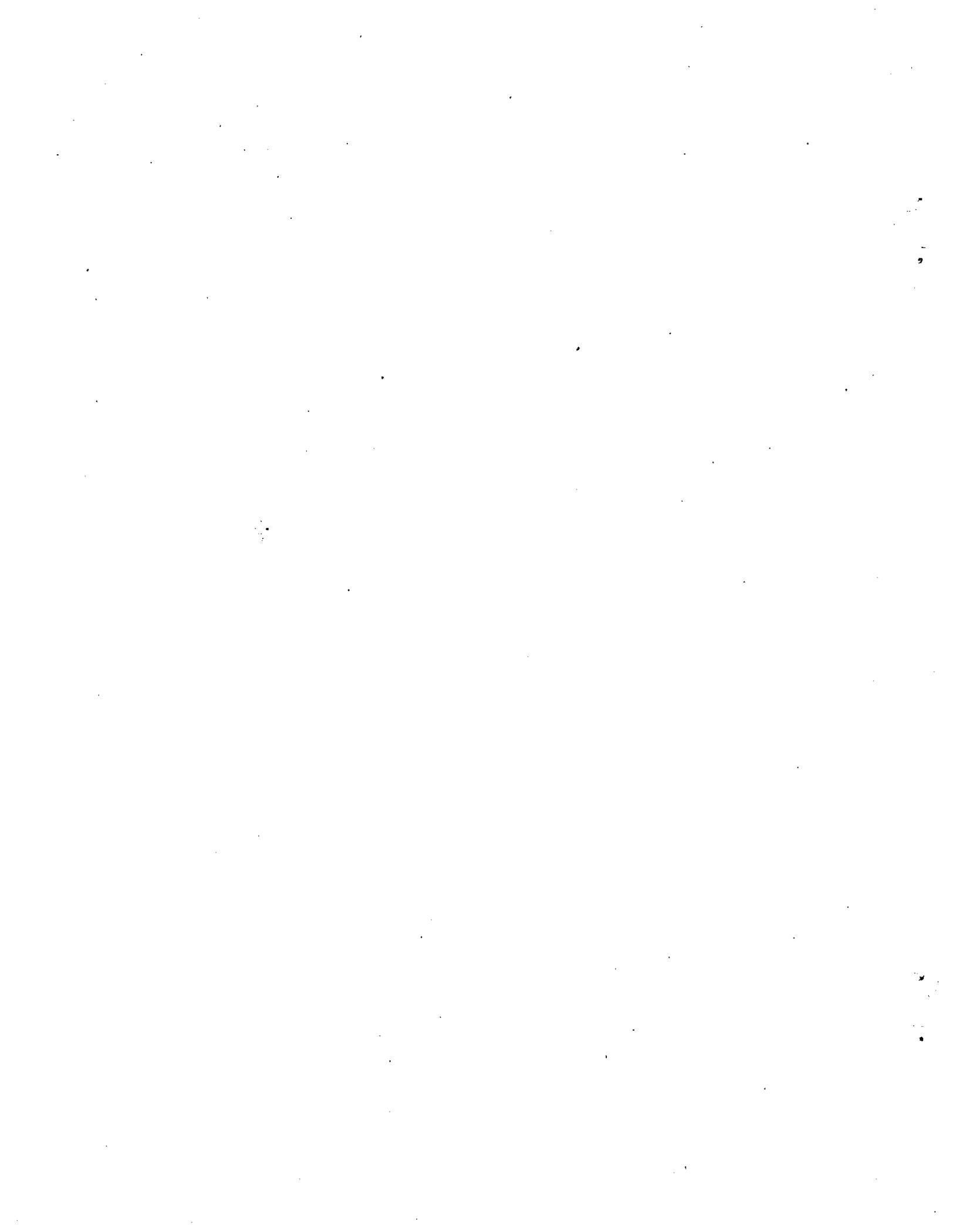


California Environmental Protection Agency
 **Air Resources Board**

**Proposed Amendments to the
Air Toxics "Hot Spots" Fee Regulation
for Fiscal Year 1995-1996**

December 1995



TITLES 17 AND 26. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER AMENDMENTS TO THE AIR TOXICS
HOT SPOTS FEE REGULATION.

The Air Resources Board (ARB) will conduct a public hearing at the time and place noted below to consider amendments to the Air Toxics Hot Spots Fee Regulation.

DATE : January 25, 1996

TIME : 9:30 A.M.

PLACE : Air Resources Board
Board Hearing Room, Lower Level
2020 L Street
Sacramento, California

This item will be considered at a two-day meeting of the ARB commencing at 9:30 a.m., January 25, 1996 and, continuing at 8:30 a.m., January 26, 1996 if necessary. This item may not be considered until January 26, 1996. Please consult the agenda for this meeting, which will be available at least ten days before January 25, 1996 to determine the day on which this item will be considered.

INFORMATIVE DIGEST OF PROPOSED ACTION/PLAIN ENGLISH POLICY
STATEMENT OVERVIEW

Proposed Actions and Sections Affected: Proposed amendments to sections 90700-90705, Titles 17 and 26, California Code of Regulations (CCR) and Appendix A to sections 90700-90705 (The Air Toxics Hot Spots Fee Regulation).

The objective of the Air Toxics Hot Spots Fee Regulation (Fee Regulation) is to recover the costs of the State and the local air pollution control and air quality management districts (air districts) to implement and administer the Air Toxics Hot Spots Information and Assessment Act. The fees assessed through this regulation are used to inventory toxic air emissions, prioritize facilities for preparation of risk assessments, review risk assessments, notify the public of potential health risks from exposure to the emissions, and provide guidance to the facilities in reducing the potential risk from exposure to the emissions. The regulation specifically allocates the State's costs among the air districts, and establishes facility fees for the air districts that have requested ARB adoption of facility fee schedules.

A Staff Report was issued in June 1995 containing the initial fiscal year 1995-96 amendments to the Fee Regulation. However, the hearing on the proposed amendments was cancelled due to pending legislation that, if passed, would affect the overall Program. That legislation, Assembly

Bill 564, authored by Assemblyman Cannella, has now been held over for reconsideration next year.

Background: The Air Toxics "Hot Spots" Information and Assessment Act of 1987 (Act) (Health and Safety Code section 44300 et seq.) established a program to inventory air toxics emissions from facilities in California and to assess the potential risk to public health from exposure to these emissions. The Act also requires that the public be notified of any potentially significant health risks associated with the emissions from high risk facilities. These high risk facilities must reduce their toxic emissions below the level of significance within five years. The Act specifies activities which must be carried out by the ARB, the Office of Environmental Health Hazard Assessment (OEHHA), and air districts, to implement the Act. The Act requires the ARB to adopt a fee regulation to ensure that costs incurred by the State and air districts in implementing and administering the Hot Spots Program (Program) are recovered by assessing fees on facilities subject to the requirements of the Act (Health and Safety Code section 44380).

To implement the Act, the ARB first adopted the Fee Regulation in 1988. Each year, the ARB staff, in consultation with the Fee Regulation Committee which is comprised of the air districts and the OEHHA, prepares amendments to the Fee Regulation for the ARB's consideration. Annual revisions have been needed to ensure that the State's and air districts' costs of implementing the Program will be recovered.

Air districts may recover their Program costs and their portion of the State's cost by adopting their own fee rules or by requesting the ARB to adopt a fee schedule for them. If an air district requests the ARB to adopt their fee schedule, it must submit its air district Program costs, approved by its air district governing board, to the ARB by April 1, prior to the applicable fiscal year. Twelve air districts submitted district board approved costs for fiscal year 1995-96 and are requesting ARB adoption of facility fee schedules.

The Air Toxics "Hot Spots" Information and Assessment Act of 1987 established an air quality program unique to the State of California. No parallel federal requirement exists at this time. There is no federal fee which targets Hot Spots facilities. Accordingly, there is no conflict or duplication between this Fee Regulation and current federal regulations.

Significant Changes: The ARB staff is proposing several major amendments to the Fee Regulation for fiscal year 1995-96.

Two-Phased Proposal for Further Streamlining the Program: The staff of the ARB is proposing a two-phased approach to further streamline the Program. Under Phase I of the proposal, the ARB staff is recommending an interim step that would provide exemptions from the Fee Regulation for fiscal year 1995-96 for facilities that present a low health risk to the surrounding public. These exemption proposals would reduce the State's cost significantly because we would not redistribute the revenue lost as a result of the exemptions to facilities remaining subject to

the Fee Regulation but rather, would adjust Program activities. The second phase of the streamlining effort would occur concurrently with Phase I but would be completed in fiscal year 1996-97. In Phase II, ARB staff would propose amendments to the Emission Inventory Criteria and Guidelines Regulation to further streamline the reporting requirements and the applicability criteria. The amendments to the Fee Regulation for fiscal year 1996-97 would occur concurrently.

Exemptions from the Fee Regulation: We propose to exempt facilities from the Fee Regulation in three ways. The proposed exemptions are listed in new section 90702(b) of the Fee Regulation. A facility would be exempt from the distribution of the State's cost if:

- a) its prioritization score is less than 0.1 for cancer and non-cancer risk;
- b) its approved risk assessment result shows a potential cancer risk of less than one case per one million persons and a total hazard index of less than 0.1.
- c) it is a printing shop, wastewater treatment plant, crematorium, or boat or ship building and repair facility and meets an established de minimis throughput criterion.

For facilities located in air districts whose fee schedules are included in the State's Fee Regulation, these same exemptions would be applied, and facilities that meet at least one of the criteria would not pay a fee in fiscal year 1995-96.

Modification to the Method to Distribute the State's Cost: Because of our proposal to exempt facilities, we are proposing a further modification to the method to distribute the State's cost. In the June 1995 Staff Report, we calculated a cost per facility and distributed the State's cost based on updated facility counts received from the air districts in May 1995. We now propose that each calculated cost per facility remain unchanged from this distribution. This proposal reduces the State's cost per facility by about 19 percent compared to fiscal year 1994-95. For each exempted facility, we would subtract the State's cost previously assessed that facility from its air district's cost total in the June 1995 Staff Report. We are not recovering any costs associated with the exemptions by increasing the State's cost to facilities remaining subject to the Fee Regulation. This proposal ensures that all air districts costs are reduced or unchanged from what was proposed in the June Staff Report. On average, as a result of the exemptions, air district shares of the State's cost are reduced by about 13.5 percent compared to the June proposal.

Reduction in the State's Cost: The proposed exemptions will reduce the State's cost. The cost to be recovered through fees for fiscal year 1994-95 was \$4,237,000. The June 1995 Staff Report contained a proposed State cost of \$3,650,000, already a 14 percent reduction compared to last year. This cost reflected an accelerated Program plan reduction of \$587,000. Now, with our exemption proposals, the State's cost is reduced by an additional \$846,000. As a result of the accelerated Program plan cut and the cost reductions resulting from the exemptions, the State's cost for fiscal year 1995-96 will be reduced to \$2,804,000. This reduction of over \$1.4 million

dollars reduces our cost by over 34 percent. We are continuing to receive updated facility counts from the air districts that reflect the proposed exemptions. These changes will be presented at the ARB hearing in January 1996 and the State's cost will be adjusted accordingly. With an adjustment factor of five percent added to this amount, the State's cost to be recovered through the Fee Regulation is \$2,944,200 (this amount may differ slightly from the amount shown in Table 1 of the Fee Regulation due to rounding).

Other Proposed Amendments to the Fee Regulation for Fiscal Year 1995-96 include:

- 1) modification to section 90700(b), subpart (1), addition of section 90703(c), and addition of section 90704(i), to establish the basic method which will be used to assess the fees for risk assessments submitted to the State for review after March 31, 1995;
- 2) modifications and two additions to the definitions in section 90701 of the Fee Regulation;
- 3) modification to the code references in section 90701 and section 90703 to reflect the new definitions, new sections, and deleted sections;
- 4) addition of section 90702(b)-(d), modification of section 90703(a), addition of section 90703(b), modification of section 90704(a), modification of section 90704(b)(2), (d)(2), and (h); modification of section 90705(a), and (c) to clarify applicability of the regulation;
- 5) modification to section 90704(d), subpart (1) to explain the purpose of Table 2 in the regulation;
- 6) modification of section 90704(d), subpart (2) to explain the use of the new State Industrywide Facility category in calculating air districts' shares of State costs;
- 7) modification to section 90704(d), subpart (3) to update the State costs for risk assessments for facilities located in the Santa Barbara County Air Pollution Control District (APCD);
- 8) addition of a new subpart (3) to section 90704(e), to require air districts to document and substantiate changes to facility counts;
- 9) deletion of section 90704(i), referencing the start of labor-tracking by the OEHHA;
- 10) modification of section 90705(d), subpart (1), to extend the time period to carry over shortfalls in revenue;

- 11) changes to the amounts in Table 1 of the Fee Regulation that each of the 34 air districts would remit to recover the reasonably anticipated cost of the State;
- 12) updates to the list of air districts requesting the ARB to adopt fee schedules for them and removal of the air districts that are adopting district fee rules;
- 13) updates to Table 2 which lists the air districts' costs to be recovered by the Fee Regulation;
- 14) updates to facility fees in Table 3 of the Fee Regulation;
- 15) updates to the air district specified flat fees for Survey and Industrywide facilities listed in Table 4 of the Fee Regulation;
- 16) updates to Appendix A "Air Pollution Control District Air Toxic Inventories, Reports, or Surveys";
- 17) modification of the resource indexes for State Industrywide facilities; and
- 18) modification to extend the date for which air districts may update their facility counts to December 15, 1995.

These proposed changes to the Fee Regulation for fiscal year 1995-96 are discussed in more detail below.

Fee for Risk Assessments Being Reviewed by the State: Section 90700(b), subpart (1) was modified, and sections 90703(c), and 90704(i) were added to establish the method by which fees will be assessed for risk assessments submitted to the State for review after March 31, 1995. Each air district will be billed for the actual costs that OEHHA incurs in its review of individual risk assessments, in accordance with Health and Safety Code section 44361(c). An estimate of the economic impact of this change is included in the Initial Statement of Reasons (Staff Report).

Definition Modifications: Section 90701(h) was updated to modify an existing definition for Facility Program Category. The modification clarifies that the list of facilities includes facility name and identification number. In this same definition, we also deleted the requirement for air districts to submit a list of Survey facilities and added that air districts must supply a list of their State Industrywide facilities. Section 90701(i) was modified to delete reference to the small business definition contained in the Fee Regulation. Deleting this reference makes the Fee Regulation consistent with the Emission Inventory Criteria and Guidelines Regulation, which defines small business in section 93301(m). The definition for Risk Assessment-State Facility in section 90701(x) was also modified to update the specified period of applicability. A new definition for State Industrywide facility was added in section 90701(af). The new definition

is used in the calculation of the air districts' shares of the State's costs. A definition for Standard Industrial Classification (SIC) Code is being added to section 90701. An SIC Code is a numerical code which describes a type of business.

Code References: Code references in sections 90701, 90702, 90703, 90704, and 90705 were modified to reflect new alphanumeric notation as a result of adding the new definitions, adding sections, and deleting a section.

Applicability: Sections 90703(a), 90704(a), 90704(b)(2), 90704(d)(2), 90704(h), 90705(a), and 90705(c) were modified, and sections 90702(b)-(d) and 90703(b) were added to clarify applicability. The additions and modifications clarify which facility categories will be used to calculate the air districts' shares of the State's cost, which facilities will be exempted, and which facility categories will be used as the basis for billing. The changes clarify which sections apply to air districts that are adopting their own fee rules and which sections apply to air districts whose fee schedules are included in the State Fee Regulation.

Purpose of Table 2: Section 90704(d), subpart (1) was modified to clarify that the State costs from Table 1 and the air district costs from Table 2 are used to calculate the facility fees in Table 3.

State Industrywide Facility Category: Section 90703(b) was added, and section 90704(d), subpart (2) was modified, to explain the use of the new State Industrywide Facility category in the calculation of the air districts' shares of the State cost. The number of State Industrywide Facilities is used to make consistent among air districts the counting of facilities that qualify to be included in Industrywide inventories prepared by the air districts, belong to certain Standard Industrial Classifications, and meet other criteria. However, air districts still have the option to use the fees for Industrywide Facilities listed in Table 4 to bill facilities.

State Cost for Santa Barbara Risk Assessments: Section 90704(d), subpart (3) was updated to reflect a new State cost for State review of health risk assessments. This updated cost applies to facilities whose health risk assessments were prepared by the Santa Barbara County APCD using an automated computer program approved by the ARB. For such facilities, the Risk Assessment-State (Intermediate) facilities and Risk Assessment-State (Complex) facilities will pay a lower State cost. The appropriate district cost would be added to this cost to arrive at the facility fee.

Provisions for Facility Count Verification: Section 90704(e), subpart (3) was added to require air districts to provide documentation to the ARB if changes are made to prior-year facility counts. The air districts are required to provide the name, facility identification number, previous category of the affected facility, current category of the facility, previous Source Classification Codes of the facility, and current Source Classification Codes of the facility. The air district shall also provide the Standard Industrial Classification Code for facilities being added to the State Industrywide category.

Delete Reference to Labor-Tracking: Section 90704(i) was added last year, and states that the OEHHA will begin labor-tracking in fiscal year 1994-95. That action has been completed, and with the new proposal for OEHHA to implement a fee-for-service system for risk assessment reviews, the section is no longer needed.

Shortfall Recovery: Section 90705(d), subpart (1) was modified to extend the time period during which an air district with a State Board adopted fee schedule may carry over a revenue shortfall. The proposed revisions extend the allowed time period from the current one year to a proposed four years. This provision gives the air districts greater flexibility in determining facility fees.

Air District Shares of State Cost: The proposed amendments to the Fee Regulation would change the amount that each of the State's 34 air districts must remit (Table 1 of the Fee Regulation) to the State to recover the reasonably anticipated costs of the State to administer the Program for fiscal year 1995-96. This change is proposed to account for changes in facility numbers among the air districts, facilities qualifying for an exemption, as well as the decrease in the State's cost. As discussed earlier, the State's cost for fiscal year 1995-96 has been reduced to \$2,804,000. Each air district's share of the State's costs includes a five percent adjustment factor to allow for nonpayment and uncertainty in the facility category information.

Air Districts Requesting State Adoption of Fee Schedules: The proposed amendments would add fee schedules for the Calaveras and Placer County APCDs. The amendments would delete fee schedules for Kern County APCD and for the South Coast Air Quality Management District (South Coast AQMD). The Kern County APCD and South Coast AQMD, as well as 20 other air districts, are required by law to adopt district fee rules for fiscal year 1995-96 (see Health and Safety Code section 44380(a)(2)).

The proposed regulation would again establish fee schedules for the following ten air districts: the Imperial, Lassen, Mariposa, Mendocino, Santa Barbara, and Tuolumne County APCDs; the Great Basin, and San Joaquin Valley Unified APCDs; and the Mojave Desert and Yolo-Solano AQMDs.

The method used to calculate facility fees for the above 12 air districts is the same basic method used for calculating the distribution of the State's costs in the June 1995 Staff Report. For these air districts, an adjustment factor of five percent is added to the air districts' costs to be recovered to allow for nonpayment, uncertainty in the facility category information, and uncertainty in the number of businesses that meet the small business cap provision. The same Program Categories are used for air district costs as for State costs, but different resource indexes are assigned for air district costs than for the State's costs. Each air district's cost to be recovered is divided by the sum of the products to arrive at a unit cost for a Plan and Report (Simple) facility. This air district unit cost is multiplied by the other Program category indexes to arrive at a district cost per facility.

The fee schedules in the Fee Regulation for the above 12 air districts include cost-per-facility fees. Flat fees are specified by each air district for all facilities emitting less than ten tons per year of any criteria pollutant. The Survey (facilities required to complete a one-time survey) and Industrywide facilities (facilities that qualify to have their emission inventory completed by the air district as part of an Industrywide emission inventory) would pay a facility fee between \$15 and \$125. If a Survey or Industrywide facility has paid a fee once, and the air district will not expend significant resources on the facility, the fee may be waived by the air district. Excluding industrywide facilities, our proposals will exempt over 14 percent of facilities from paying any fee. On average, non-exempt facilities will realize fee reductions of about 16 percent compared to fiscal year 1994-95.

The following 22 air districts have chosen to adopt district rules to recover the Program costs in fiscal year 1995-96: the Amador, Butte, Colusa, El Dorado, Glenn, Kern, Lake, Modoc, San Diego, San Luis Obispo, Shasta, Siskiyou, Tehama, and Ventura County APCDs; the Feather River, Monterey Bay Unified and Northern Sonoma Unified APCDs; and the Bay Area, North Coast Unified, Northern Sierra, Sacramento Metropolitan, and South Coast AQMDs.

Air Districts' Costs to be Recovered: Table 2 of the Fee Regulation was updated to reflect changes in each air district's cost to be recovered for the ten air districts again requesting ARB adoption of facility fees. Air district costs to be recovered for the Calaveras and Placer County APCDs were added to Table 2. The Kern County APCD's and South Coast AQMD's costs were deleted from Table 2. For all air districts requesting ARB adoption of facility fees, a five percent adjustment factor is added to the air district's cost to be recovered to allow for nonpayment, uncertainty in the facility category information, and uncertainty in the number of businesses that meet the small business cap provision.

Changes to Table 3 of the Fee Regulation: Facility fees in Table 3 of the Fee Regulation were changed to reflect the State's new cost for each facility program category and changes in the air district's cost. Facility fees were added for the Calaveras and Placer County APCDs. Facility fees for the Kern County APCD and South Coast AQMD were deleted.

Changes to Specified Fees: Flat fees specified by the air districts for Survey and Industrywide facilities in Table 4 were updated. Flat fees for the Kern County APCD and South Coast AQMD were deleted. Flat fees for the Calaveras and Placer County APCDs were added. Fees in Table 4 range from \$15 to \$125.

Changes to Appendix A: Appendix A of the Fee Regulation was changed to reflect deleted toxic inventories by the Monterey Bay Unified APCD and the South Coast AQMD, and an updated title for the Mojave Desert AQMD inventory.

Modification of Resource Indexes for State Industrywide Facilities: The resource indexes for State Industrywide facilities were modified to keep the cost associated with these facilities at \$15.

Date Change for Updating Facility Counts: The deadline for updating facility counts for the distribution of the State's cost and calculating facility fees for fiscal year 1995-96 is being extended to December 15, 1995.

AVAILABILITY OF DOCUMENTS AND CONTACT PERSON

The ARB has determined that it is not feasible to draft the regulation in plain English due to the technical nature of the regulation; however, a plain English summary of the regulation is included in the Initial Statement of Reasons, Executive Summary.

A Staff Report is available which includes the Initial Statement of Reasons for the proposed action and a summary of the environmental impacts of the proposal, if any. Copies of the Staff Report and the full text of the proposed regulatory language, in underline and strike-out format, may be obtained from the California Air Resources Board, Public Information Office, 2020 L Street, Sacramento, California 95814, at least 45 days prior to the scheduled hearing. The ARB staff has compiled a record which includes all information upon which the proposal is based. Copies of the documents may be obtained through the Public Information Office, 2020 L Street, Sacramento, California 95814.

Further inquiries regarding this matter should be directed to Genevieve A. Shiroma, Chief, Air Quality Measures Branch, Stationary Source Division, P.O. Box 2815, Sacramento, California 95812, (916) 322-7072.

COSTS TO PUBLIC AGENCIES AND TO BUSINESSES AND PERSONS AFFECTED

The determinations of the ARB's Executive Officer concerning the cost or savings necessarily incurred in reasonable compliance with the proposed amendments to the Fee Regulation are presented below.

The ARB's Executive Officer has determined that the amended Fee Regulation will impose a mandate upon and create costs to the air districts with jurisdiction over facilities subject to the Act. However, the mandate does not require State reimbursement to the air districts pursuant to Government Code sections 17500 et seq. and section 6 of Article XIII B of the California Constitution because the air districts have the authority to levy fees sufficient to pay for the mandated Program (Health and Safety Code section 44380). These fees are intended to recover the full costs of air district implementation of the Air Toxics Hot Spots Program, including compliance with the amended Fee Regulation. The estimated fiscal year 1995-96 air district costs to implement the amended Fee Regulation are approximately \$610,000.

The Executive Officer has determined that adoption of the amended Fee Regulation will impose a mandate upon and create costs to some publicly-owned treatment works (POTWs). POTWs are subject to the Fee Regulation if they emit or use substances listed in Appendix A of the Emission Inventory Criteria and Guidelines Regulation (Title 17, CCR, sections 93300-93355), release the specified quantity of at least one of the four criteria pollutants, and are classified by the air district in one of the prescribed Program categories. The costs of complying with the Fee Regulation are not reimbursable within the meaning of section 6, Article XIII B, California Constitution and Government Code sections 17500 et seq., because POTWs are authorized to levy service charges to cover the costs associated with the mandated Program. Based on the proposal in the June 1995 Staff Report we estimated the total cost for POTWs to comply with the Fee Regulation to be \$120,446 for fiscal year 1995-96. As the result of the proposed exemption for wastewater treatment plants, we estimate POTWs cost of compliance will be reduced to \$70,530.

The Executive Officer has determined that the amended Fee Regulation does not create cost or savings in federal funding to any State agency or program.

The Executive Officer has also determined that the amended Fee Regulation will impose costs on affected State agencies. The costs to the ARB to implement and administer the Air Toxics Hot Spots Program, including the amended Fee Regulation, will be recovered by fees authorized by Health and Safety Code section 44380 and sections 90700-90705 of Title 17, CCR. The costs for the ARB to develop and implement the amended Fee Regulation are estimated to be \$152,000.

Other affected State agencies (e.g., universities, hospitals, correctional institutions, laboratories) that must pay fees pursuant to the amended Fee Regulation as emitters of specified pollutants should be able to absorb their costs within existing budgets and resources. Costs to these State agencies were estimated to total \$142,318 in the June 1995 Staff Report. As a result of the exemptions we now estimate that the cost for these facilities' compliance would be reduced to \$117,510 for fiscal year 1995-96.

The Board's Executive Officer has determined, pursuant to Government Code 11346.5(a)(3)(B), that the regulation will affect small business.

In developing the proposal, the staff has determined there is a potential cost impact on private persons or businesses directly affected by the regulation. The Executive Officer has also determined that adopting these amendments may have a significant adverse economic impact on some businesses operating with little or no margin of profitability, including the ability of California businesses to compete with businesses in other states, based on an assessment of the evidence available in the record.

Accordingly, the following information is provided pursuant to Government Code section 11346.5(a)(7):

- (A) Identification of the types of businesses that would be affected.

All businesses that emit a criteria pollutant and a listed substance (Health and Safety Code sections 44320-44322; Title 17, CCR, section 90702) must pay a Hot Spots fee, (Health and Safety Code sections 44380-44382; Title 17, CCR, sections 90703-90705) unless specified conditions have been met, and will be affected by these proposed amendments. Businesses that are operating with little or no margin of profitability may experience significant adverse impacts by paying these fees. Appendix VII of the Staff Report includes a list, which may be modified, of the categories of businesses that may be included in the scope of this regulation.

- (B) Description of the projected reporting, recordkeeping, and other compliance requirements that would result from the proposed action.

To comply with these proposed amendments, businesses will have to pay the fees assessed on them. These proposed amendments will not result in any additional reporting, recordkeeping, or other compliance requirements, beyond keeping records of payment.

- (C) The ARB staff finds that the amendment of this regulation may have a significant adverse economic impact on businesses operating with little or no margin of profitability, including the ability of California businesses to compete with businesses in other states. The ARB staff has considered proposed alternatives that would lessen any adverse economic impact on businesses and invites you to submit proposals. Submissions may include the following considerations:

- (i) The establishment of differing compliance or reporting requirements or timetables which take into account the resources available to businesses.
- (ii) Consolidation or simplification of compliance and reporting requirements for businesses.
- (iii) The use of performance standards rather than prescriptive standards.
- (iv) Exemption or partial exemption from the regulatory requirements for businesses.

Submissions may also include the following considerations which more closely apply to these amendments:

- (I) The establishment of differing payment requirements or timetables which take into account the resources available to businesses.

- (ii) Exemption or partial exemption from the fee requirements for businesses.
- (iii) Any other alternative that would lessen any adverse impact the fees may have on businesses.

In accordance with Government Code section 11346.3, the Executive Officer has determined that for businesses operating with little or no margin of profitability, the proposed regulatory action may affect the creation or elimination of jobs within the State of California, the creation of new businesses or the elimination of existing businesses within California, or the expansion of businesses currently doing business within California. A detailed assessment of the economic impacts of the proposed regulatory action can be found in the Staff Report.

In considering the proposed amendments, the ARB must determine that no alternative considered by the agency would be more effective in carrying out the purpose for which the amendments are proposed or would be as effective and less burdensome to affected private persons than the proposed action. The imposition of the fees and the requirement that the fees, in the aggregate, cover costs of implementing the Program, are mandated by statute. However, the Fee Regulation includes a cap on fees for small businesses and allows a fee waiver for facilities in two Program categories if certain criteria are met. Additionally, exemptions are proposed that will relieve lower risk facilities from paying any fee. These provisions are meant to minimize the burden of the regulation.

SUBMITTAL OF COMMENTS

On June 9, 1995 the ARB published a Notice of Public Hearing on the proposed amendments to the Fee Regulation for fiscal year 1995-96. However, the public hearing originally scheduled for July 27, 1995 was subsequently cancelled.

This Notice of Public Hearing concerns a revised proposal for the Fee Regulation for fiscal year 1995-96. Written comments relating to the revised proposal and presented at workshops concerning the revised proposal will be considered by the ARB and will be included in the rulemaking record (Government Code section 11347.3(a)(6)). Please be advised that, in order to ensure that all written comments are related to the revised proposal and not to the June 1995 proposal, the ARB will not consider any written comments submitted before the date of this notice and such comments will not be included in the rulemaking record. If you submitted written comments before the date of this notice and you wish the ARB to consider them in connection with the revised proposal, please resubmit your comments in writing.

At the public hearing, the public may present comments relating to this revised matter orally or in writing. To be considered by the ARB, written submissions must be addressed to and

received by the ARB Secretary, Air Resources Board, P.O. Box 2815, Sacramento, California 95812, or 2020 L Street, 5th floor, Sacramento, California 95814, no later than 12:00 noon, January 25, 1996 or received by the Board Secretary at the hearing.

The ARB requests but does not require that 20 copies of any written statement be submitted and that all written statements be filed at least ten days prior to the hearing. The ARB encourages members of the public to bring any suggestions for modification of the proposed regulatory action to the attention of staff in advance of the hearing.

STATUTORY AUTHORITY AND HEARING PROCEDURES

Amendments to the Fee Regulation are proposed pursuant to the authority granted to the ARB in sections 39600, 39601, 44321, 44380, and 44380.5 of the Health and Safety Code. The purpose of the Fee Regulation is to implement, interpret, and make specific sections 44320, 44321, 44322, 44361, 44380, and 44380.5 of the Health and Safety Code.

The public hearing will be conducted in accordance with the California Administrative Procedure Act, Title 2, Division 3, Part 1, Chapter 3.5 (commencing with section 11340) of the Government Code.

Following the public hearing, the ARB may adopt the regulatory language as proposed or with nonsubstantial or grammatical modifications. The ARB may also adopt the proposed regulatory language with other modifications, if the modifications are sufficiently related to the proposed text such that the public was adequately placed on notice that the regulatory language, as modified, could result from the proposed regulatory action. Such modifications are expected to include but are not limited to the following:

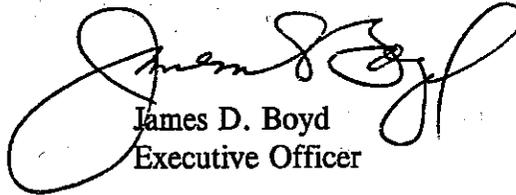
- (1) An air district's share of the State's costs may be revised on the basis of it updating the number of facilities in the previously mentioned Program categories, changes to the State's budget, or adjustments to the resource indexes.
- (2) The specified amounts of fees may be adjusted, on the basis of updates to numbers of facilities in the previously mentioned Program categories, changes to the State's budget, or adjustments to the resource indexes.
- (3) Fees specified by air districts may be changed on the basis of information being provided by each such air district.
- (4) Changes to Appendix A of the regulation in response to information provided between this date and the public hearing.

- (5) Changes to definitions in response to information provided between this date and the public hearing.
- (6) Changes to the exemption proposals.

In the event that such modifications are made, the full regulatory text with the modifications clearly indicated will be made available to the public for written comment at least 15 days before it is adopted. The public may request a copy of the modified regulatory text from the Air Resources Board Public Information Officer, 2020 L Street, 1st Floor, Sacramento, CA 95814, (916) 322-2990.

This is a statewide regulation. Once adopted by the ARB, the fee schedule will be applicable to all covered facilities in the 12 air districts for which the proposed amendments would provide fee schedules. The remaining 22 air districts will be required to adopt district rules to comply with the Fee Regulation.

CALIFORNIA AIR RESOURCES BOARD



James D. Boyd
Executive Officer

Date: November 28, 1995

State of California
California Environmental Protection Agency
AIR RESOURCES BOARD
Stationary Source Division

Staff Report: Initial Statement of Reasons
for Proposed Rulemaking

Proposed Amendments to the
Air Toxics "Hot Spots" Fee Regulation
for Fiscal Year 1995-96

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Janette Brooks, Manager, Implementation Section

ACKNOWLEDGMENTS

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Bay Area AQMD	Catherine Fortney
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TABLE OF CONTENTS

	<u>Page</u>
<u>Executive Summary</u>	
Introduction	1
A. Overview	2
B. Program Elements and the State's Activities	11
C. Public Outreach	15
D. Proposed Changes to the Fee Regulation	19
E. Estimated Facility Fees for Fiscal Year 1995-96	22
F. Environmental and Economic Impacts	22
G. Recommendation	22
I. <u>Introduction and Overview</u>	
A. Introduction	27
B. Program Plan	28
C. Proposed Changes	30
1. Exemptions from the Fee Regulation	30
2. Modification to the Method to Distribute the State's Cost	31
3. Reduction in the State's Cost	31
4. Other Changes to the Fee Regulation	31
II. <u>Program Elements</u>	
A. Introduction	35
B. Assembly Bill 2588	35
1. Applicability	35
a. General	35
b. Exemptions	36
2. Reporting Requirements	37
3. Emission Inventory Regulation	37
4. Prioritization, Risk Assessment, and Public Notification	37

5. Fee Regulation	38
a. State Adopted Fee Schedules.....	38
b. Collection Process	39
6. Benefits of the Program	39
C. Amendments to the Hot Spots Act	40
1. Assembly Bill 4070	40
a. District Fee Rules	40
2. Senate Bill 1378	40
3. Senate Bill 1731.....	40
a. Risk Reduction Audits and Plans	41
4. Assembly Bill 1060	41
5. Assembly Bill 956	41
III. <u>Program Activities</u>	
A. Introduction	43
B. State Activities	43
1. Air Resources Board Activities	43
a. Regulation Development	43
b. Source Test Methods Development	47
c. Air Toxics Emission Database	47
d. Emission Data Collection and Validation	47
e. Risk Reduction	48
2. Office of Environmental Health Hazard Assessment Activities	49
a. Health Risk Assessment Review	49
b. Risk Assessment Guidelines	49
3. Joint ARB/OEHHA Activities	49
a. Risk Assessment Assistance	49
b. Public Notification	50
C. District Activities	50

IV. <u>Program Costs and Facility Fees</u>	
A. Introduction	53
B. Proposed Costs for Fiscal Year 1995-96	53
C. Distribution of State Costs	55
1. Methodology to Distribute the State's Cost.....	55
2. State Core Program Costs	57
3. State Risk Assessment Costs	58
4. Districts' Share of the State's Cost	59
D. District Costs for Fiscal Year 1995-96	61
E. Total Program Costs	61
F. Facility Fees	64
V. <u>Existing Regulation and Proposed Changes</u>	
A. Introduction	69
B. Public Outreach	69
C. Current Regulation	71
1. Basis for Existing Fees	71
2. Distribution of State and District Costs	72
3. Existing Fee Calculation Method	72
a. Source Classification Codes	73
b. Resource Indexes	74
c. Adjustment Factor	74
d. Undercollection and Overcollection of Costs	74
4. Special Features of Current Regulation	75
a. Cap on Fee For Small Businesses	75
b. Definition of Small Business	75
c. Cap on Fees for Plan and Report (Simple) Category	76
d. Cap on Fees for Risk Assessment-District (Simple) Category	76
D. Proposed Changes to the Regulation	76
1. Exemptions from the Fee Regulation.....	77

a. Prioritization Score.....	77
b. Risk Assessment Results.....	77
c. De Minimis Levels.....	77
2. Modification to the Method to Distribute the State's Cost.....	79
3. Reduction in the State's Cost.....	79
4. Other Proposed Changes.....	80
a. Fee for Risk Assessments Being Reviewed by the State.....	80
b. Districts Shares of the State's Cost.....	80
c. Fee Schedules.....	80
d. Districts Requesting State Adoption of Fee Schedules.....	81
e. Definitions.....	81
f. Provisions for Facility Count Verification.....	82
g. Code References.....	83
h. Applicability.....	83
i. Purpose of Table 2.....	83
j. State Cost for Santa Barbara Risk Assessments.....	83
k. Delete Reference to Labor-Tracking.....	83
l. Shortfall Recovery.....	83
m. Appendix A, District Toxics Inventories, Reports, or Surveys.....	84
n. Resource Indexes for State Industrywide Facilities.....	84
o. Change in Date for Updating Facility Counts.....	84
VI. <u>Environmental and Economic Impacts</u>	
A. Introduction.....	85
B. Environmental Impact.....	85
C. Economic Impact Analyses.....	85
1. Impact on Government Agencies.....	86
a. State Government Agencies Costs.....	86
b. Local Government Agencies Costs.....	87
2. Impact on Non-Government Facilities.....	88

a. Ability to Compete with Other States	89
b. Effect on Jobs and Businesses	89
VII. <u>Evaluation of Alternatives</u>	
A. Introduction	91
B. Evaluation of Alternatives	91
C. Recommendation	93

Figures

Figure 1	Estimated Total Program Costs are Reduced for Fiscal Year 1995-96.....	4
Figure 2	Facility Count Changes Reduce the State's Cost Further for 1995-96...	6
Figure 3	State's Proposed Accelerated Cost Reductions.....	12
Figure 4	State Hot Spots Program Implementation Activities	16
Figure 5	State and District Adoption of Fiscal Year 1995-96 Fees	23
Figure 6	State's Proposed Accelerated Cost Reductions.....	29
Figure 7	State Hot Spots Program Implementation Activities	44
Figure 8	Facility Count Changes Reduce the State's Cost Further for 1995-96...	56
Figure 9	Estimated Total Program Costs are Reduced for Fiscal Year 1995-96.....	63
Figure 10	State and District Adoption of Fiscal Year 1995-96 Fees.....	65

Tables

Table 1	Program Costs for Fiscal Year 1995-96	5
Table 2	Comparison of Distribution of State Costs Among Districts	8
Table 3	District Cost Comparison Between Fiscal Years 1994-95 and 1995-96	9
Table 4	Average Facility Fees	24
Table 5	Range of Proposed Facility Fees	25
Table 6	Program Costs for Fiscal Year 1995-96	54
Table 7	Comparison of Distribution of State Costs Among Districts	60

Table 8	District Cost Comparison Between Fiscal Years 1994-95 and 1995-96	62
Table 9	Average Facility Fees	66
Table 10	Range of Proposed Facility Fees	67

Appendices

Appendix I	- Proposed Amendments to the Air Toxics Hot Spots Fee Regulation for Fiscal Year 1995-96	I-1
Appendix II	- Air Toxics "Hot Spots" Information and Assessment Act	II-1
Appendix III	- Emission Inventory Criteria and Guidelines Regulation (portions)	III-1
Appendix IV	- Fiscal Year 1995-96 Proposed Costs for the Air Toxics Hot Spots Program	IV-1
Appendix V	- Fee Basis and Calculations	V-1
Appendix VI	- Announcement of Public Consultation Meetings	VI-1
Appendix VII	- Economic Impact Analysis	VII-1

EXECUTIVE SUMMARY

INTRODUCTION

In this report, the staff of the Air Resources Board (ARB) presents recommended amendments to the Air Toxics Hot Spots Fee Regulation (Fee Regulation) (Title 17, California Code of Regulations, sections 90700-90705) for fiscal year 1995-96. The Fee Regulation authorizes the collection of ARB and the Office of Environmental Health Hazard Assessment (OEHHA) program costs for implementing the Air Toxics Hot Spots Information and Assessment Act of 1987 (the Act)¹. Also, the Fee Regulation contains fee schedules for 12 air pollution control districts or air quality management districts (districts). The remaining 22 districts will adopt their own fee schedules, as allowed by the regulation.

The Air Toxics Hot Spots Program (Program) was enacted by the Legislature to protect the California public from releases of toxic air pollutants. It consists of requirements for facility operators, the districts, and the State. It requires that facility toxics emissions be quantified and compiled into an inventory, that the facilities be prioritized to determine who must conduct a risk assessment, that the risk assessments be conducted according to methods developed by the OEHHA, that the public is notified of significant risks posed by nearby facilities, and that significant risk emissions be reduced.

Our proposed Fee Regulation and staff report contain several key features:

- ▶ **We propose a two-phased approach to substantially further streamline the Program.**
 - **Phase I of the proposal is to develop interim exemptions from fees for lower risk facilities in fiscal year 1995-96.**
 - **Phase II of the proposal is to develop more comprehensive exemptions from the Program's reporting requirements and fees in fiscal year 1996-97.**

¹ Health and Safety Code sections 44300-44394, Ch. 1252, Stats. 1987; as amended. Ch. 1162, Stats. 1992; Ch. 1254, Stats. 1989, as amended by Stats. 1993, Ch. 1041; Stats. 1993, Ch. 1037; Stats. 1992, Ch. 375; Stats. 1990, Ch. 1432.

- ▶ **We will continue to protect the public health as mandated by the Program as we carry out the two-phased approach using a public process. Program activities will be downsized and costs reduced, while retaining elements of the Program which focus on the higher risk facilities.**
- ▶ **We propose, for Phase I, exemptions for facilities based on prioritization scores, risk assessment results, and de minimis levels for certain types of facilities. The State's cost is being reduced commensurate with the number of exempted facilities. No additional State cost will be assessed to non-exempted facilities.**
- ▶ **The ARB and OEHHA are reducing State costs for the Program in a planned and orderly fashion.**
 - **In 1993 we developed, and the Board approved, a five year plan to reduce State costs by 40 percent by fiscal year 1997-98.**
 - **Each year since 1993, we have reduced our costs beyond the planned reductions.**
 - **We are again accelerating this cost reduction plan. For fiscal year 1995-96 the State's cost reduction is surpassing the planned 40 percent reduction two years early. The State's cost is reduced by over 50 percent compared to the 1993 baseline.**
 - **The State's cost for fiscal year 1995-96 is \$1.4 million less than fiscal year 1994-95, a 34 percent decrease.**
- ▶ **Our proposal includes a change, at the districts' request, to better and more fairly distribute the State's costs among districts for industrywide facilities. The proposal adds a new definition for State Industrywide Facility that would be used to make consistent and equitable the counting of facilities that qualify to be included in industrywide inventories prepared by the districts.**
- ▶ **Our proposal includes a provision that will establish a fee-for-service for the OEHHA review of risk assessments received after March 31, 1995.**

A. OVERVIEW

The Act requires that the ARB adopt a regulation that recovers costs incurred by the State and the districts to administer the Program. The State's costs include those incurred by the OEHHA and the ARB. Fees are established either in fee schedules the ARB adopts as part of the Fee Regulation or in Hot Spots fee rules districts adopt as required by the Fee Regulation.

The proposed amendments are shown in Appendix I to this report. The Act is in Appendix II to this report.

The enabling legislation for the Program requires that the State's and districts' costs of implementing the Act be recovered from fees paid by facilities subject to the Act. The Fee Regulation was first adopted in 1988 and has been revised annually.

We issued a Staff Report in June 1995 which contained our initial fiscal year 1995-96 amendments to the Fee Regulation. However, the hearing on the proposed amendments was cancelled due to pending legislation that, if passed, would affect the overall Program. That legislation, Assembly Bill 564, authored by Assemblyman Cannella, has now been held over for reconsideration next year. In response to comments received from the districts and industry, we are now proposing a two-phased approach for further reducing fees and streamlining the Program. Phase I of our proposal would apply to the Fee Regulation for fiscal year 1995-96 only and would eliminate fees for lower risk facilities. Phase II of the proposal, for fiscal year 1996-97, would be on a parallel track. In Phase II we are proposing to further streamline the reporting requirements for facilities and amend the Fee Regulation concurrently. The exemption proposals for Phase I will reduce the State's revenues and require commensurate downsizing of the Program further as described below.

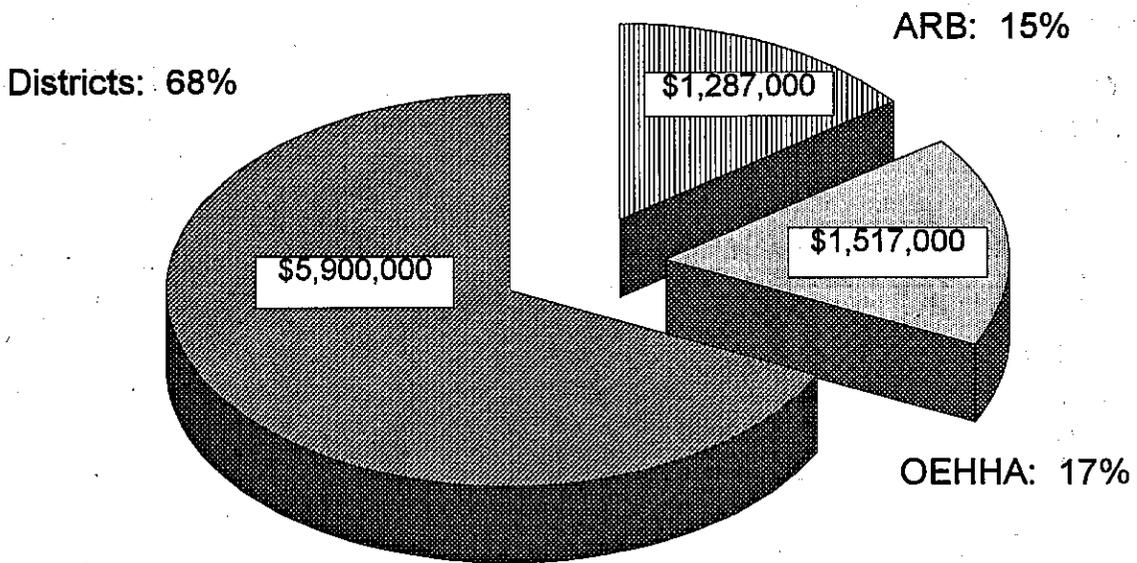
Overall State and district costs for fiscal year 1995-96 are an estimated \$8.7 million, of which 32 percent are State costs and 68 percent are district costs. Total costs for fiscal year 1995-96 are reduced by about \$2.5 million, or 22 percent compared to fiscal year 1994-95. Figure 1 graphically displays total Program costs. Total district costs are estimated.

As shown on Table 1, the cost to be recovered through fees for fiscal year 1994-95 was \$4,237,000. The earlier issued Staff Report contained a proposed State cost of \$3,650,000, already a 14 percent reduction compared to last year. This cost reflected an accelerated Program plan reduction of \$587,000. Now, with the exemption proposals, the State's Program would be reduced by an additional \$846,000. As a result of the accelerated Program plan cut and the revenue reductions resulting from the exemptions, the State's Program cost for fiscal year 1995-96 would have to be reduced. With the recommended exemptions, fees collected would be \$2,804,000. This is a reduction of over \$1.4 million dollars (34 percent) from the fees assessed in fiscal year 1994-95. We are continuing to receive updated facility counts from the districts that reflect the proposed exemptions. These changes will be presented at the ARB hearing in January 1996 and the State's cost will be adjusted accordingly.

In the June 1995 Staff Report we presented costs of \$1.7 million for the ARB and \$1.9 million for the OEHHA. However, the ARB and OEHHA are further downsizing their Programs to reflect lower revenues received as a result of the exemptions. As shown graphically in Figure 2, the ARB's cost is reduced to \$1,287,000 and the OEHHA's cost is reduced to \$1,517,000.

Figure 1

Estimated Total Program Costs Are Reduced for Fiscal Year 1995-96



Total Program Costs for the Districts and the State are Estimated to be \$8,704,000.

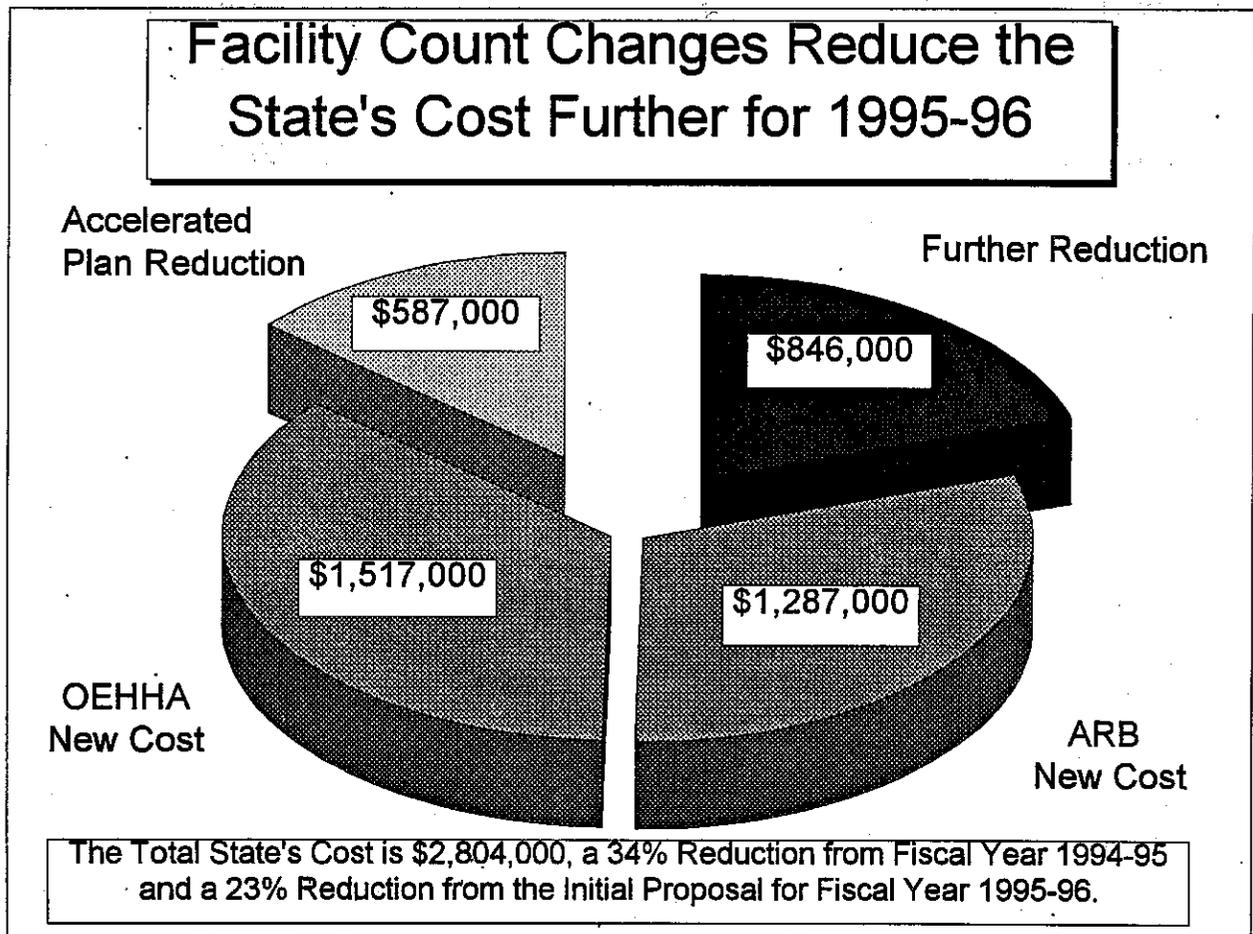
Table 1

Program Costs for Fiscal Year 1995-96

Program Costs

Program Cost for 1994-95	\$4,237,000
Accelerated Program Plan Reduction	-587,000
Reduction from Proposed Exemptions	<u>-846,000</u>
Cost to be Recovered Through Fees	\$2,804,000

Figure 2



In the June 1995 Staff Report we proposed to distribute the State's cost for fiscal year 1995-96 among districts using a method similar to the method used last year. At that time, because of comments received at the May 1995 workshops and other meetings, we proposed a new definition to define industrywide facilities that would be included in the calculation to distribute the State's cost. We made this proposal to ensure that classes of industrywide facilities would be treated consistently among districts and that the State's cost would be more fairly and consistently be distributed among them. When we added industrywide facilities into our calculation method last year, our purpose was to include additional facilities in our method, and not to shift existing facilities to a new category. Several projects are ongoing which will benefit industrywide facilities, and we wanted to include them at a nominal cost. The new definition would only be used for categorizing facilities for distribution of the State's costs among districts, and not for billing or inventory purposes.

Because of the proposal to exempt facilities, a further modification to the methodology to distribute the State's cost is recommended. In the June 1995 Staff Report we calculated a cost per facility and distributed the State's cost based on updated facility counts received from the districts in May 1995. To ensure that the State's fee per facility will not increase because of the exempted facilities, we propose that the previously calculated fee per facility remain unchanged. For each district, we totaled the revenue lost due to the exemptions and subtracted it from the amount to be paid to the State. By doing this, fees on the remaining facilities are not increased. In addition, all districts' costs are reduced or unchanged from what was proposed in the June 1995 Staff Report. On average, as a result of the exemptions, district shares of the State's cost are reduced by about 13.5 percent compared to the June 1995 proposal.

Table 2, Column B shows the distribution of the State's cost using this method. Table 2 also compares the distribution of the State's cost for fiscal year 1994-95 to the distribution for 1995-96. In general, districts whose State cost has increased from 1994-95 either increased their facility counts or had facilities change Program status. The State's cost in Figure 2 and Table 2 differ because Table 2 includes an adjustment factor. The adjustment factor of five percent is added to the State's cost to help ensure full cost recovery in the event of unforeseen business closures, nonpayment of fees, or other circumstances which would result in a shortfall in anticipated revenue. The State has not achieved full recovery of its cost the past few years, despite the inclusion of a five percent adjustment factor.

Total district Program costs for the California's 34 districts are decreasing from \$7.0 million for fiscal year 1994-95 to \$5.9 million for fiscal year 1995-96, approximately a 15 percent decrease. Table 3 compares the district Program costs for fiscal year 1994-95 and fiscal year 1995-96.

The State's costs for individual districts and the individual facility fees will vary from year to year because the method is based on the Program category of each facility. Fees are related to a combination of the priority and workload associated with each category. The status

Table 2**Comparison of Distribution of State Costs Among Districts**

	A	B	C
DISTRICT	Cost Total 1994-95	Cost Total 1995-96	% Difference From Column A
AMADOR	10,916	9,496	-13.0
BAY AREA	377,205	397,833	5.5
BUTTE	33,500	36,543	9.1
CALAVERAS	795	3,170	298.7
COLUSA	24,648	19,069	-22.6
EL DORADO	8,453	7,705	-8.8
FEATHER RIVER	17,615	11,718	-33.5
GLENN	17,141	15,898	-7.3
GREAT BASIN	14,820	11,915	-19.6
IMPERIAL	26,620	24,175	-9.2
KERN (DESERT)	18,917	9,977	-47.3
LAKE	4,841	15,115	212.2
LASSEN	4,541	4,642	2.2
MARIPOSA	884	796	-10.0
MENDOCINO	19,470	9,946	-48.9
MODOC	0	225	
MOJAVE DESERT	84,750	56,016	-33.9
MONTEREY	61,971	37,015	-40.3
NORTH COAST	13,163	14,678	11.5
NORTHERN SIERRA	12,520	10,863	-13.2
NORTHERN SONOMA	6,317	4,988	-21.0
PLACER	39,815	26,443	-33.6
SACRAMENTO	51,612	35,842	-30.6
SAN DIEGO	247,524	189,968	-23.3
SAN JOAQUIN VALLEY	631,510	373,291	-40.9
SAN LUIS OBISPO	39,652	19,305	-51.3
SANTA BARBARA	86,172	57,277	-33.5
SHASTA	26,159	20,927	-20.0
SISKIYOU	2,203	7,888	258.1
SOUTH COAST	2,321,802	1,353,930	-41.7
TEHAMA	7,598	8,775	15.5
TUOLUMNE	17,642	7,707	-56.3
VENTURA	168,135	98,794	-41.2
YOLO-SOLANO	49,934	42,255	-15.4

Total State Budget 4,448,845 2,944,185

Note: Totals include 5 percent adjustment factor.

Table 3

District Cost Comparison Between Fiscal Years 1994-95 and 1995-96*

<u>District</u>	<u>Fiscal Year</u> <u>1994-95</u>	<u>Fiscal Year</u> <u>1995-96</u>
Amador	21,943	0
Bay Area	375,000	375,000
Butte	17,715	18,215
Calaveras	0	0
Colusa	16,500	16,000
El Dorado	11,392	6,241
Feather River	16,200	16,000
Glenn	4,000	5,500
Great Basin	2,375**	6,770**
Imperial	18,382**	13,745**
Kern	34,112**	34,000
Lake	5,800	5,800
Lassen	2,161**	3,161**
Mariposa	0	0
Mendocino	27,565**	22,330**
Modoc	0	0
Monterey	500,000	291,767
Mojave Desert	322,285**	217,335**
North Coast	8,882	9,000
Northern Sierra	9,800	9,800
Northern Sonoma	5,300	6,500
Placer	55,143**	9,421**
Sacramento	105,409	122,000
San Diego	400,000	400,000
San Joaquin Valley	1,302,900**	994,718**
San Luis Obispo	27,830	29,221
Santa Barbara	225,000**	217,365**
Shasta	20,000	20,000
Siskiyou	4,000	5,700
South Coast	3,076,734**	2,731,813
Tehama	8,840	2,400
Tuolumne	9,000	9,150**
Ventura	292,000	265,000
Yolo-Solano	35,000	35,000**
	<hr/>	<hr/>
	6,961,268	5,898,952

* Costs are estimates unless otherwise noted.

** District Board approved cost.

of a facility will change as it complies with the Program requirements, and this change is reflected in changing fees. For example, a facility in the Risk Assessment category remains in the category until the risk assessment is approved by the district. At that time, the facility moves back to the Plan and Report category, a lower fee category, if the potential risk from the facility is not significant. If the potential health risk is significant, the facility is placed in one of the Notification categories. These changes in individual facility status also change the district's share of the State's cost.

Many of the facilities subject to the provisions of the Act are small businesses. Small businesses may operate with small reserves and low net income, and may not be able to absorb an increase in the cost of doing business. Therefore, we have included a cap for small businesses.

Prior to fiscal year 1993-94, most small businesses paid low flat fees because they emitted less than 25 tons per year (TPY) of criteria pollutants. If they are now included in the Survey and Industrywide categories, most of the small businesses still pay the lowest fees or may qualify for a fee waiver by the districts. In addition, most of the small businesses are in the "Simple" facility program category and, therefore, pay the lowest fees for the Program categories other than Survey and Industrywide. Some small businesses, however, are in the higher fee categories and could be subject to a fee that may be detrimental to the profitability of their business. To prevent undue hardship for these businesses, we are continuing to place an upper limit or cap of \$300 on any Program fee that a small business, in the districts whose fee schedules are included in the Fee Regulation, would pay for fiscal year 1995-96.

Most small businesses affected by this regulation will be included in the lowest two Program categories, and will pay average fees of less than \$68. We also have an optional fee cap of \$800 for the simplest facilities submitting Plans and Reports. Furthermore, in districts we adopt fee schedules for, and excluding industrywide facilities, our proposals will exempt over 14 percent of facilities from paying any fee. On average, non-exempt facilities will realize fee reductions of about 16 percent compared to fiscal year 1994-95.

We are also proposing a change to the Fee Regulation which will make the fees facilities pay for State risk assessment review more equitable. For risk assessments submitted to the OEHHA for review subsequent to March 31, 1995, we are proposing that the districts be required to reimburse the OEHHA for the actual time spent in reviewing the risk assessment. This fee-for-service is in accordance with existing provisions in the Health and Safety Code.

In 1993, the ARB and the OEHHA staff prepared a plan that projected the State's resource requirements for the Program through fiscal year 1997-98. The purpose of the plan was to forecast Program requirements, with the goal of reducing resource needs and streamlining the Program wherever possible. The plan was approved by the ARB at its public hearing on July 8, 1993. The ARB staff reported on the progress in attaining the goals of the Plan at a public hearing on July 28, 1994.

According to the original plan, by fiscal year 1997-98 the ARB would reduce its Program costs by about 40 percent, from \$2,396,000 for fiscal year 1993-94 to \$1,509,000 in fiscal year 1997-98. The OEHHA also would reduce its costs by about 40 percent, from \$3,231,000 in fiscal year 1993-94 to \$1,988,000 in fiscal year 1997-98. Total State costs in the original plan would be reduced from \$5,627,000 to \$3,497,000. This is shown by the upper line on the graph in Figure 3.

This year we have accelerated our original plan and will have surpassed our five-year goal in fiscal year 1995-96, two years early. The original plan called for a permanent reduction in resources for fiscal year 1995-96 of \$360,000. That reduction was made as scheduled, and in the June 1995 Staff Report we proposed additional accelerated reductions to reduce our cost to \$3,650,000. These cost reductions ensured that the State portion of each fee is the same or somewhat lower for each facility category compared to last year. Now our exemption proposals reduce the State's Program by an additional \$846,000 to \$2,804,000. This 34 percent cost reduction is shown graphically by the lower line in Figure 3.

The accelerated plan would have reduced State Program costs down to \$1.5 million in fiscal year 1998-99, a 73 percent reduction from our baseline in fiscal year 1993-94. However, we will continue to evaluate this plan during Phase II. As we carry out Phase II, our goals will be to downsize the Program further while maintaining a credible air toxics emission inventory, realistically assessing potential health risk, informing the public of potential risk, and reducing risks.

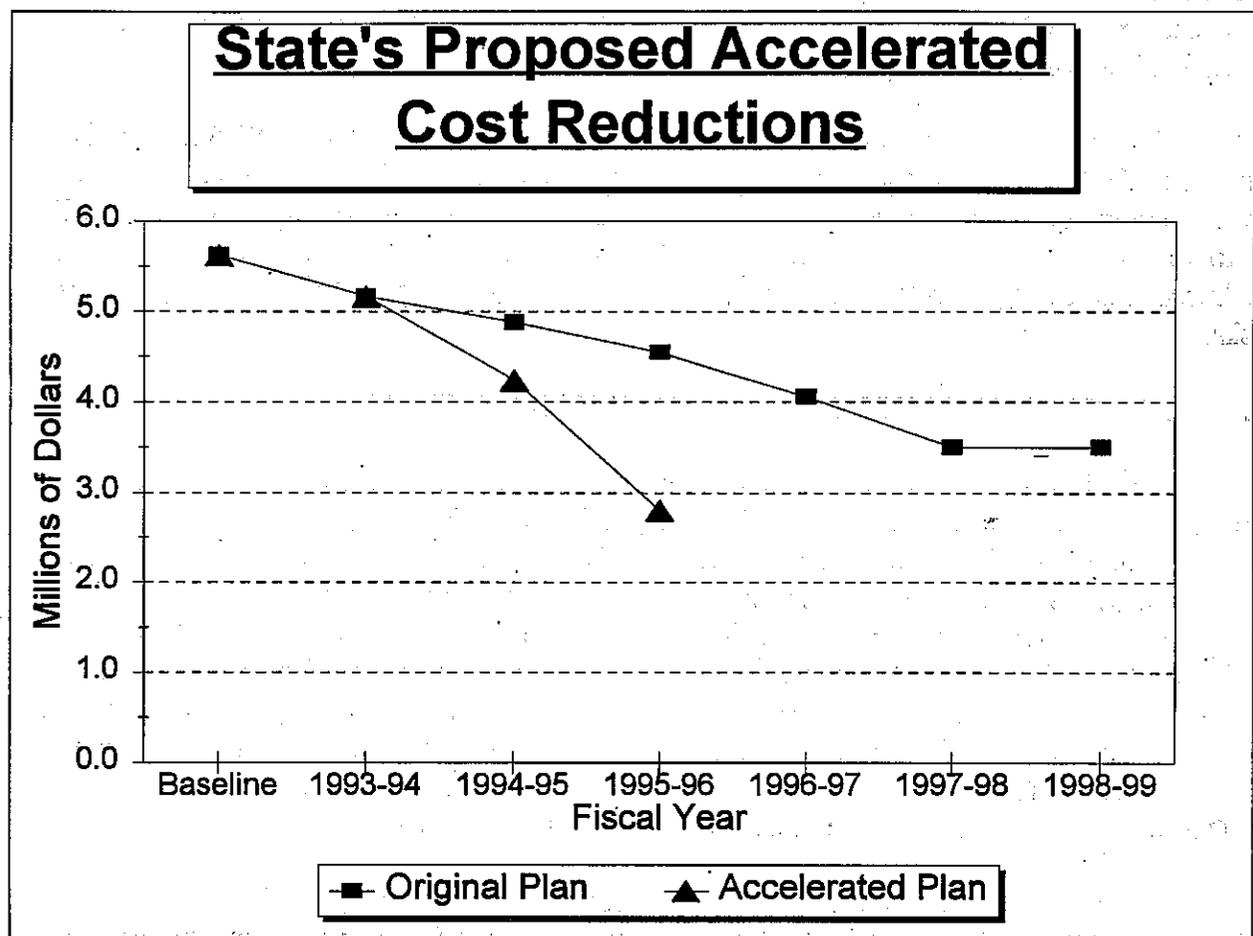
B. PROGRAM ELEMENTS AND THE STATE'S ACTIVITIES

The Air Toxics Hot Spots Information and Assessment Act (Assembly Bill 2588, Connelly, Statutes of 1987, Chapter 1252) was signed into law in September, 1987, and it has been amended several times since it was enacted. The purpose of the Act is to determine the extent and nature of toxic air pollutant releases and exposures; to notify the public of significant potential risks; and to reduce significant risks to the public by reducing or eliminating toxic air emissions through risk reduction audits and plans. The Legislature found that facilities that manufacture or use hazardous substances may routinely expose surrounding populations to toxic air pollutants. The Legislature also determined that the emission information available was not sufficient to assess the potential health impacts of these exposures. The Act was amended in 1992 to require significant risk facilities to develop and implement risk reduction plans.

The Act applies to any facility that manufactures, produces, uses, or releases a listed substance and that emits more than ten TPY of a criteria pollutant². Facilities that emit less than

² The term "criteria pollutants," as used in this report, refers to the following pollutants: total organic gases (TOG), particulate matter (PM), nitrogen oxides (NO_x), and sulfur oxides (SO_x).

Figure 3



ten TPY of a criteria pollutant are subject to the requirements of the Act if they are part of a facility class included in the ARB's Hot Spots emission reporting requirements. Facilities that are listed on a district's toxics emission survey, inventory, or report are also subject to emission reporting requirements.

The Act required phasing in of Program applicability. Beginning in 1989, Phase I required facilities that emitted over 25 TPY of criteria pollutants and that manufactured, produced, used, or released a listed substance, to prepare emissions inventory plans. These facilities--as well as facilities on district toxics inventories, reports or surveys--made up Phase I of the Program. Requirements for Phase II facilities began in 1990. Phase II facilities emitted 10-25 TPY of criteria pollutants and manufactured, produced, used, or released a listed substance. Phase III included facilities that emitted less than ten TPY of criteria pollutants; fell within certain industrial classes; and produced, emitted, or used a listed substance. The Phase III requirements began in 1991.

Approximately 29,000 facilities, or four percent of California's 700,000 businesses, are subject to the Program. There are about 5,800 larger facilities which must comply with the above requirements on an individual basis. However, over 1,600 of these facilities will not be subject to the Fee Regulation for fiscal year 1995-96 because of the proposed exemptions. The districts may conduct generic inventories and risk assessments for the remaining 23,300 smaller facilities. Examples of these smaller facilities, which are assessed a State's cost of \$15, include gasoline stations, dry cleaners, printing shops, and autobody shops. About 1,000 of these facilities qualify for an exemption.

The Act requires the ARB to adopt a criteria and guidelines regulation for the preparation of site-specific emission inventory plans and reports. The Emission Inventory Criteria and Guidelines Regulation (Guidelines Regulation) was first adopted in 1989. Portions of the Guidelines Regulation applicable to the Fee Regulation are in Appendix III to this report.

In 1993, the ARB adopted amendments to the Guidelines Regulation that streamlined inventory update procedures. These procedures allow 90 percent of the facilities to use a simple two-page form, once every four years, to note changes in activity without emission quantification. Therefore, once initial inventories are prepared, updated emissions data are required from only a small number of facilities. This streamlined update procedure saves industry over \$14 million per year in costs to comply with inventory requirements, a savings of about 90 percent.

The Act also requires the ARB to maintain a list of substances that have the potential to cause chronic or acute health effects when present in the air. This list is used by the districts to determine which facilities are subject to the requirements of the Act and the substances whose emissions must be reported.

Facilities subject to the Act must prepare air toxics emission inventory plans that indicate how emissions will be measured or calculated. These plans must be reviewed by the district. Upon approval by the district, the facility operator must implement the plan by submitting an inventory of air toxic emissions to the district within 180 days. Every four years facilities are required to update their emission information or report that no changes have occurred.

For facilities defined as industrywide, facility operators are not required to prepare individual reports because the districts must prepare industrywide inventories. The districts determine whether an industrywide inventory is appropriate by reviewing the criteria specified in the Act. These criteria include the following: the proportion of small businesses in the industry, the uniformity of emissions characteristics within the industry, and the financial burden to the facilities within the industry if required to prepare individual inventory plans and reports.

After reviewing the emission inventory data, the districts must rank facilities into high, intermediate, or low priority categories to assess potential health risks. A high priority facility must prepare a risk assessment to evaluate the potential adverse health effects on the exposed population and submit it to the district. The districts may also require facilities not designated as "high priority" to prepare and submit risk assessments. (The California Air Pollution Control Officers Association (CAPCOA) has developed the following two documents to help districts and facility operators meet these requirements: the CAPCOA Air Toxics "Hot Spots" Program Facility Prioritization Guidelines, July, 1990, and the CAPCOA Air Toxics "Hot Spots" Program Revised 1992 Risk Assessment Guidelines, October, 1993.)

The districts and the OEHHA review the facility risk assessments. Upon request, the districts must also make the health risk assessments available for the public to review. If a district determines that a potentially significant health risk associated with emissions from a facility exists, the facility operator must notify all exposed persons of these findings. (The CAPCOA has developed a document to help districts develop public notification procedures, the CAPCOA Air Toxics "Hot Spots" Program Public Notification Guidelines, October, 1992.)

Under the provisions of Senate Bill 1731, enacted in 1992, whenever a district judges that a potentially significant risk associated with emissions from a facility exists, the facility operator is required to conduct a risk reduction audit and develop a plan to implement airborne toxic risk reduction measures. Facility owners have six months to submit their risk reduction audit and plan to the district. Risk reduction measures include changes in production processes or materials, operation and maintenance, and emission control methods. The plan must result in reduction of emissions to below the significant risk level within five years. Under certain circumstances, the district may either lengthen, up to five additional years, or shorten the time period to implement the plan.

The ARB also has a role in the risk reduction element of the Program. We are required to provide assistance to the districts and smaller businesses in obtaining information, assessing risk reduction methods, and applying risk reduction techniques. For industries comprised mainly of

small businesses, we are required to develop a self-conducted audit and checklist to assist them in meeting the requirements of the Program. We are developing industry-specific audit and plan checklists for several industries which may save the affected industries the costs of individually evaluating risk reduction methods.

Figure 4 summarizes the State's implementation activities under the Program. This listing shows that most of the State's activities are programmatic in nature with the exception of risk assessment review. We are proposing this year to convert the costs of risk assessment review from a set fee to a fee-for-service basis. Section D and Chapter V provide a summary and more detail.

C. PUBLIC OUTREACH

The Air Toxics Hot Spots Fee Regulation Committee (Committee) was established in 1988 to develop the initial Fee Regulation. The Committee includes representatives from the districts, the ARB, and the OEHHA. The Committee met on November 30, 1994, February 15, 1995, April 5, 1995, April 20, 1995, May 3, 1995, and May 22, 1995 to discuss the proposed changes to the Fee Regulation for fiscal year 1995-96. Representatives from all districts were invited to attend the Committee meetings.

The ARB staff also held one public workshop in 1994 and three public workshops in May 1995 during the development of amendments to the Fee Regulation. Workshops were held in May for our planned July 1995 hearing. We sent workshop notices to over 8,000 facility operators and members of the public. The notices for the May workshops included a summary of proposed changes and the proposed regulation. The locations and dates of the workshops are listed below:

Sacramento on November 16, 1994
Los Angeles on May 4, 1995
Fresno on May 9, 1995
Sacramento on May 11, 1995

In addition to the public workshops held in May, we held seven separate meetings and teleconferences for representatives from the affected industries and industry associations. Members of environmental organizations were also invited. At each of these meetings and workshops, we received valuable input, comments, and suggestions that were considered and incorporated into our proposals.

Because we cancelled the July 1995 public hearing and because we have additional proposals to discuss with the public, additional workshops are being held in December 1995. These workshops will be held in Los Angeles on December 11, 1995 and in Sacramento on December 12, 1995.

Figure 4

State Hot Spots Program Implementation Activities

- o Regulatory Development and Implementation (ARB)**
 - develop amendments to regulations
 - prepare for and conduct public workshops
 - prepare for and hold meetings with interested groups
 - maintain list of substances (identify new and/or delete compounds) and respond to questions
 - track status of implementation
 - provide assistance to districts

- o Methods Development and Review (ARB)**
 - review source tests
 - review and approve alternative test methods in inventory plans and reports
 - review and comment on pooled source test proposals
 - conduct toxics source test seminars for district staff
 - conduct limited air toxics source testing

- o Air Toxics Emission Data System (ATEDS) (ARB)**
 - perform computer programming tasks
 - develop and implement electronic data submittal
 - develop a personal computer version of ATEDS and operator's manual
 - analyze data for setting priorities for toxic air pollutant control
 - provide emission database information to other government departments and the public
 - computer time contract (Teale Data Center)

- o Emission Data Collection, Validation (ARB)**
 - conduct initial data review
 - correct data (with district concurrence)
 - conduct quality control checks and correct data
 - follow-up with districts on data submittal and collection procedures
 - data entry contract
 - develop air toxics emission factors

Figure 4 (continued)

- o Risk Reduction Guidelines and Checklists Development (ARB)
 - hold public workshops on Senate Bill 1731 implementation including guidelines and checklists
 - assist smaller businesses in obtaining information, assessing risk reduction methods, and applying risk reduction techniques
 - locate possible emission sources
 - identify cost-effective control technologies
 - indicate possible pollution prevention measures
 - develop checklists for self-conducted audits and risk reduction options for industries comprised mainly of small businesses

- o Health Risk Assessment Review (OEHHA)
 - review health risk assessments submitted by districts
 - correct health risk assessments that are inaccurate
 - identify areas of incompleteness in health risk assessments
 - supply comments to the district regarding health risk assessments
 - assist the district staff in interpreting the results of a health risk assessment

- o Health Risk Assessment Guideline Development (OEHHA)
 - develop new facility risk assessment guidelines
 - develop risk expressions that describe the probability and uncertainty in the risk assessment
 - develop microenvironmental, dispersion modeling (ARB to assist), and demographic factors for facility specific health risk assessments
 - coordinate with the CAPCOA and the ARB
 - notify the public of guidelines developed
 - hold public workshops to discuss guidelines
 - present guidelines to Scientific Review Panel for comment
 - provide guidance to districts
 - review supplemental health risk assessment information
 - revise and update guidelines as appropriate
 - identify new cancer potencies
 - identify new chronic and acute health exposure levels
 - develop chemical potencies for cancer causing agents
 - develop health reference exposure levels for substances causing acute and chronic health effects
 - develop non-cancer health risk assessment methods
 - develop and operate a chemical database for substances having acute effects

Figure 4 (continued)

- o **Risk Assessment Assistance (OEHHA or ARB as noted)**
 - provide assistance to risk assessment preparers, the public and districts on appropriate procedures (OEHHA - health assessment, ARB - exposure assessment)
 - verify computer modeling and meteorological data (ARB)
 - provide assistance on health reference exposure levels and chemical potencies (OEHHA)
 - review changes to emission inventory procedures to ensure that data are usable for health risk assessment (OEHHA)
 - update of health risk assessment personal computer program (ARB)

- o **Develop Public Notification Procedures (OEHHA - health assessment, ARB - exposure assessment)**
 - assist districts and facilities with public notification procedures and public meetings

- o **Participate in Public Notification Workshops and Hearings (OEHHA - health assessment, ARB - exposure assessment)**

At the December 1995 workshops we will present the two-phased approach for streamlining the Program. The exemptions we will be presenting as Phase I of our proposal were developed in conjunction with a De Minimis Committee made up of district representatives, ARB staff, and OEHHA staff. This group was convened following a joint ARB/CAPCOA meeting on August 15, 1995. In developing our proposals, the group met on August 23, 1995 and again on September 20, 1995. The exemption criteria developed were discussed with all districts on October 4, 1995 and with industry and environmental groups on October 6, 1995.

After resurveying the districts to update their facility counts based on the proposed exemptions, we discussed the impact of the exemptions and the resulting reduction of the State's cost with CAPCOA on November 1, 1995. We held meetings on November 6, 1995 with the districts and on November 7, 1995 with industry and environmental groups to explain the effect of the proposed exemptions and the resulting reductions in the State's cost.

D. PROPOSED CHANGES TO THE FEE REGULATION

The most significant proposed change to the Fee Regulation is the 34 percent reduction in the State's Program as previously discussed in this report. This reduces the State's cost from \$4,237,000 to \$2,804,000. The \$1.4 million revenue reduction is a result of accelerated Program plan cuts and the exemption proposals. We are also proposing several other modifications to the regulation which are summarized below. Appendix I contains the proposed amendments and defines terms.

Significant Changes

- o We propose to exempt facilities from the Fee Regulation in three ways. A facility would be exempt if:
 - 1) its prioritization score is less than 0.1 for cancer and non-cancer risk;
 - 2) its approved risk assessment result shows a potential cancer risk of less than one case per one million persons and a total hazard index of less than 0.1;
 - 3) it is a printing shop, wastewater treatment plant, crematorium, or boat or ship building and repair facility and meets an established de minimis throughput.

- o To ensure that the cost per facility will not increase because of the exempted facilities, we propose that the cost per facility calculated for the June 1995 Staff Report remain unchanged.

Other Changes

- o We propose to include a provision that will establish a fee-for-service for review of risk assessments submitted to the State. The districts will be required to reimburse OEHHA for its actual costs to review the risk assessment. This change is being made in response to comments that risk assessment review is a direct cost and should be recovered through a per hour charge.
- o We propose to revise Table 1 of the Fee Regulation to reflect updated districts' share of the State's costs.
- o We propose to update the fee schedules. The schedules need to be updated to reflect changes in anticipated State and district Program costs for fiscal year 1995-96 and changes in the number of facilities in each category.
- o We propose to revise the list of districts that have requested the ARB to establish fee schedules as part of the Fee Regulation. If requested, the ARB adopts fee schedules for districts that submit district board-approved costs by April 1. The proposed changes add fee schedules for the districts who met this requirement and delete schedules for districts who will be adopting local fee rules.
- o We propose to add a new definition for State Industrywide Facility. The new definition will be used for categorizing facilities for distribution of the State's costs among districts only, and will not be used for inventory purposes. This is being done to more equitably and fairly distribute State costs among districts and promote statewide consistency.
- o We propose to include a provision in the regulation that requires the districts to provide documentation for facility count changes. The districts must provide the name, facility identification number, previous category, and current category of any facility which is not in the same category as the previous year. The districts must also provide the Standard Industrial Classification Code for facilities being added to the State Industrywide category. The ARB will use this information to determine the correct fee category of the facility and make changes as appropriate.
- o We propose to modify three definitions. The definition for Facility Program Category was changed to clarify that the list of facilities provided to the State by the districts must include each facility's name and identification number. In this same definition we also deleted the requirement for districts to submit a list of Survey facilities and added that districts must supply a list of their State Industrywide facilities. These modifications are made to reflect facilities

included in the distribution of the State's cost. The definition for Industrywide Facility was modified to delete the reference to the small business definition in the Fee Regulation. Deleting this reference makes the Fee Regulation consistent with the Guidelines Regulation. The definition for Risk Assessment-State facility was modified to include a new one-year period of applicability.

- o We propose to update code section reference notations in several areas of the regulation to reflect new sections and deleted sections.
- o We propose to change several subsections and add subsections to clarify applicability of the regulation. The changes and additions clarify the use of the facility program categories, including the use of the new State Industrywide Facility category in the distribution of the State's costs among districts.
- o We propose to clarify the purpose of the district Program cost information contained in Table 2 of the regulation. The information from Table 1 and Table 2 is used to calculate the fees in Table 3.
- o We propose to update the State cost used to calculate fees for Intermediate and Complex risk assessments prepared for facilities in the Santa Barbara County Air Pollution Control District (APCD) district by the district and under review by the State. The appropriate district cost will be added to this cost to arrive at a facility fee.
- o We propose to delete reference to labor-tracking by the OEHHA in fiscal year 1994-95 because this action has already been completed.
- o We propose to increase the time period in which a shortfall in revenue may be recovered from districts whose fee schedules are included in the regulation. The time period is extended to up to four years.
- o We propose to change the deadline for updating facility counts for the distribution of the State's cost and calculating facility fees to December 15, 1995.
- o We propose to update Appendix A of the Fee Regulation. Appendix A is the list of district air toxics inventories, reports, or surveys. The Monterey Bay APCD and the South Coast Air Quality Management District (AQMD) requested that we delete their inventories from the list because they are no longer used by the districts. Mojave Desert AQMD requested that we update the title of their inventory.
- o We propose to modify the resource indexes for State Industrywide Facility to keep the cost associated with these facilities at \$15.

- o We propose to add a definition for Standard Industrial Classification Code, a numerical system that classifies businesses by the type of activity they are engaged in.

E. ESTIMATED FACILITY FEES FOR FISCAL YEAR 1995-96

As of the writing of this report, we estimate that about 29,000 facilities statewide are subject to the Program in fiscal year 1995-96. However, because of the exemption proposals, over 2,500 of these facilities will not be subject to the Fee Regulation this fiscal year. Twelve districts are requesting that the ARB adopt their fee schedules. The other 22 districts are required to adopt a district fee rule to recover their cost and their portion of the State's cost. Figure 5 lists the districts that will have fees adopted by the ARB and the districts that will adopt their own fee rules. Each facility fee is the sum of the district portion and the State portion for facilities in that category. The State portion for any category is uniform for all districts. Table 4 summarizes the average facility fees in the twelve districts for which ARB is adopting fee schedules. These are estimated fees and may change before final adoption.

Table 5 summarizes the range of proposed fees in those twelve districts. Approximately 90 percent of the facilities subject to the regulation are in the Survey, Industrywide, and Plan and Report (Simple) categories. With the 34 percent reduction in State costs proposed for fiscal year 1995-96, the State portion of fees in each category is equal to or somewhat lower than last year.

F. ENVIRONMENTAL AND ECONOMIC IMPACTS

We do not anticipate any potential adverse impacts on the environment attributable to implementation of the amended regulation. The Fee Regulation may provide indirect environmental benefits because the fees permit the collection and assessment of data that businesses can use to reduce fees by voluntarily reducing emissions.

Although some businesses would potentially experience a greater reduction in their profitability than others, overall, California businesses seem to be able to absorb the costs of the fees without significant adverse impact on their profitability. However, given the current adverse economic conditions in California, the proposed changes to the Fee Regulation may have a significant adverse impact on some businesses operating with little or no margin of profitability. This includes an impact on the ability of the California businesses to compete with businesses in other states, an impact on the creation or elimination of jobs and businesses within California, and the expansion of businesses currently doing business within California.

G. RECOMMENDATION

We recommend that the Board adopt the proposed amendments to the Fee Regulation for fiscal year 1995-96. These amendments are described in more detail in Chapter V and are contained in Appendix I to this report.

Figure 5

State and District Adoption of Fiscal Year 1995-96 Fees

Districts Included in the State Fee Regulation

Calaveras	Great Basin	Imperial
Lassen	Mariposa	Mendocino
Mojave Desert	Placer	San Joaquin Valley
Santa Barbara	Tuolumne	Yolo-Solano

Districts Adopting Local Fee Rules

Amador	Bay Area	Butte
Colusa	El Dorado	Feather River
Glenn	Kern	Lake
Modoc	Monterey	North Coast
Northern Sierra	Northern Sonoma	Sacramento
San Diego	San Luis Obispo	Shasta
South Coast	Siskiyou	Tehama
	Ventura	

Table 4

Average Facility Fees*

<u>Program Category</u>	<u>Total Fees(Average)**</u>
Survey	64
Industrywide	68
Plan and Report	
Simple	660
Intermediate	1,705
Complex	3,499
Risk Assessment - Under Review by the District***	
Simple	1,149
Intermediate	2,044
Complex	6,822
Risk Assessment - Under Review by the State****	
Simple	None
Intermediate	5,568
Complex	10,245
Notification	
Simple	None
Intermediate	16,498
Complex	15,371
Audit and Plan	
Simple	None
Intermediate	None
Complex	None

* Summary of proposed fees for districts whose fee schedules are included in the Fee Regulation.

** To reduce the effects of skewed data, fees more than two standard deviations from the average were not included.

*** Facilities whose risk assessments are being reviewed by the district. The risk assessments were not submitted to the state between April 1, 1994, and March 31, 1995.

**** Facilities whose risk assessments were submitted to OEHHA for review between April 1, 1994, and March 31, 1995.

Table 5

Range of Proposed Facility Fees*

<u>Program Category</u>	<u>State Portion</u>	<u>District Portion*</u>	<u>Total Fees</u>
Survey	0	15 - 100	15 - 100
Industrywide	15	0 - 110	15 - 125
Plan and Report			
Simple	451	0 - 409	451 - 860
Intermediate	676	121 - 2,603	797 - 3,280
Complex	902	403 - 5,759	1,305 - 6,660
Risk Assessment - Under Review by the District**			
Simple	451	243 - 1,152	694 - 1,603
Intermediate	676	608 - 2,047	1,285 - 2,724
Complex	902	1,556 - 13,017	2,458 - 13,918
Risk Assessment - Under Review by the State***			
Simple	None		
Intermediate****	3,832	868 - 2,603	4,700 - 6,435
Complex*****	8,792	1,217 - 1,689	10,009 - 10,481
Notification			
Simple	None		
Intermediate	7,845	5,788 - 11,518	13,633 - 19,363
Complex	8,792	2,433 - 11,518	11,225 - 20,310
Audit and Plan			
Simple	None		
Intermediate	None		
Complex	None		

* Summary of proposed fees for air pollution control districts whose fee schedules are included in the Fee Regulation.

** Facilities whose risk assessments are being reviewed by the district. The risk assessments were not submitted to the state between April 1, 1994 and March 31, 1995.

*** Facilities whose risk assessments were submitted to OEHHA for review between April 1, 1994 and March 31, 1995.

**** State portion for Santa Barbara district is 1,476

***** State portion for Santa Barbara district is 1,702

Year	Country	Value	Unit
1980	USA	100	1000
1981	USA	105	1000
1982	USA	110	1000
1983	USA	115	1000
1984	USA	120	1000
1985	USA	125	1000
1986	USA	130	1000
1987	USA	135	1000
1988	USA	140	1000
1989	USA	145	1000
1990	USA	150	1000
1991	USA	155	1000
1992	USA	160	1000
1993	USA	165	1000
1994	USA	170	1000
1995	USA	175	1000
1996	USA	180	1000
1997	USA	185	1000
1998	USA	190	1000
1999	USA	195	1000
2000	USA	200	1000
2001	USA	205	1000
2002	USA	210	1000
2003	USA	215	1000
2004	USA	220	1000
2005	USA	225	1000
2006	USA	230	1000
2007	USA	235	1000
2008	USA	240	1000
2009	USA	245	1000
2010	USA	250	1000
2011	USA	255	1000
2012	USA	260	1000
2013	USA	265	1000
2014	USA	270	1000
2015	USA	275	1000
2016	USA	280	1000
2017	USA	285	1000
2018	USA	290	1000
2019	USA	295	1000
2020	USA	300	1000

I.

INTRODUCTION AND OVERVIEW

A. INTRODUCTION

The staff of the Air Resources Board (ARB) is presenting a recommendation for a two-phased proposal to further streamline the Air Toxics Hot Spots Program (Program). Under Phase I of the proposal, the ARB staff is recommending an interim step that would provide exemptions from the Air Toxics Hot Spots Fee Regulation (Fee Regulation) for fiscal year 1995-96 for facilities that present a low health risk to the surrounding public. These exemption proposals would reduce the State's revenue significantly because we would not redistribute the revenue lost as a result of the exemptions to facilities remaining subject to the Fee Regulation. The second phase of the streamlining effort would occur concurrently with Phase I but would be completed in fiscal year 1996-97. In Phase II, ARB staff would propose amendments to the Emission Inventory Criteria and Guidelines Regulation (Guidelines Regulation) to further streamline the reporting requirements and the applicability criteria. The amendments to the Fee Regulation for fiscal year 1996-97 would occur concurrently.

We issued a Staff Report in June 1995 containing the initial fiscal year 1995-96 amendments to the Fee Regulation. However, the hearing on the proposed amendments was cancelled due to pending legislation, that if passed, would affect the overall Program. That legislation, Assembly Bill 564, authored by Assemblyman Cannella, has now been held over for reconsideration next year. In response to this legislation and comments received from the districts and industry, we developed this two-phased approach to further streamline the Program.

The focus of this Staff Report is the ARB staff's proposal for Phase I. In Phase I, we are proposing exemptions from the Fee Regulation for fiscal year 1995-96. These proposed exemptions would reduce the State's cost for the Program significantly. Appendix I to this report contains the Fee Regulation with the proposed additions underlined and the deletions shown struck out. The Fee Regulation requires each air pollution control district or air quality management district (districts) to collect fees to recover the State's and districts' costs of implementing the Air Toxics Hot Spots Information and Assessment Act of 1987 (the Act). Appendix II contains a copy of the Act.

The Fee Regulation was first adopted in 1988, as required by the Act, and has been revised annually. In the June 1995 Staff Report, we distributed the State's cost and calculated facility fees using the same basic method developed in 1993. This method relates a facility's fees to its emissions of toxic substances, potential health risk priority, and workload through

categorization of facilities into seven basic types. To ensure that the State fee per facility will not increase because of the exempted facilities, we propose that the previously calculated State fee per facility remain unchanged. For each district, we totaled the revenue lost due to the exemptions and subtracted it from the amount to be paid to the State. By doing this, fees to the remaining facilities are not increased. In addition, all districts' costs are reduced or unchanged from what was proposed in the June 1995 Staff Report. On average, as a result of the exemptions and other facility count updates, district shares of the State's cost are reduced by about 13.5 percent compared to our June 1995 proposal.

Chapter II describes the Program including legislative amendments to the Act. Chapter III details the State's and local governments' activities required to implement and maintain the Program. Chapter IV presents the State's and districts' costs for the Program. Chapter IV also describes the fees that individual facilities pay if the facility is located in an air district whose fee schedule is included in the State's Fee Regulation.

We are proposing several changes to the Fee Regulation for fiscal year 1995-96. These changes are described in Chapter V. The environmental and economic impacts of the regulation are described in Chapter VI. The economic analysis includes the impact on both government and non-government agencies, and the possible effects on jobs and businesses. An evaluation of the alternatives and our recommendation is contained in Chapter VII.

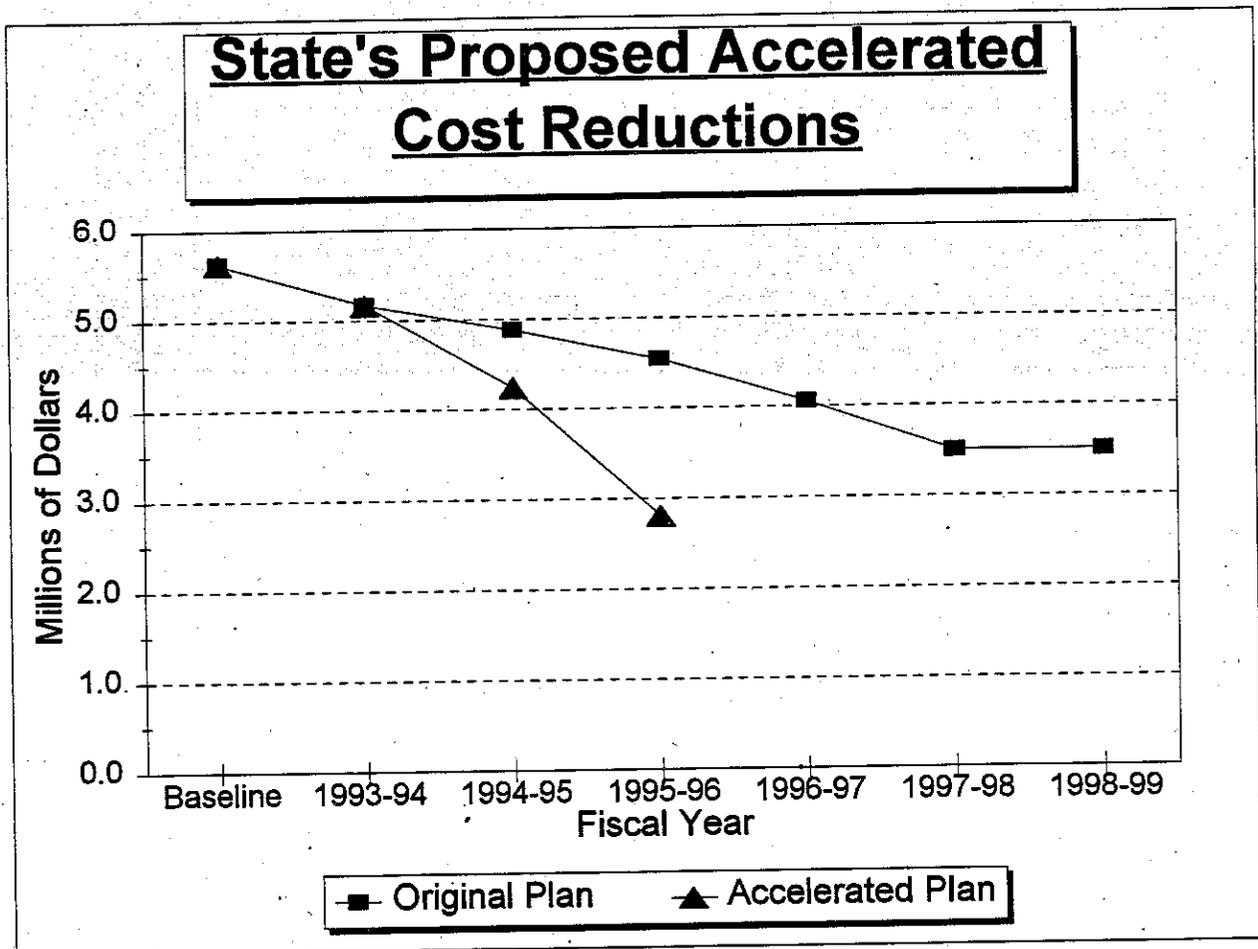
B. PROGRAM PLAN

The ARB and the Office of Environmental Health Assessment (OEHHA) staff prepared a Program plan in 1993 that projected the State's resources for the Program for five fiscal years, starting with fiscal year 1993-94. We based the reductions in resources that we outlined on the assumption that there would be no new legislated mandates or significant Program changes. The plan forecasted Program requirements with the goal of reducing resource needs and streamlining the Program where possible. We presented the plan to the ARB, and they approved it at a public hearing on July 8, 1993. We reported to the ARB on the progress in attaining the goals of the plan at a public hearing on July 28, 1994. Our two-phased proposal for further streamlining the Program will ensure that the original goal will be met and surpassed several years early.

According to the original plan, by fiscal year 1997-98, the ARB would reduce its Program costs by about 40 percent, from \$2,396,000 for fiscal year 1993-94 to \$1,509,000 in fiscal year 1997-98. The OEHHA also would reduce its costs by about 40 percent, from \$3,231,000 in fiscal year 1993-94 to \$1,988,000 in fiscal year 1997-98. Total State costs in the original plan would be reduced from \$5,627,000 to \$3,497,000. This is shown by the upper line on the graph in Figure 6.

With the new exemption proposals and other cost reductions, we are accelerating our original plan, and are surpassing our five-year goal two years early. The Program plan called for

Figure 6



a permanent reduction in resources for fiscal year 1995-96 of \$360,000. That reduction was made as scheduled, and in the June 1995 Staff Report we proposed additional accelerated reductions to reduce our cost to \$3,650,000. These cost reductions ensured that the State portion of each fee is the same or somewhat lower for each facility category compared to last year. Now, the exemption proposals reduce the State's Program by an additional \$846,000 to \$2,804,000. This 34 percent reduction is shown graphically by the lower line in Figure 6.

In the June 1995 Staff Report, we proposed an accelerated plan that would have reduced State Program costs down to \$1.5 million in fiscal year 1998-99. However, we will continue to evaluate this plan during Phase II. As we carry out Phase II, our goals will be to downsize the Program further while maintaining a credible air toxics emission inventory, realistically assessing potential health risks, informing the public of potential risk, and reducing risks.

C. PROPOSED CHANGES

In 1993, we changed the basis for distributing the State's costs among districts and for calculating fees. The previous method, which based fees on criteria pollutant emissions, was changed to a method based on air toxics emissions and workload. The reason for this change was to comply with direction from the ARB, and to conform with legislation, Senate Bill 1378 (McCorquodale; Statutes of 1992; Chapter 375) (now Health and Safety Code section 44380(a)(3)). Senate Bill 1378 requires fees to be based on toxics emissions and the health risk priority assigned to a facility by the district to the maximum extent practicable. In 1994-95, we used the same basic method as in 1993-94, with some minor modifications to make the fees more equitable and further conform to Senate Bill 1378. In the June 1995 Staff Report, we distributed the State's cost and calculated facility fees using the same basic method developed in 1993, using updated facility counts received from the districts in May 1995. This method relates a facility's fees to its emissions of toxic substances, potential health risk priority, and workload through categorization of facilities into seven basic types.

The proposed amendments are summarized below.

1. Exemptions from the Fee Regulation

We propose to exempt facilities from the Fee Regulation in three ways. A facility would be exempt if:

- a) its prioritization score is less than 0.1 for cancer and non-cancer risk;
- b) its approved risk assessment result shows a potential cancer risk of less than one case per one million persons and a total hazard index of less than 0.1;
- c) it is a printing shop, wastewater treatment plant, crematorium, or boat or ship building and repair facility and meets an established de minimis throughput.

2. Modification to the Method to Distribute the State's Cost

Because of our proposal to exempt facilities, we are proposing a further modification to the method. In the June 1995 Staff Report, we calculated a State fee per facility and distributed the State's cost based on updated facility counts received from the districts in May 1995. To ensure that the State fee per facility will not increase because of the exempted facilities, we propose that the previously calculated State fee per facility remain unchanged. For each district, we totaled the revenue lost due to the exemptions and subtracted it from the amount to be paid to the State. By doing this, costs to the remaining facilities are not increased. In addition, all air districts' shares of State costs are reduced or unchanged from what was proposed in the June 1995 Staff Report. On average, as a result of the exemptions and other facility count updates, district shares of the State's cost are reduced by about 13.5 percent compared to our June 1995 proposal.

3. Reduction in the State's Cost

The proposed exemptions will reduce the State's Program. The cost to be recovered through fees for fiscal year 1994-95 was \$4,237,000. The June 1995 Staff Report contained a proposed State cost of \$3,650,000, already a 14 percent reduction compared to last year. This cost reflected an accelerated Program plan reduction of \$587,000. Now, with the exemption proposals, the State's Program would be reduced by an additional \$846,000. As a result of the accelerated Program plan cut and the revenue reductions resulting from the exemptions, the State's Program cost for fiscal year 1995-96 would have to be reduced. With the recommended exemptions, fees collected would be \$2,804,000. This is a reduction of over \$1.4 million dollars, or 34 percent, from the fees assessed in fiscal year 1994-95. We are continuing to receive updated facility counts from the districts that reflect the proposed exemptions. These changes will be presented at the ARB hearing in January 1996 and the State's cost will be adjusted accordingly.

4. Other Changes to the Fee Regulation

The following is a summary of the other changes we are proposing:

- o Add provisions to establish a "fee-for-service" for risk assessments submitted to the State for review subsequent to the period of applicability for fiscal year 1995-96. The districts will be required to reimburse the OEHHHA for its actual costs to review risk assessments.
- o Update the districts' shares of the State's cost to reflect facility count changes and the reduction in the State's cost.
- o Update the fee schedules. The schedules need to be updated to reflect changes in anticipated State and district program costs for fiscal year 1995-96, and changes in district-specified fees for Survey and Industrywide facilities.

- o Revise the list of districts that have requested the ARB to establish fee schedules as part of the Fee Regulation. If requested, the ARB is required to adopt fee schedules for districts that submit their board-approved costs by April 1. The proposed changes add fee schedules for the districts who met this requirement and deletes fee schedules for districts that will be adopting local fee rules.
- o Add a new definition for State Industrywide Facility. This new facility category will be used in the distribution of the State's costs among the districts and not for inventory purposes.
- o Add a provision that requires that no changes shall be made to prior-year facility counts unless the air district provides the ARB with the facility name, facility identification number, previous category of the facility, and new category of the facility. For facilities being added to the State Industrywide category, the Standard Industrial Classification Code shall be provided.
- o Expand the definition of "Facility Program Category" to clarify that the list of facilities provided to the ARB by the districts must include each facility's name and identification number. In this definition, we also deleted the requirement for districts to submit a list of their Survey facilities and added that districts must supply a list of their State Industrywide facilities.
- o Modify the definition for Industrywide Facility to delete reference to the small business definition in the Fee Regulation. Deleting this reference makes the Fee Regulation consistent with the Guidelines Regulation.
- o Modify the definition for Risk Assessment-State Facility to include a new one-year period of applicability.
- o Revise the code section references in several areas of the regulation to reflect the new sections and deleted sections.
- o Clarify applicability of the regulation. New subsections have been added and references to existing sections and subsections has been expanded to clarify which portions of the regulation apply to districts adopting their own fee rules, and which sections apply to districts whose fee schedules are included in the State Fee Regulation.
- o Clarify the use of Facility Program Categories. Several sections have been expanded and modified to clarify the use of Facility Program Categories including the new State Industrywide Facility category in the calculation of districts' shares of State costs and fees.

- o Expand the explanation of fee calculation to specify the purpose of Table 2 of the regulation.
- o Update the State cost for Intermediate or Complex facilities in the Santa Barbara County Air Pollution Control District (APCD) that have risk assessments that were prepared by the district using an automated risk assessment program and are being reviewed by the State.
- o Delete reference to the start of labor-tracking by the OEHHA in fiscal year 1994-95.
- o Add provisions which increase the time period in which a shortfall in revenue may be recovered from districts whose fee schedules are included in the regulation.
- o Change the deadline for updating facility counts for the distribution of the State's cost and for calculating facility fees to December 15, 1995.
- o Update Appendix A of the Fee Regulation to delete the district toxics inventories for the Monterey Bay Unified APCD and the South Coast Air Quality Management District (AQMD), and change the title of the Mojave Desert AQMD inventory.
- o Modify the resource indexes for State Industrywide Facility slightly to keep the cost associated with these facilities at \$15.
- o Add a definition for Standard Industrial Classification (SIC) Code, a numerical system that classifies businesses by the type of activity they are engaged in.

II.

PROGRAM ELEMENTS

A. INTRODUCTION

The requirements and benefits of Assembly Bill 2588, the legislation that established the Program, are discussed in this chapter. Chapter II also describes which facilities are subject to the Program, and changes made to the Act since 1987.

B. ASSEMBLY BILL 2588

In September 1987, Assembly Bill 2588 (Connelly; Statutes of 1987; Chapter 1252), the Air Toxics Hot Spots Information and Assessment Act, was signed into law. The goals of the Act are to determine the extent of toxic air emissions in California, assess their potential health implications, and provide the public with information on releases of toxic substances into the environment (community right-to-know). In approving the Act, the Legislature found that facilities which manufacture or use toxic substances may routinely expose surrounding populations to toxic pollutants. The Legislature also determined that the available emission information was not sufficient to allow an assessment of the potential health impacts of these emissions.

Under this Act, operators of stationary sources are required to report the type and quantity of certain substances routinely emitted into the air. Air emissions that result from the routine operation of a facility or that are predictable must be reported. The Act requires that: 1) air toxics emissions from stationary sources be inventoried, 2) the potential health risks from the emissions be assessed, 3) the public be notified of potentially significant health risks, and 4) high risk facilities must reduce their emissions below a specified level of significance. The applicability criteria and the Program elements are described in this section.

1. Applicability

a. General

The Act applies to any facility which meets one of the following criteria:

- (1) The facility manufactures, formulates, uses, or releases a listed substance (or substance which reacts to form a listed substance)

and emits ten tons per year (TPY) or more of total organic gases, particulate matter, nitrogen oxides, or sulfur oxides.

- (2) The facility is listed in any current toxics use or toxics air emission survey, inventory, or report released or compiled by a district.
- (3) The facility manufactures, formulates, uses, or releases a listed substance (or substance which reacts to form a listed substance) and emits less than ten TPY of each criteria pollutant and is subject to the emission inventory requirements.

The above requirements of the Act were phased in. Beginning in 1989, Phase I facilities were brought into the Program. These facilities emitted over 25 TPY of criteria pollutants and manufactured, produced, used, or released a listed substance. Phase I facilities also included facilities on district toxics inventories, reports or surveys. Phase II facility requirements began in 1990. As defined, Phase II facilities emitted 10-25 TPY of criteria pollutants and manufactured, produced, used, or released a listed substance. In 1991, Phase III requirements began. Phase III included facilities that emitted less than ten TPY of criteria pollutants, fell within certain industrial classes, and produced, emitted or used a listed substance. The Phase III requirements must be completed two years after the corresponding deadlines for Phase I facilities.

Approximately 29,000 facilities, or 4 percent of California's 700,000 businesses, are subject to the Program. There are about 5,800 larger facilities which must comply with the above requirements on an individual basis. However, over 1,600 of these facilities will not be subject to the Fee Regulation for fiscal year 1995-96 because of the proposed exemptions. The districts conduct generic inventories and risk assessments for the remaining 23,300 smaller facilities. Examples of these smaller facilities include gasoline stations, dry cleaners, printing shops, and autobody shops. About 1,000 of these facilities qualify for an exemption.

b. Exemptions

Health and Safety Code section 44324 exempts certain uses of pesticides from the Act. A facility using pesticides is exempt unless it was subject to district permit requirements on or before August 1, 1987. This category of sources is exempt from certain Program requirements and from the Fee Regulation.

Landfill facilities that are in compliance with Health and Safety Code section 41805.5 are exempt from certain emission reporting requirements, but they are subject to other provisions of the Act and, therefore, to the Fee Regulation.

Health and Safety Code section 44344.3 exempts certain agricultural facilities from some reporting requirements. Health and Safety Code section 44380.1 exempts these same facilities

from paying fees if the fee schedule adopted by the district or the ARB is not solely based on toxic emissions weighted for potency or toxicity.

2. Reporting Requirements

Facilities subject to the Act must prepare air toxics emission inventory plans. Reviewed by the district, these plans describe how emissions will be measured or calculated. Upon approval, the facility operator must implement the plan by submitting an inventory of emissions to the district within 180 days. Every four years facilities are required to update their emission information or report to their district that no changes have occurred. The Guidelines Regulation, adopted by the ARB, contains detailed Program emission reporting requirements.

For facilities defined as industrywide, facility operators are not required to prepare individual reports because the districts must prepare industrywide inventories. The districts determine whether an industrywide inventory is appropriate by reviewing the criteria specified in the Act. These criteria include the following: the proportion of small businesses in the industry, the uniformity of emissions characteristics within the industry, and the financial burden to the facilities within the industry if required to prepare individual inventory plans and reports.

3. Emission Inventory Regulation

The ARB is required by the Act to adopt a criteria and guidelines regulation for the preparation of site-specific emission inventory plans and reports. The Guidelines Regulation was first adopted in 1989. Portions of the Guidelines Regulation (Title 17, California Code of Regulations (CCR), sections 93300-93355) are reproduced in Appendix III to this report.

The Act also requires the ARB to maintain a list of substances that have the potential to cause chronic or acute health effects when present in the air. This list is used to determine which facilities are subject to the requirements of the Act and the substances whose emissions must be reported. The list is contained in the Guidelines Regulation.

The Act requires owners or operators of facilities to prepare emission inventory reports which list and quantify the toxic substances they use, manufacture, or emit. This information is submitted to the district for review and prioritization.

4. Prioritization, Risk Assessment, and Public Notification

After reviewing the emission inventory data, the district must assess a facility's potential health risk and place the facility into a high, intermediate, or low priority category for possible further assessment. In establishing priorities, the district is to consider the potency, toxicity, quantity, and volume of hazardous materials released from the facility. The district is also to consider the proximity of the facility to the surrounding population, and any other factors that the district determines may indicate that the facility may pose a significant potential health risk.

A high priority facility must prepare a risk assessment to evaluate the potential adverse health effects on the exposed population and submit it to the district. The district may also require a facility not designated as "high priority" to prepare and submit a risk assessment. The California Air Pollution Control Officers Association (CAPCOA) has developed the following two documents to help districts and facility operators meet these requirements: the CAPCOA Air Toxics "Hot Spots" Program Facility Prioritization Guidelines (July 1990) and the CAPCOA Air Toxics "Hot Spots" Program Revised 1992 Risk Assessment Guidelines (October 1993).

A risk assessment, as defined under the Act, includes a comprehensive analysis of the dispersion of hazardous substances into the environment, the potential for human exposure, and a quantitative assessment of both individual and population-wide health risks associated with those levels of exposure.

The district and the OEHHA review risk assessments. Upon request, the districts must also make the health risk assessments available for the public to review. If a district determines that there is a potentially significant health risk associated with emissions from a facility, the facility operator must notify all exposed persons of these findings. The CAPCOA has developed a document to help districts develop public notification procedures: the CAPCOA Air Toxics "Hot Spots" Program Public Notification Guidelines (October 1992).

The districts must also publish annual reports which summarize the health risk assessment program, rank facilities according to the cancer risk posed, identify the facilities posing non-cancer health risks, and describe the status of the development of control measures.

5. Fee Regulation

The Act requires the ARB to adopt a regulation that recovers the State's costs. The ARB may adopt a regulation that recovers the districts costs if requested by the district. State costs include those incurred by the OEHHA and the ARB. If a district chooses, it may adopt its own fee regulation. Beginning in fiscal year 1994-95, this includes districts whose fee schedules were included in the State regulation, provided the district informs the Executive Officer of the State Board in writing of its action.

a. State Adopted Fee Schedules

The ARB may adopt fee schedules for those districts that submit their Program costs to the ARB by April 1 of the fiscal year preceding fee schedule adoption. Because these anticipated Program costs must be approved by formal action of the district's governing board, the public is given an opportunity to comment before the cost estimates are submitted to the ARB. The Fee Regulation requires the districts to specify how the collected fees will be used to administer the Program. This breakdown provides specific information on the local Program budget and becomes part of the regulatory file.

b. Collection Process

As required by Health and Safety Code section 44380(c), each district must bill facilities for Air Toxics Hot Spots fees, whether the district adopts its own fee rule or is included in the ARB's Fee Regulation.

The existing Fee Regulation requires each district to bill facilities for fees imposed under this regulation, and it requires the district to remit its share of the State's costs to the ARB by April 1 of the applicable fiscal year. Table 1 of the Fee Regulation shows each district's share of the State's costs. The existing regulation also specifies that a fee will be considered past due if the facility does not remit the fee to the district within 60 days after receiving the fee assessment notice. The districts must then assess a penalty of up to 100 percent of the assessed fee against any facility which fails to pay the Hot Spots fee.

The existing Fee Regulation requires that for districts having ARB adopt their fee schedules, any fees collected beyond district and State Program costs be retained by the districts for expenditure in the next two fiscal years. If program revenues are carried over, program costs to be recovered for the appropriate year must be adjusted. If a shortfall occurs, the Fee Regulation also specifies that the districts may increase their program costs to recover revenue shortfalls. In addition, the districts' Program cost estimates are reduced to reflect anticipated revenues from specified flat fees. These provisions are needed to prevent over- or under-collection of fees.

6. Benefits of the Program

Both the public and industry have benefited from the Program. The Program resulted in the development of the first and only comprehensive state inventory of air toxics emissions.

The emission inventory provides essential data for the risk assessment process and is an essential tool for public notification and for development of cost-effective risk reduction audits and plans. It also serves as a baseline from which we can quantify our progress towards reducing toxic emissions. With the enactment of Senate Bill 1731 in 1992, facilities that pose a potential significant health risk to the public are now required to reduce their risks below significant levels, thus reducing near-source exposures of Californians to toxic air pollutants.

Industry can also benefit from the emissions inventory and the health risk assessments. A facility's awareness of the magnitude and scope of its toxic emissions allows it to determine the most effective risk reduction measures to apply at a reasonable cost. Facilities can also use the inventory information to identify and modify the industrial processes posing the greatest potential risk to public health. As a result of the Program, many facilities have become aware of their toxic emissions and have taken steps to voluntarily reduce emissions of air toxics. We have identified voluntary air toxics reductions of at least 1.9 million pounds per year from California facilities subject to the Program.

Also, we are working with the United States Environmental Protection Agency to use the Program inventory data to satisfy the emission reporting requirements of the Federal Clean Air Act. If the Program's data are sufficient, businesses and State and local governments will save the cost required to prepare additional emission reports.

C. AMENDMENTS TO THE HOT SPOTS ACT

1. Assembly Bill 4070

The Act was amended in 1990 by Assembly Bill 4070 (Connelly; Statutes of 1990; Chapter 1432). Assembly Bill 4070 specifies that a district adopt its own fee rule unless the district submits its Program costs to the ARB prior to April 1. If the district decides to adopt its own fee rule, then it must assess fees, sufficient to cover the local and State costs of the Program, on facilities subject to the Act. The amendments also specify that the State board shall review and may amend the Fee Regulation annually.

a. District Fee Rules

If a district adopts a fee rule to recover Program costs, the district must follow the rule adoption procedures set forth in the Health and Safety Code sections 40725 through 40728. These procedures include no less than a 30-day public notice for hearings with the opportunity for the public to submit comments on the rule. The fee rule must also specify the recordkeeping requirements.

2. Senate Bill 1378

In 1992, the Act was amended by Senate Bill 1378 (McCorquodale; Statutes of 1992; Chapter 375). Senate Bill 1378 directs the ARB to adopt a regulation that requires any district that has an approved toxics emission inventory, by August 1 of the preceding year, to adopt a fee schedule using toxics emissions as the basis of the fees to the maximum extent practicable. The fees are to be proportionate to the extent of the releases identified in the toxics emission inventory and the level of priority the district assigns to that source.

3. Senate Bill 1731

The Act was also amended in 1992 by Senate Bill 1731 (Calderon; Statutes of 1992; Chapter 1162). With respect to fees, Senate Bill 1731 provides that the district or the State may assess a supplemental fee upon the operator of a facility who submits supplemental health risk assessment information. The supplemental information is optional. The supplemental fee is set by the ARB in the Fee Regulation.

a. Risk Reduction Audits and Plans

Whenever a district determines that the emissions from a facility pose a potentially significant risk, Senate Bill 1731 requires the facility operator to conduct a risk reduction audit and develop a plan to implement airborne toxic risk reduction measures. These measures may include changes in production processes or materials, operation and maintenance, and emission control methods. The plan must result in reduction of emissions to a level below the significant risk level within five years. Under certain circumstances, the district may either lengthen (up to five additional years) or shorten the time period to implement the plan. However, once a district identifies or determines that a facility presents a significant risk, facility owners have six months to submit their risk reduction audit and plan to the district.

Senate Bill 1731, also requires the ARB to provide assistance to the districts and smaller businesses in obtaining information, assessing risk reduction methods, and applying risk reduction measures. For industries comprised mainly of small businesses, the ARB must develop a self-conducted audit and checklist to assist them in meeting the requirements of the Program. We are developing industry-specific audit and plan checklists for several industries which may save the affected industries the costs of individually evaluating risk reduction methods.

4. Assembly Bill 1060

The Act was amended in 1993 by Assembly Bill 1060 (Costa and Pringle; Statutes of 1993; Chapter 1041). The bill requires facility operators to update their toxics emission inventory every four years, instead of every two years.

5. Assembly Bill 956

Assembly Bill 956 (Cannella; Statutes of 1993; Chapter 1037) also amended the Act in 1993. This legislation provides a fee exemption for certain facilities. The exemption applies to facilities which primarily handle bulk agricultural commodities and are subject to the Act only as a result of their particulate matter emissions. These facilities may be exempt from paying Hot Spots fees unless fee schedules are based solely on toxic emissions weighted for potency and toxicity.

Facilities, meeting the applicability criteria of Assembly Bill 956, are required to submit inventory updates if they have changes in facility operations or activities. Changes in activities and operations include the emission of a newly listed substance, establishment of a new sensitive receptor near the facility, emission of a substance for which the potency factor has increased, and emission of a listed substance not previously included in the inventory. New facilities are also required to submit an emission inventory plan and report.

III.

PROGRAM ACTIVITIES

A. INTRODUCTION

Activities of the governmental agencies that administer the Program are discussed in this chapter. The 34 districts, the ARB, and the OEHHA work together to implement the Program statewide. The Act specifies tasks that must be performed by these agencies, with each agency assigned specific tasks.

B. STATE ACTIVITIES

The ARB and the OEHHA are responsible for specific programmatic tasks specified in the Act. Figure 7 summarizes the State's activities. These activities are described in detail below.

1. Air Resources Board Activities

a. Regulation Development

Each year, as required by the Act, we review the Fee Regulation and develop amendments as appropriate. To insure the State's and districts' costs are recovered, we review the method for distributing the State's cost and calculating facility fees with the Fee Regulation Committee (Committee), and develop the subsequent fee basis. We consult with the districts to verify district Program costs and facilities subject to the Act, conduct public workshops and meetings, and author the staff report for the Fee Regulation.

To insure that districts and facilities submit useful, accurate, and uniform emission information, we developed the Guidelines Regulation. This regulation details the procedures that facilities must follow in collecting and submitting emission data to the district. The regulation was amended during fiscal year 1993-94 to streamline requirements, and pursuant to Assembly Bill 1060, to change the schedule for updating emission inventory information. Under Phase II of the streamlining proposal we will be amending this regulation further. We have held and will continue to hold meetings with affected industries, environmental groups, and districts to assist in implementing the inventory regulation. We are also providing written guidance on the streamlining measures.

Figure 7

State Hot Spots Program Implementation Activities

- o **Regulatory Development and Implementation (ARB)**
 - develop amendments to regulations
 - prepare for and conduct public workshops
 - prepare for and hold meetings with interested groups
 - maintain list of substances (identify new and/or delete compounds) and respond to questions
 - track status of implementation
 - provide assistance to districts

- o **Methods Development and Review (ARB)**
 - review source tests
 - review and approve alternative test methods in inventory plans and reports
 - review and comment on pooled source test proposals
 - conduct toxics source test seminars for district staff
 - conduct limited air toxics source testing

- o **Air Toxics Emission Data System (ATEDS) (ARB)**
 - perform computer programming tasks
 - develop and implement electronic data submittal
 - develop a personal computer version of ATEDS and operator's manual
 - analyze data for setting priorities for toxic air pollutant control
 - provide emission database information to other government departments and the public
 - computer time contract (Teale Data Center)

- o **Emission Data Collection, Validation (ARB)**
 - conduct initial data review
 - correct data (with district concurrence)
 - conduct quality control checks and correct data
 - follow-up with districts on data submittal and collection procedures
 - data entry contract
 - develop air toxics emission factors

Figure 7 (continued)

- o Risk Reduction Guidelines and Checklists Development (ARB)
 - hold public workshops on Senate Bill 1731 implementation including guidelines and checklists
 - assist smaller businesses in obtaining information, assessing risk reduction methods, and applying risk reduction techniques
 - locate possible emission sources
 - identify cost-effective control technologies
 - indicate possible pollution prevention measures
 - develop checklists for self-conducted audits and risk reduction options for industries comprised mainly of small businesses

- o Health Risk Assessment Review (OEHHA)
 - review health risk assessments submitted by districts
 - correct health risk assessments that are inaccurate
 - identify areas of incompleteness in health risk assessments
 - supply comments to the district regarding health risk assessments
 - assist the district staff in interpreting the results of a health risk assessment

- o Health Risk Assessment Guideline Development (OEHHA)
 - develop new facility risk assessment guidelines
 - develop risk expressions that describe the probability and uncertainty in the risk assessment
 - develop microenvironmental, dispersion modeling (ARB to assist), and demographic factors for facility specific health risk assessments
 - coordinate with the CAPCOA and the ARB
 - notify the public of guidelines developed
 - hold public workshops to discuss guidelines
 - present guidelines to Scientific Review Panel for comment
 - provide guidance to districts
 - review supplemental health risk assessment information
 - revise and update guidelines as appropriate
 - identify new cancer potencies
 - identify new chronic and acute health exposure levels
 - develop chemical potencies for cancer causing agents
 - develop health reference exposure levels for substances causing acute and chronic health effects
 - develop non-cancer health risk assessment methods
 - develop and operate a chemical database for substances having acute effects

Figure 7 (continued)

- o **Risk Assessment Assistance (OEHHA or ARB as noted)**
 - provide assistance to risk assessment preparers, the public and districts on appropriate procedures (OEHHA - health assessment, ARB - exposure assessment)
 - verify computer modeling and meteorological data (ARB)
 - provide assistance on health reference exposure levels and chemical potencies (OEHHA)
 - review changes to emission inventory procedures to ensure that data are usable for health risk assessment (OEHHA)
 - update of health risk assessment personal computer program (ARB)
- o **Develop Public Notification Procedures (OEHHA - health assessment, ARB - exposure assessment)**
 - assist districts and facilities with public notification procedures and public meetings
- o **Participate in Public Notification Workshops and Hearings (OEHHA - health assessment, ARB - exposure assessment)**

In consultation with the OEHHA, we review the list of substances in the regulation to identify new compounds that should be added to the list or to delete compounds as necessary. We track the status of Program implementation within the districts, provide assistance, and work closely with the district staffs on a daily basis. We also review legislation regarding the emission inventory and fees.

b. Source Test Methods Development

Under the Guidelines Regulation, the ARB is responsible for specifying the test methods, when source testing is required, to quantify emissions of toxic pollutants from specific sources. This activity includes the development of emission test methods, the review of pooled source test proposals, the review of source test reports for quality assurance, and the approval of requests to use alternative test methods. For example, we have reviewed over 484 pooled source test proposals to date. At the request of the districts, we also conduct periodic seminars on how to review air toxics source test plans and reports.

We are developing air toxics emission factors to streamline future emission inventory reporting and to ensure consistency and accuracy in the reported data. In this endeavor, we may also conduct a limited amount of follow-up source testing. Through a research contract, a contractor will use source test data, validate it based upon the Hot Spots source test protocols, and develop air toxics emission factors.

c. Air Toxics Emission Database

The ARB developed and manages the statewide Air Toxics Emission Data System (ATEDS). Maintaining and updating the database, and analyzing the resultant data, involves various computer programming tasks. We are also beginning to implement a system that allows facilities to submit electronic data on emissions to the districts and from the districts to the ARB. This will help reduce paperwork, speed up reporting, and reduce costs. In addition, we are developing a personal computer version of ATEDS that will help smaller facilities and districts with limited resources by simplifying reporting and review of data.

We analyze the toxics emissions data and set priorities for identifying and controlling toxic air contaminants. We also make the emission data available to other government agencies and the public.

d. Emission Data Collection and Validation

We routinely coordinate with districts on data collection procedures. When toxics emission data are received from the districts, we conduct an initial data review and make appropriate corrections prior to inputting the data into the ATEDS. We perform numerous quality control checks to insure data accuracy, and further corrections to the data may result.

The ARB also contracts with the State's Teale Data Center for the computer time necessary to run the various analyses. We also contract for temporary data entry personnel.

e. Risk Reduction

Under the new requirements added by Senate Bill 1731, whenever a district judges that a facility's emissions pose a potential significant health risk, the operator of the facility must conduct a risk reduction audit and develop a plan to implement airborne toxic risk reduction measures. The plan must result in reduction of emissions to a level below the significant risk level within five years. Under certain circumstances, the district may either lengthen (up to five additional years) or shorten the time period to implement the plan. Upon district identification that a facility presents a significant risk, facility owners have six months to submit their risk reduction audit and plan to the district.

The ARB is required to assist smaller businesses in complying with the risk reduction audit and plan requirements of Senate Bill 1731. The bill requires the ARB to assist smaller businesses who have inadequate technical and financial resources to obtain information, assess risk reduction methods, and apply risk reduction techniques. Options for risk reduction may include modifying feedstocks, evaluating system enclosures, controlling emissions, and modifying operational standards and practices. The districts have indicated that some categories of smaller businesses may be designated as significant risk facilities and may be required to reduce their emissions below the level of significance.

For selected industries that are comprised of mainly smaller businesses, with substantially similar technology, the ARB is developing risk reduction guidelines which include a self-conducted audit and checklist. The ARB, in cooperation with the districts, will forward the checklist to the businesses to assist them in meeting the audit and plan requirements. The checklists will allow a small business operator to avoid the expense of developing its own facility audit and plan checklist. The checklists will make it easier to determine applicable measures to meet the requirements of the Act. We are working closely with affected industries and the districts in developing the risk reduction guidelines and self-conducted audit and checklists for the following industries: aerospace, autobody refinishing, degreasing, dry cleaning, chrome plating, and service stations.

The risk reduction guidelines will be used by smaller businesses and will be made available to other facilities wishing to voluntarily reduce their emissions. In addition to identifying possible emission points, the guidelines will assist a facility in selecting risk reduction methods.

2. Office of Environmental Health Hazard Assessment Activities

a. Health Risk Assessment Review

Within a district, operators of the highest priority facilities must submit assessments of the potential health effects that may be associated with emissions from the facility. The OEHHA reviews health risk assessments prepared by facilities and submitted by the districts, including the exposure assessment and risk characterization to verify that the risks have been accurately assessed. As part of the review, the OEHHA corrects risk assessments that are inaccurate and identifies areas of incompleteness. As part of this review, the OEHHA also reviews risk assessment results from the use of nonstandard methodologies. Following the review, the OEHHA staff supplies comments to the districts and assists the district's staff in interpreting the results.

b. Risk Assessment Guidelines

As noted before, Senate Bill 1731 amended the Act in 1992. Specifically, it requires the OEHHA to adopt new facility risk assessment guidelines, after consulting with CAPCOA's Toxics Committee and the ARB; circulating them to the public and regulated community; submitting the guidelines to the Scientific Review Panel on Toxic Air Contaminants; and holding public workshops. To the extent valid data are available, these risk assessment guidelines must allow facility operators to include alternative risk parameter values, likelihood distributions of risk estimates, microenvironmental characteristics, data from dispersion models, and population distributions. Unique statistical methods are being researched to address uncertainty in parameter values. The OEHHA is also required to provide guidance to the districts in considering this supplemental information, when it is included in a risk assessment.

The OEHHA identifies newly available cancer potencies, chronic exposure levels, and acute health exposure levels useful for assessing risks. In addition, the OEHHA develops chemical potencies for cancer-causing agents and develops health reference exposure levels for substances causing acute and chronic health effects. The OEHHA also develops non-cancer risk assessment methods and develops a chemical database for substances having acute effects.

3. Joint ARB/OEHHA Activities

a. Risk Assessment Assistance

We provide assistance to facilities, the public, and districts on appropriate exposure assessment procedures, including verifying computer modeling and meteorological data. The OEHHA provides assistance on health reference exposure levels and chemical potencies involved in quantifying potential health risk. The ARB reviews changes to emission inventory procedures to ensure that the data are usable for health risk assessment. The ARB also updates

the health risk assessment personal computer program that is used to prepare low cost risk assessments.

b. Public Notification

When a district determines that a risk assessment indicates that a facility's emissions pose a significant potential health risk, the operator of the facility must notify the public exposed to its emissions regarding the results of the risk assessment. The ARB and OEHHA have worked in conjunction with the CAPCOA to develop and publish public notification guidelines. The ARB and the OEHHA also assist the districts and facilities with developing specific procedures for public notification. The ARB and OEHHA participate, as requested, for each one's area of expertise, in public notification workshops or hearings. The OEHHA also interprets non-cancer and potential cancer risk assessment results for the public.

C. DISTRICT ACTIVITIES

The districts review toxics emission inventory plans and reports and the subsequent updates every four years before forwarding the information to the ARB. The districts are preparing industrywide emission inventory reports for some classes of facilities to minimize the economic impact on these facilities. The emission data findings are reported to the OEHHA, the Department of Industrial Relations, and the city or county health department.

After reviewing emission inventory data, the districts prioritize facilities into low, intermediate, or high priority categories. Prioritization procedures are established by the districts. Based on a facility's priority, the district may require it to prepare a health risk assessment. Once a facility's risk assessment is submitted, the district must review the emission data and air dispersion modeling before forwarding it to the OEHHA for review of the health effects information. Based on the OEHHA review and comments, the district may approve the risk assessment, request corrections from the facility, or determine that the facility's potential health risk is significant enough to warrant public notification. The districts are required to establish public notification procedures.

A district may determine that a facility's emissions may cause potentially significant health effects. These high risk facilities are required to audit their operations and prepare a plan to reduce their emissions below the significance level within specified time frames. The plans are submitted to the district for review of completeness. The district's review of completeness includes a substantive analysis of the emission reduction measures and the ability of the measures to achieve reductions quickly.

Other district responsibilities include insuring that any permit issued to a new or modified source complies with the Act and publishing an annual report on the status of the district's Program.

The districts are also required to collect Program fees and forward the district's portion of the State's cost to the State. Some districts are also responsible for developing and implementing their own fee rules.

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IV.

PROGRAM COSTS AND FACILITY FEES

A. INTRODUCTION

Chapter IV contains a description of the costs of the Program and proposed facility fees. As noted before, the costs for the ARB, the OEHHA, and the districts are all decreasing for fiscal year 1995-96.

In the fee regulations adopted prior to 1993, the volume of criteria pollutants emitted served as the basis for distributing the State's costs among the districts and for calculating most individual facility fees. In 1993, as a result of Senate Bill 1378 (Health and Safety Code section 44380(a)(3)), we revised the method for determining the allocation of the State's costs and facility fees to a method based on air toxics emissions and workload. Since that time, the distribution of the State's costs among districts and facility fees have been determined by the number of facilities in the various Program categories, the priority assigned to the facilities by the districts, and the complexity of the facility as determined by source classification codes. This method was slightly modified in 1994, however the basic concept remained the same.

For fiscal year 1995-96, we are proposing exemptions to the Fee Regulation and because of the exemptions we are also proposing a modification to the method to distribute the State's cost. The cost reductions due to the exemptions and the modification to the method are discussed below. We are not passing along the revenue losses resulting from the exemptions to facilities remaining subject to the Fee Regulation. Instead, the State is adjusting its Program activities.

B. PROPOSED COSTS FOR FISCAL YEAR 1995-96

The proposed exemptions and the modification to the method will reduce the State's revenue. As shown on Table 6, the cost to be recovered through fees for fiscal year 1994-95 was \$4,237,000. The June 1995 Staff Report contained a proposed State cost of \$3,650,000, already a 14 percent reduction compared to last year. This cost reflected an accelerated Program plan reduction of \$587,000. Now, with our exemption proposals, the State's Program would be reduced by an additional \$846,000. As a result of the accelerated Program plan cut and the revenue reductions resulting from the exemptions, the State's Program cost for fiscal year 1995-96 would have to be reduced to \$2,804,000. This is a reduction of over \$1.4 million dollars (34 percent) from the fees assessed in fiscal year 1994-95. We are continuing to receive updated facility counts from the districts that reflect the proposed exemptions. These changes

Table 6

Program Costs for Fiscal Year 1995-96

Program Costs

Program Cost for 1994-95	\$4,237,000
Accelerated Program Plan Reduction	-587,000
Reduction from Proposed Exemptions	<u>-846,000</u>
Cost to be Recovered Through Fees	\$2,804,000

will be presented at the ARB hearing in January 1996 and the State's cost will be adjusted accordingly.

In the earlier Staff Report we presented costs of \$1.7 million for the ARB and \$1.9 million for the OEHHA. However, the ARB and OEHHA are further downsizing their Programs to reflect lower revenue received as a result of the exemptions. As shown graphically in Figure 8 the ARB's cost is reduced to \$1,287,000 and the OEHHA's cost is reduced to \$1,517,000.

C. DISTRIBUTION OF STATE COSTS

1. Methodology to Distribute the State's Cost

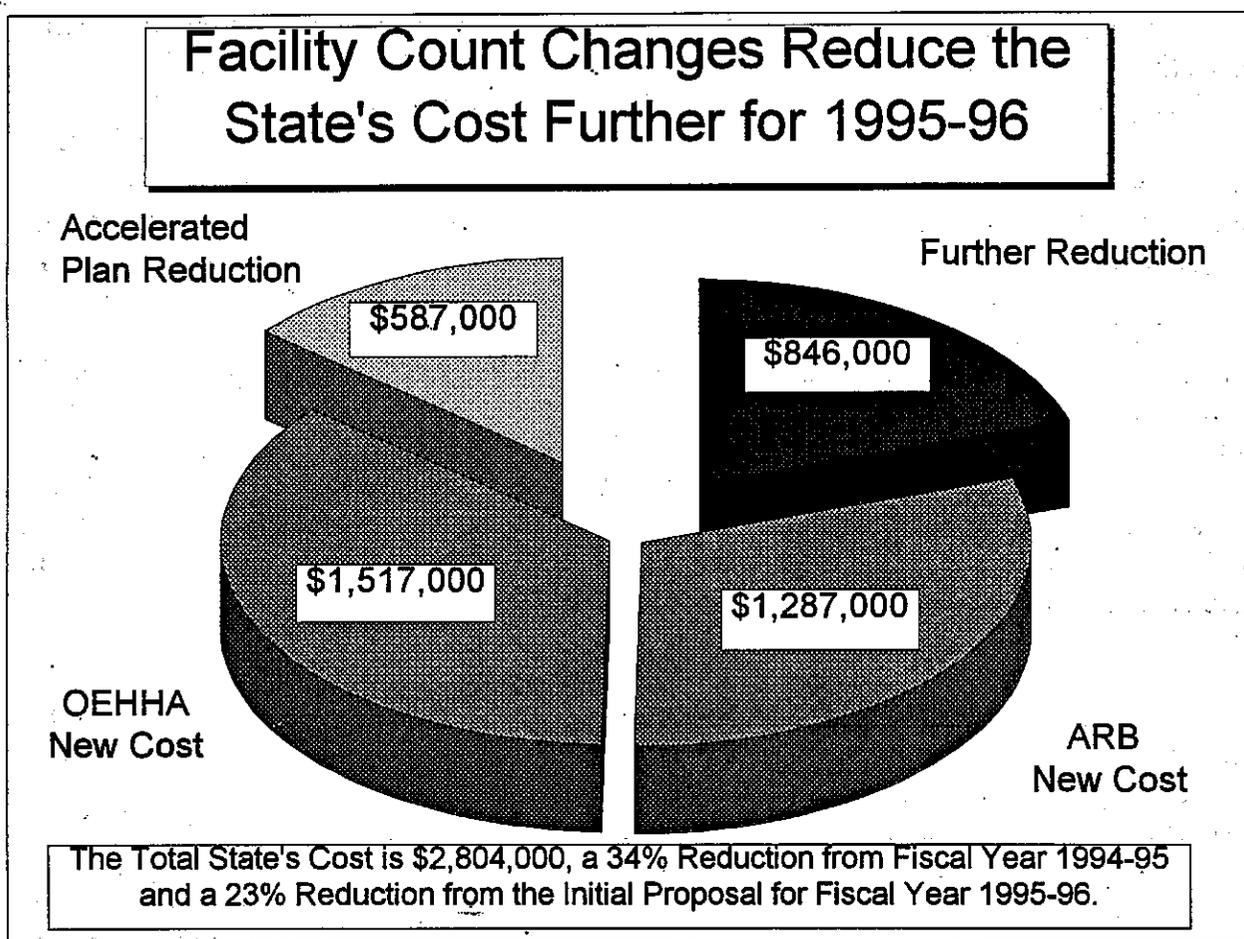
Because of our proposal to exempt facilities, we are proposing a further modification to the method. In the June 1995 Staff Report, we calculated a cost per facility and distributed the State's cost based on updated facility counts received from the districts in May 1995. To ensure that the cost per facility will not increase because of the exempted facilities, we propose that the previously calculated cost per facility remain unchanged. For each district, we totaled the revenue lost due to the exemptions and subtracted it from the amount to be paid to the State. By doing this, costs to the remaining facilities are not increased.

As discussed above, the exemption proposals and the modification to the method are further reducing the State's cost to \$2,804,000, a 34 percent reduction compared to last year's cost of \$4,237,000. With the adjustment factor, the total State's cost is \$2,944,200. This cost may differ slightly to that shown in Table 1 of the Fee Regulation due to rounding. The adjustment factor of five percent is added to the State's cost to help ensure full cost recovery in the event of unforeseen business closures, nonpayment of fees, or other circumstances which would result in a shortfall in anticipated revenue. The method that was used for distributing the State's costs among the districts for the June 1995 Staff Report is described in Appendix V.

The substantial decrease in the State's cost will have an impact on the State's ability to carry out all of the planned activities for fiscal year 1995-96. However, we are downsizing the Program in a responsible manner. Some current activities are being slowed, other activities are being completed, and some projects will be discontinued. We may not be able to provide the same level of assistance to districts and facilities, but we will utilize our resources to maintain essential Program elements. We will continue to implement a health protective Program by continuing to assess potential health risks and improving our ability to address uncertainty in assessing potential risk. We will continue with efforts to inform the public of the potential risks and work with facilities to reduce potential health risks.

Based on a proposed State cost of \$2,804,000 we are reducing the cost for most Core Program activities. Each Core Program activity and our reduced proposed cost are described in parts 2 and 3 of this section.

Figure 8



2. State Core Program Costs

In the June 1995 Staff Report, we distributed the State's cost for the following Core Program activities among all facilities: source test method development, emission inventory, and regulatory development costs; risk assessment guidelines development costs; health effects evaluation costs; uncertainty and exposure assessment method development costs; assistance for computer software development cost; and risk reduction guidance to small businesses costs.

We distribute source test methods, inventory, and regulation costs among all facilities for the several reasons. The development and review of source tests and pooled source tests are necessary for facilities to accurately report emissions. All facilities subject to the Act are required to submit toxics emission data using the criteria outlined in the Guidelines Regulation. To submit accurate toxics emission data, facilities must consult and follow this regulation. Each facility must submit documentation of their toxics emissions to the district and, subsequent to this, the data are forwarded to the ARB. We are responsible for data verification and compilation into the ATEDS. We are required by the Act to review and adopt a fee regulation. Except for facilities expressly exempted under Health and Safety Code section 44380.1, all facilities which are subject to the Act are subject to the Fee Regulation, except facilities that qualify for one of the exemptions from the Fee Regulation being proposed this year. The exemption proposals for fiscal year 1995-96 exempt facilities from the Fee Regulation only. These facilities are still subject to the Act and the emission reporting requirements.

To develop and implement the various tasks for inventory and regulations the State's cost is \$793,000. This cost includes the computer contract at Teale Data Center for \$126,000 and the key data entry contract for \$59,000. The State's costs for overseeing the development of Hot Spots computer software is \$38,000. The total cost for these activities is a significant reduction from our earlier projected cost. As a result of this Program reduction, our enhanced quality assurance program will be significantly curtailed while source test method development and review will be discontinued. In the enhanced quality assurance program we were beginning to review inter-facility data to determine the consistency and accuracy of the emissions reported by similar source-type facilities. This requires a critical analysis of the data in the ATEDS.

We distribute the cost to develop and implement the risk assessment guidelines required by Senate Bill 1731, among all facilities. These guidelines will be used to continue to prioritize all facilities. Facilities currently categorized as Plan and Report facilities will perform risk assessments based on these new guidelines. For fiscal year 1995-96, our reduced proposal includes costs of \$532,000 including a contract for \$192,000, to maintain, evaluate, and administer the new risk assessment guidelines. Because of Program reductions work on the guidelines development will be restricted as OEHHA will not have the resources necessary for rapid response to public and Scientific Review Panel comments on the various portions of the health risk assessment guidelines. The guidelines will be less comprehensive than originally anticipated, and the adoption of some components will be delayed.

We distribute the development and documentation of health effects evaluation costs among all facilities as Core Program costs for the several reasons. The OEHHA is charged with identifying and developing chemical potencies and exposure levels in order to assess potential health risks posed by emissions. The districts evaluate the toxic air emissions from a facility, and prioritize the facilities using these potencies and exposure levels. All facilities, therefore, are assessed a cost for development of these values. The OEHHA's cost for these tasks are reduced to \$170,000. As a result of this cut, OEHHA will slow work on development of health effects levels. Responsibility for most of the work will be transferred to the Toxic Air Contaminant program. However, due to limited resources and competing priorities, this will leave a number of chemicals without reference exposure levels or unit risk factors to estimate health risk in risk assessments, prioritizations and risk reduction plans.

Risk Assessment guideline development also requires the OEHHA to develop and maintain exposure and uncertainty analysis parameters and methods. The total cost for these tasks is reduced to \$642,000, which includes a contract for \$217,000.

The ARB is mandated to assist smaller businesses in complying with the audit and plan provisions of Senate Bill 1731. We are developing risk reduction guidelines and facility-conducted checklists for the following facility categories: aerospace, autobody refinishing, degreasing, dry cleaning, chrome plating, and service stations. We are also developing a general guideline and checklist. The checklists will allow smaller businesses to avoid the cost of developing their own individual audit and plan checklists. By definition, smaller businesses would be able to use these guidelines, but the actual facilities required to lower toxic emissions have yet to be identified. In light of this and to lessen the economic burden on these smaller businesses, we have distributed costs to develop these guidelines and checklists among all facilities as core program costs. The cost to develop the risk reduction guidelines in our reduced proposal is \$342,000. The reduction in cost, compared to past years, is due to the anticipated completion of risk reduction guidelines and the ARB not developing any additional industry specific risk reduction guidelines.

3. State Risk Assessment Costs

In the June 1995 Staff Report, the State's costs for health risk assessment review, risk assessment assistance, and public notification are distributed only among the State Industrywide, State Risk Assessment, Notification, and Audit and Plan facilities.

The State's costs to review health risk assessments and provide risk assessment assistance are incurred in the following areas: reviewing risk assessments, developing industrywide risk assessment procedures, and verifying the meteorological and air dispersion modeling data from specific facilities. Therefore, these costs are spread only among facilities that are State Industrywide, Risk Assessment-State, Notification, and Audit and Plan Program Categories. In our reduced proposal, the cost for health risk assessment review is \$173,000, which includes a contract for \$88,000. The cost for risk assessment assistance is \$76,000 for the ARB.

Assistance to the districts and the general public will not be as extensive as in the past due to limited resources.

The above costs do not include the costs for review of risk assessments submitted to the OEHHA after March 31, 1995. The air districts will be billed for the OEHHA's actual costs incurred for the review pursuant to Health and Safety Code section 44361(c). The districts will be required to reimburse the OEHHA for its actual costs based on the hourly cost of a staff position at the time of the review. At the time of the writing of this staff report, the OEHHA average staff cost per hour is \$113. However, this does not include any future adjustments to staff costs such as cost of living increases. For comparison purposes, private sector contractors doing similar technical work charge up to \$125 per hour. Based on previous experience, the OEHHA has developed estimates of the average time to review risk assessments. The typical time ranges from five to 190 hours depending on the complexity and quality of preparation of the risk assessment.

The State's cost for notification is also distributed among State Industrywide, Risk Assessment-State, Notification, and Audit and Plan facilities. Only high risk facilities that the district determines pose a significant potential health risk must notify the exposed individuals. To lessen the economic impact, the cost for notification is distributed among all risk assessment facilities. We believe that this is equitable because only high priority facilities that perform risk assessments will be subject to these program requirements. In our reduced proposal, the cost for public notification is \$38,000.

4. Districts' Share of the State's Costs

As described earlier, in the June 1995 Staff Report we distributed the State's costs among the districts using the number of facilities in each of the program categories and resource indexes for both the core program and risk assessment costs based on facility counts received from the districts in May 1995. The indexes that were used to arrive at a fee per facility for the June 1995 Staff Report are described in Appendix V of this report. Now, to ensure that the fee per facility will not increase because of the exempted facilities, we propose that the previously calculated fee per facility remain unchanged. For each district, we totaled the revenue lost due to the exemptions and subtracted it from the amount to be paid to the State. By doing this, costs to the remaining facilities are not increased.

Table 7 compares the distribution of the State's costs among districts between fiscal year 1994-95 and fiscal year 1995-96. The difference between the total of Table 7 and the total of the State's costs described in paragraph 3 above is due to rounding. In most cases, if a district's share of the State's cost has increased, it is due to an increase in the number of facilities in a district, or an increase in the number of facilities moving to a higher health risk priority category.

Table 7**Comparison of Distribution of State Costs Among Districts**

	A	B	C
DISTRICT	Cost Total 1994-95	Cost Total 1995-96	% Difference From Column A
AMADOR	10,916	9,496	-13.0
BAY AREA	377,205	397,833	5.5
BUTTE	33,500	36,543	9.1
CALAVERAS	795	3,170	298.7
COLUSA	24,648	19,069	-22.6
EL DORADO	8,453	7,705	-8.8
FEATHER RIVER	17,615	11,718	-33.5
GLENN	17,141	15,898	-7.3
GREAT BASIN	14,820	11,915	-19.6
IMPERIAL	26,620	24,175	-9.2
KERN (DESERT)	18,917	9,977	-47.3
LAKE	4,841	15,115	212.2
LASSEN	4,541	4,642	2.2
MARIPOSA	884	796	-10.0
MENDOCINO	19,470	9,946	-48.9
MODOC	0	225	
MOJAVE DESERT	84,750	56,016	-33.9
MONTEREY	61,971	37,015	-40.3
NORTH COAST	13,163	14,678	11.5
NORTHERN SIERRA	12,520	10,863	-13.2
NORTHERN SONOMA	6,317	4,988	-21.0
PLACER	39,815	26,443	-33.6
SACRAMENTO	51,612	35,842	-30.6
SAN DIEGO	247,524	189,968	-23.3
SAN JOAQUIN VALLEY	631,510	373,291	-40.9
SAN LUIS OBISPO	39,652	19,305	-51.3
SANTA BARBARA	86,172	57,277	-33.5
SHASTA	26,159	20,927	-20.0
SISKIYOU	2,203	7,888	258.1
SOUTH COAST	2,321,802	1,353,930	-41.7
TEHAMA	7,598	8,775	15.5
TUOLUMNE	17,642	7,707	-56.3
VENTURA	168,135	98,794	-41.2
YOLO-SOLANO	49,934	42,255	-15.4

Total State Budget 4,448,845 2,944,185

Note: Totals include 5 percent adjustment factor.

D. DISTRICT COSTS FOR FISCAL YEAR 1995-96

As of the writing of this report, we estimate that about 29,000 facilities statewide are subject to the Program in fiscal year 1995-96. However, because of our exemption proposals, over 2,500 of these facilities will not be subject to the Fee Regulation this fiscal year. In the State's 34 districts, we estimate that the total of districts' costs to implement the Hot Spots Program for fiscal year 1995-96 will be \$5,898,952. This represents a decrease of approximately 15 percent from the fiscal year 1994-95 total of \$6,961,268. Table 8 shows that the anticipated districts' costs in 24 of the districts remains unchanged or are reduced from the districts' costs in fiscal year 1994-95.

Twelve districts received their Board's approval of Program costs by April 1, 1995 and requested that the ARB adopt fee schedules for them. These districts are indicated in Table 8 by a double asterisk. The Program costs for these twelve districts are decreasing from \$2.0 million for fiscal year 1994-95 to \$1.5 million for fiscal year 1995-96, an approximately 25 percent decrease.

Of the twelve districts requesting ARB adoption of facility fees, nine of these districts' costs remained unchanged or were reduced from fiscal year 1993-94, for a total reduction of \$273,861. The other three districts are increasing their costs for a combined total of \$5,545. Some of the changes in projected expenditures by districts may reflect changes in the number of facilities in the Program and changes in the Program categories of those facilities.

As noted above, Table 8 shows the anticipated district Program costs for all districts for fiscal year 1995-96. The Program costs shown in Table 8 may differ from the amounts shown in Table 2 of the Fee Regulation, "District Program Costs to be Recovered Through the Fee Regulation," which is the basis for the ARB fee calculations. This difference is due to adjustments for excess funds or deficits remaining from previous fiscal years and certain flat fees which are excluded from the fee calculations.

E. TOTAL PROGRAM COSTS

Total costs of the State and districts for fiscal year 1995-96 will be \$8,700,000: 32 percent is the State's costs and 68 percent is the districts' costs. This figure represents a 22 percent decrease from fiscal year 1994-95. In the June 1995 Staff Report we proposed a 14 percent reduction in the State's cost from \$4,237,000 for fiscal year 1994-95 to \$3,650,000 for fiscal year 1995-96. Now, with the exemption proposals and the change to the method, we are proposing a State cost of \$2,804,000 which is 34 percent lower than last year. In the June 1995 Staff Report the ARB's portion of the proposed State's cost was \$1,710,000; and the OEHHA's portion was \$1,940,000. These costs are reduced to \$1,287,000 for the ARB and the OEHHA's cost is reduced to \$1,517,000. As discussed above in section D of this Chapter, a five percent adjustment factor is added to this amount. The estimated total Program costs, for the State and districts for fiscal year 1995-96, are shown in Figure 9.

Table 8**District Cost Comparison Between Fiscal Years 1994-95 and 1995-96***

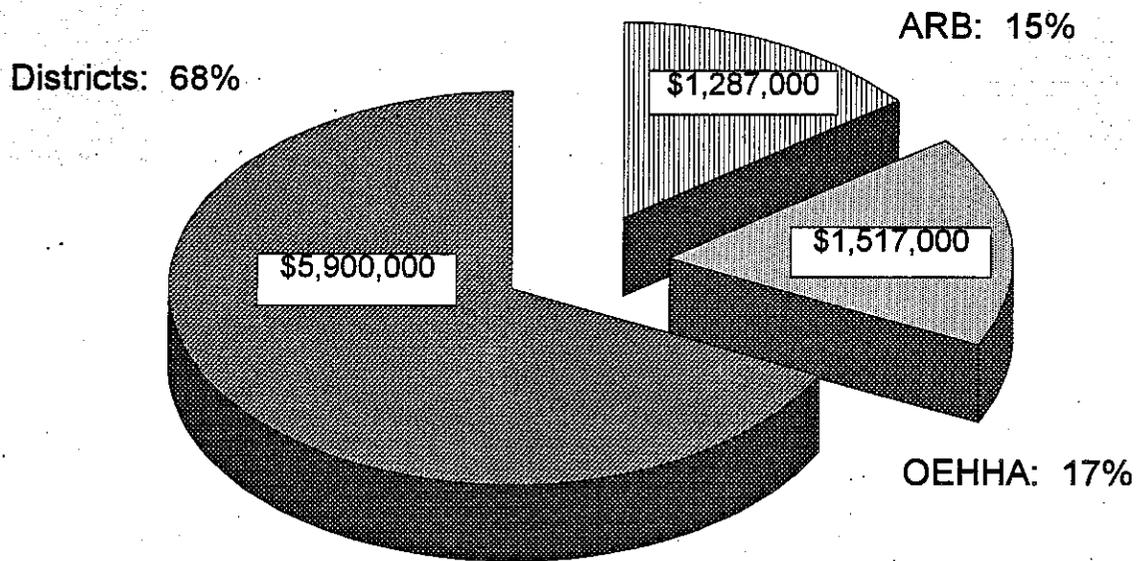
<u>District</u>	<u>Fiscal Year</u> <u>1994-95</u>	<u>Fiscal Year</u> <u>1995-96</u>
Amador	21,943	0
Bay Area	375,000	375,000
Butte	17,715	18,215
Calaveras	0	0
Colusa	16,500	16,000
El Dorado	11,392	6,241
Feather River	16,200	16,000
Glenn	4,000	5,500
Great Basin	2,375**	6,770**
Imperial	18,382**	13,745**
Kern	34,112**	34,000
Lake	5,800	5,800
Lassen	2,161**	3,161**
Mariposa	0	0
Mendocino	27,565**	22,330**
Modoc	0	0
Monterey	500,000	291,767
Mojave Desert	322,285**	217,335**
North Coast	8,882	9,000
Northern Sierra	9,800	9,800
Northern Sonoma	5,300	6,500
Placer	55,143**	9,421**
Sacramento	105,409	122,000
San Diego	400,000	400,000
San Joaquin Valley	1,302,900**	994,718**
San Luis Obispo	27,830	29,221
Santa Barbara	225,000**	217,365**
Shasta	20,000	20,000
Siskiyou	4,000	5,700
South Coast	3,076,734**	2,731,813
Tehama	8,840	2,400
Tuolumne	9,000	9,150**
Ventura	292,000	265,000
Yolo-Solano	35,000	35,000**
	6,961,268	5,898,952

* Costs are estimates unless otherwise noted.

** District Board approved cost.

Figure 9

Estimated Total Program Costs Are Reduced for Fiscal Year 1995-96



Total Program Costs for the Districts and the State are Estimated to be \$8,704,000.

F. FACILITY FEES

For the twelve districts requesting ARB adoption of fee schedules, the individual facility fees are calculated using the method described in Chapter V and the districts' and State's costs described in this Chapter. The other 22 districts are required to adopt their own fee rule to recover their costs and their portion of the State's cost. Figure 10 lists the districts requesting ARB adoption of facility fees and the districts adopting their own fee rules.

Appendix V contains the equations that were used to calculate facility fees. Each facility fee is the sum of the district portion and the State portion for facilities in that category. Table 9 shows the average facility fees for the twelve districts in the Fee Regulation. On average, facility fees are 16 percent lower compared to fiscal year 1994-95. The State's cost for all categories is the same for all districts; however, the district costs vary. District Program costs in these twelve districts were approved by their district boards at public hearings.

Table 10 summarizes the range of proposed fees in the twelve districts for which the ARB is adopting fee schedules. The State portion of fees in each category is equal to or somewhat lower than last year.

The range of fees shown in Table 10 is due to varying district costs. Many factors affect a district's costs of implementing the Program. These factors include but are not limited to the following:

- the types and complexity of facilities located in each district,
- the types and amounts of listed toxic substances emitted,
- the district's overhead costs (regional variations in rent, salary base, etc.),
- the amount of assistance the district provides to facilities in the Program.

Figure 10

State and Air District Adoption of Fiscal Year 1995-96 Fees

Districts Included in the State Fee Regulation

Calaveras	Great Basin	Imperial
Lassen	Mariposa	Mendocino
Mojave-Desert	Placer	San Joaquin Valley
Santa Barbara	Tuolumne	Yolo-Solano

Districts Adopting Local Fee Rules

Amador	Bay Area	Butte
Colusa	El Dorado	Feather River
Glenn	Kern	Lake
Modoc	Monterey	North Coast
Northern Sierra	Northern Sonoma	Sacramento
San Diego	San Luis Obispo	Shasta
South Coast	Siskiyou	Tehama
	Ventura	

Table 9

Average Facility Fees*

<u>Program Category</u>	<u>Total Fees(Average)**</u>
Survey	64
Industrywide	68
Plan and Report	
Simple	660
Intermediate	1,705
Complex	3,499
Risk Assessment - Under Review by the District***	
Simple	1,149
Intermediate	2,044
Complex	6,822
Risk Assessment - Under Review by the State****	
Simple	None
Intermediate	5,568
Complex	10,245
Notification	
Simple	None
Intermediate	16,498
Complex	15,371
Audit and Plan	
Simple	None
Intermediate	None
Complex	None

- * Summary of proposed fees for districts whose fee schedules are included in the Fee Regulation.
- ** To reduce the effects of skewed data, fees more than two standard deviations from the average were not included.
- *** Facilities whose risk assessments are being reviewed by the district. The risk assessments were not submitted to the state between April 1, 1994 and March 31, 1995.
- **** Facilities whose risk assessments were submitted to OEHHA for review between April 1, 1994 and March 31, 1995.

Table 10

Range of Proposed Facility Fees*

<u>Program Category</u>	<u>State Portion</u>	<u>District Portion*</u>	<u>Total Fees</u>
Survey	0	15 - 100	15 - 100
Industrywide	15	0 - 110	15 - 125
Plan and Report			
Simple	451	0 - 409	451 - 860
Intermediate	676	121 - 2,603	797 - 3,280
Complex	902	403 - 5,759	1,305 - 6,660
Risk Assessment - Under Review by the District**			
Simple	451	243 - 1,152	694 - 1,603
Intermediate	676	608 - 2,047	1,285 - 2,724
Complex	902	1,556 - 13,017	2,458 - 13,918
Risk Assessment - Under Review by the State***			
Simple	None		
Intermediate****	3,832	868 - 2,603	4,700 - 6,435
Complex*****	8,792	1,217 - 1,689	10,009 - 10,481
Notification			
Simple	None		
Intermediate	7,845	5,788 - 11,518	13,633 - 19,363
Complex	8,792	2,433 - 11,518	11,225 - 20,310
Audit and Plan			
Simple	None		
Intermediate	None		
Complex	None		

* Summary of proposed fees for air pollution control districts whose fee schedules are included in the Fee Regulation.

** Facilities whose risk assessments are being reviewed by the district. The risk assessments were not submitted to the state between April 1, 1994 and March 31, 1995.

*** Facilities whose risk assessments were submitted to OEHHA for review between April 1, 1994 and March 31, 1995.

**** State portion for Santa Barbara district is 1,476.

***** State portion for Santa Barbara district is 1,702.

The following table shows the results of the experiment. The first column is the number of trials, the second column is the number of correct responses, and the third column is the percentage of correct responses. The fourth column is the number of trials that were not completed.

Number of trials	Number of correct responses	Percentage of correct responses	Number of trials not completed
10	8	80%	0
20	15	75%	0
30	22	73%	0
40	28	70%	0
50	35	70%	0
60	42	70%	0
70	48	69%	0
80	55	69%	0
90	62	69%	0
100	70	70%	0

The results show that the percentage of correct responses increases as the number of trials increases, and that the percentage of correct responses is consistently high, ranging from 70% to 80%.

V.

EXISTING REGULATION AND PROPOSED CHANGES

A. INTRODUCTION

The proposed amendments to the Fee Regulation for fiscal year 1995-96 are presented in this chapter. The most significant amendments proposed are the exemptions from the Fee Regulation, the resulting reduction in the State's Program because of the exemptions, and a modification to the methodology to distribute the State's cost. All of these proposals, as well as other proposed amendments, have been developed and discussed during a public process as detailed below.

B. PUBLIC OUTREACH

Developing the proposed changes to the Fee Regulation required extensive coordination with district representatives, the Fee Regulation Committee (Committee), and the public. The Committee includes representatives from the districts, the ARB and the OEHHHA. We invited representatives from all districts to all meetings of the Committee.

The Committee met six times to develop the proposed changes. At these meetings, we received helpful suggestions for improving the fee basis.

We held four public workshops to elicit comments and suggestions on the proposed changes to the Fee Regulation. Notices of each workshop were sent to over 8,000 facility operators and members of the public. Copies of the workshop announcements are contained in Appendix VI.

In addition to the public workshops held in May, we held seven separate meetings and teleconferences with representatives from the affected industries and industry associations. Members of environmental organizations were also invited. At each of these meetings and workshops, we received valuable input, comments, and suggestions that were considered for incorporation into our proposals.

Because we cancelled the July 1995 public hearing and because we have additional proposals to discuss with the public, additional workshops are being held in December 1995. These workshops will be held in Los Angeles on December 11, 1995, and in Sacramento on December 12, 1995.

At the December 1995 workshops we will present the two-phased approach for streamlining the Program. The exemptions we will be presenting as Phase I of our proposal were developed in conjunction with a De Minimis Committee made up of air district representatives, ARB staff, and OEHHA staff. The De Minimis Committee was convened following a joint ARB/CAPCOA meeting on August 15, 1995. In developing our proposals, this committee met on August 23, 1995 and again on September 20, 1995. The exemption criteria developed were discussed with all districts on October 4, 1995 and with industry and environmental groups on October 6, 1995.

After resurveying the districts to update their facility counts based on the proposed exemptions, we discussed the impact of the exemptions and the resulting reduction of the State's cost with CAPCOA on November 1, 1995. We held meetings on November 6, 1995 with air districts and on November 7, 1995 with industry and environmental groups to explain the effect of the proposed exemptions and the resulting reductions in the State's cost. A summary of the meetings and workshops held during the development process is as follows:

Chronology of Meetings for Fee Regulation, 1995-96

- September 23, 1994 - Meeting with Tri-TAC in Sacramento to discuss POTWs.
- October 13, 1994 - Meeting with industry representatives to discuss alternative methods for calculating fees, Sacramento.
- November 16, 1994 - Public workshop on alternative methods for calculating fees, Sacramento.
- November 30, 1994 - Fee Regulation Committee meeting, Sacramento.
- January 13, 1995 - Meeting with Senator O'Connell's staff regarding facility counts.
- February 15, 1995 - Teleconference with Committee regarding proposed changes.
- February 24, 1995 - Meeting with representatives of the aerospace industry regarding an alternative fee method.
- April 5, 1995 - Meeting with Committee regarding changes and draft fees.
- April 7, 1995 - Meeting with industry and environmental groups regarding changes and draft fees.
- April 13, 1995 - Meeting with representative from Bay Area League of Industrial Associations regarding the fee method.
- April 20, 1995 - Meeting with Committee regarding industrywide facilities.

- May 3, 1995 - Teleconference with Committee regarding industrywide facilities.
- May 4, 1995 - Public workshop in Los Angeles on proposed changes.
- May 9, 1995 - Meeting with industry representatives from the San Joaquin Valley regarding OEHHA costs.
- May 9, 1995 - Public workshop in Fresno on proposed changes.
- May 11, 1995 - Public workshop in Sacramento on proposed changes.
- May 22, 1995 - Teleconference with Committee regarding industrywide facilities.
- August 15, 1995 - Joint ARB Staff/CAPCOA meeting on the Fee Regulation
- August 23, 1995 - De Minimis Committee Meeting
- September 20, 1995 - De Minimis Committee Meeting
- October 4, 1995 - Teleconference with districts to discuss exemption proposals.
- October 6, 1995 - Meeting with industry and environmental groups to discuss exemption proposals.
- November 1, 1995 - CAPCOA meeting to discuss effect of the exemption proposals, the number of facilities exempted, and the resulting reduction in the State's cost.
- November 6, 1996 - Teleconference with districts to discuss effect of the exemption proposals, the number of facilities exempted, and the resulting reduction in the State's cost.
- November 7, 1995 - Meeting with industry and environmental groups to discuss effect of the exemption proposals, the number of facilities exempted, and the resulting reduction in the State's cost.

C. CURRENT REGULATION

1. Basis for Existing Fees

The current regulation for fiscal year 1994-95, bases fees on a method which considers air toxics emissions, facility health risk priority as assigned by the districts, workload for both the State and districts, and economic impact. This is in accordance with Health and Safety Code section 44380(a)(3).

2. Distribution of State and District Costs

The State's costs to be recovered are the total amount reasonably anticipated by the ARB and the OEHHA to implement the Program for the specified fiscal year. The districts' costs are used only in calculating facility fees for the districts requesting the ARB to adopt their fee schedules.

For districts requesting the ARB to adopt fee schedules for them, flat fees are established for facilities in each of the Program categories. Districts specify the fee amounts for the facilities in two of the categories, Survey and Industrywide. The basic formula used in calculating a fee for the other categories is as follows: the cost is divided by the weighted number of facilities. This equals a unit cost, or the cost for the simplest facility in a category. The unit cost is then multiplied by the resource index to get the cost for the more complex categories. This basic formula is used for calculating district costs, and distributing the State's cost in the June 1995 Staff Report for both State Core Program costs, and State risk assessment costs.

The individual facility fee is the sum of the appropriate district cost, the State Core Program cost, and if applicable, the State risk assessment cost. This method results in a uniform State portion of the fee for all facilities in a category. A detailed explanation of the fee calculation method is included in Appendix V.

3. Existing Fee Calculation Method

The existing fee calculation method uses the number of facilities in various Program categories. Facilities are classified into a Program category according to the Program requirements and the Source Classification Codes (SCC) for that facility. The six basic Program categories include the following: Survey, Industrywide, Plan and Report, Risk Assessment, Notification, and Audit and Plan. The complete definitions for these categories are included in the regulation, but we are summarizing the definitions here for easier reference.

- o Survey facilities are facilities which emit less than ten TPY of criteria pollutants for which the facility operator must complete a survey of production, use, or other presence of listed substances.
- o Industrywide facilities are facilities which emit less than ten TPY of criteria pollutants that are or will be in an industrywide inventory prepared by the district.
- o A Plan and Report facility is a facility that has been required by the district, by a designated date, to prepare an individual inventory plan and report. This includes facilities required to complete an update plan, an update report, or an update summary form in this or future fiscal years.

- o A Risk Assessment facility is a facility that has been required by the district, by a designated date, to prepare a health risk assessment.
- o Notification facilities are facilities that are required by the district to notify the public of potential health risks associated with the air toxics emissions from that facility.
- o The Audit and Plan category refers to facilities that are required to prepare a Risk Reduction Audit and Plan by the Hot Spots Act.

To further refine the costs to facilities preparing risk assessments, we have subdivided the risk assessment category into Risk Assessment-District and Risk Assessment-State. This subdivision is based on whether a risk assessment is under review at the OEHHA or at a district. During the early stages of the risk assessment preparation, the resources are expended at the district. For the later stages, State resources are expended when the OEHHA reviews the health risk assessment. Following the OEHHA's review, the resource effort is again concentrated at the district, until the health risk assessment is approved. For the Risk Assessment-State category, we have set a one-year period for the State to review the risk assessments, thereby ensuring that a facility will not be assessed a fee for the Risk Assessment-State category more than once. For the Risk Assessment-District category, we include facilities that have been notified by the district by a designated date, that they must prepare a risk assessment.

A facility in the Risk Assessment category remains in the category until the risk assessment is approved by the district. At that time, the facility moves back to the Plan and Report category if the potential risk from the facility is not significant. If the potential health risk is significant, the facility is placed in the Notification category.

a. Source Classification Codes

Recognizing the range of complexity in facilities, we further divided the categories, other than Survey and Industrywide, into subcategories to account for their complexity. Facilities can be categorized by their SCCs, which are number codes, created by the United States Environmental Protection Agency, used to identify processes associated with point sources that contribute emissions to the atmosphere. Based on the districts' experience and the staff's analysis of facilities, we found a correlation between the number of different SCCs at a facility and the complexity of that facility. Any operation that causes air pollution can be classified by one or more of these SCCs. Each SCC represents a specific process or function that is logically associated with a point source of air pollution within a given source category.

For the fee categories identified by different SCCs, we defined a facility with one or two processes as Simple; a facility with three, four, or five processes as Intermediate; and a facility with more than five processes as Complex. Based on district surveys of the facilities not categorized as Industrywide, 54 percent of the facilities in the State are Simple, having one or

two SCCs; 31 percent of the facilities are Intermediate, having three, four, or five SCCs; and 15 percent of the facilities are Complex, having more than five SCCs. The category term "Intermediate," with respect to SCCs and fees, is different than the term "intermediate" used with respect to prioritization for health risk assessment.

As the basis for fees, the categories are in accordance with Health and Safety Code section 44380(a)(3) because the Program categories are determined by toxics releases and health risk priority of the facility, as determined by the districts.

b. Resource Indexes

Resource indexes are used to allocate costs among the Program categories. The resource indexes account for the different resource requirements and varying complexity of facilities in the Program categories; they provide a method of balancing workload, economic impact, toxicity of emissions, priority, and complexity among facility categories. We use a different set of indexes to allocate costs for State Core Program, State risk assessment, and district Program. A detailed explanation of the determination and use of the resource indexes is contained in Appendix V.

c. Adjustment Factor

The existing fee calculation procedure includes an adjustment factor of five percent for the State's costs. In addition, a five percent adjustment factor is added to the districts' costs recovered through the Fee Regulation. The adjustment factors are included to allow for unforeseen closing of businesses, nonpayment, uncertainty in the facility category information, and uncertainty in the number of facilities that meet the small business cap provision.

d. Undercollection and Overcollection of Costs

The existing Fee Regulation specifies that districts that do not collect sufficient fees to recover State and district costs may, upon notifying the Executive Officer of the ARB, recover the shortfall through fees collected in the following fiscal year. The Fee Regulation also specifies that the Executive Officer may relieve a district of a portion of the fees which must be remitted to the State, if the district's shortfall is due to "demonstrated good cause," such as the unanticipated closure of facilities subject to fees. The Fee Regulation requires districts whose fees are adopted by the ARB and who have collected more in Hot Spots fees than is necessary to recover costs to report this over-collection to the ARB. The districts are then required to retain the excess for expenditure in the following two fiscal years.

4. Special Features of Current Regulation

a. Cap on Fee For Small Businesses

Many of the facilities subject to the provisions of the Act are small businesses. Small businesses may operate with small reserves and low net income, and may not be able to absorb an increase in the cost of doing business. Therefore, we have included a cap for small businesses.

Prior to fiscal year 1993-94, most small businesses paid low flat fees because they emitted less than 25 tons per year of criteria pollutants. If they are included in the Survey and Industrywide categories, most of the small businesses still pay the lowest fees or may qualify for a fee waiver by the districts. In addition, most of the small businesses are in the "Simple" facility program category and, therefore, pay the lowest fees for the program categories other than Survey and Industrywide. Some small businesses, however, are in the higher fee categories and could be subject to a fee that may be detrimental to the profitability of their business. To prevent undue hardship for these businesses, we are continuing to place an upper limit of \$300 on any Program fee that a small business in the districts whose fee schedules are included in the Fee Regulation would pay for fiscal year 1995-96.

The cap for small businesses is applied to the facility fees calculated for the districts whose fee schedules are included in the State Fee Regulation. The cap does not affect the distribution of the State's costs among the districts.

b. Definition of Small Business

We developed the definition for small business in response to a directive of the ARB and after extensive analysis and coordination with affected industries. The definition strikes a balance between sharing costs equitably and preventing an undue burden on smaller businesses. Based on our economic impact analysis, a fee of \$300 should not pose a burden on most small businesses.

For the Fee Regulation, we use the following definition for small business: Small Business means "a facility which is independently owned and operated and has met the following criteria in the preceding year: 1) the facility has 10 or fewer employees, 2) the facility's total annual gross receipts are less than \$1,000,000, and 3) the total annual gross receipts of the California operations of the business the facility is part of are less than \$5,000,000. All oil producers in the San Joaquin Valley Unified Air Pollution Control District will be judged by the criteria of San Joaquin Valley Unified Air Pollution Control District Rule 2201, subsections 3.29.1 - 3.29.3 (Operative October 21, 1993) to determine overall facility size and boundaries for purposes of qualifying as a small business."

Our analysis of data from the United States Small Business Administration Office of Advocacy, U.S. Department of Commerce, and independent oil producers in California indicates that limits on both the number of employees and the annual gross receipts are appropriate for determining applicability of the definition. Seventy-three percent of all facilities have less than ten employees. Of the facilities with less than ten employees, two-thirds have annual gross receipts of less than \$1,000,000. More than ninety-nine percent of the sole proprietorships and partnerships and a majority of the corporations have annual receipts of less than \$1,000,000, so most of the individual small facilities will qualify for our small business fee cap.

The small business definition also includes a \$5,000,000 annual gross receipt limit for the California operations of which the business is part. A business can be independently owned and operated and still be part of another business operation. In this case, the higher gross receipt limit applies.

c. Cap on Fees for Plan and Report (Simple) Category

The current regulation contains a provision for an upper limit of \$800 on the fee for the Plan and Report (Simple) category. This limit is at the district's option, provided that it does not result in a shortfall in the collection of revenue.

d. Cap on Fees for Risk Assessment-District (Simple) Category

The current regulation contains a provision for an upper limit of \$2,000 on the fee for the Risk Assessment-District (Simple) category. This limit is at the district's option, provided that it does not result in a shortfall in the collection of revenue.

D. PROPOSED CHANGES TO THE REGULATION

As discussed earlier in this Staff Report, we are proposing a two-phased approach to further streamline the Program. Under Phase I of the proposal, the ARB staff is recommending an interim step that would provide exemptions from the Fee Regulation for fiscal year 1995-96 for facilities that present a low health risk to the surrounding public. Phase II of the streamlining effort would occur concurrently with Phase I but would be completed in fiscal year 1996-97. In Phase II, ARB staff would propose amendments to the Guidelines Regulation to further streamline the reporting requirements and the applicability criteria. The amendments to the Fee Regulation for fiscal year 1996-97 would occur concurrently.

The three significant changes to the Fee Regulation proposed for fiscal year 1995-96 are all part of implementing Phase I of this proposal. These, and other proposed amendments are discussed in detail below.

1. Exemptions from the Fee Regulation

As part of our Phase I streamlining effort, and working with a De Minimis Committee comprised of district staff and the OEHHA, we developed proposals that would exempt facilities from the Fee Regulation. A facility could qualify for an exemption from the Fee Regulation in three ways. A facility would be exempt from the calculation to distribute the State's cost based on:

- a) Prioritization Score. We propose that a facility that has a prioritization score calculated by its district of less than 0.1 for both cancer and non-cancer risk shall be exempt from the calculation to distribute the State's cost. A prioritization score is determined through a calculation that allows a district to categorize facilities for the purpose of performing a health risk assessment by examining the factors included under Health and Safety Code section 44360(a), including a facility's emissions and the potency of those emissions. In establishing the suggested thresholds presented in the CAPCOA Facility Prioritization Guidelines (July 1990), or prioritization guidelines, a rough correlation was created between a prioritization score (threshold) and an estimated potential facility risk using the conservative modeling scenario presented in the prioritization guidelines. At a score of 0.1 or less, using a conservative modeling scenario, it is not expected that a facility's potential health risk would exceed a cancer risk greater than one case per one million people. For non-cancer health effects a score of 0.1 is an order of magnitude below where any non-cancer health effects may occur. In calculating a facility's prioritization score, each district must use a prioritization scoring method that has undergone public review.
- b) Risk Assessment Results: We propose that a facility that prepared a risk assessment as required by its district, and the risk assessment result shows a potential cancer risk at an actual receptor, summed across all pathways of exposure and all compounds of less than one case per one million persons, and a total hazard index for each toxicological endpoint of less than 0.1 shall be exempt from the Fee Regulation. The risk assessment must also have undergone review by the OEHHA and must be approved by the district in writing to qualify for this exemption. This ensures that the results are valid. Also, written approval provides verification of the exempt facility.
- c) De Minimis Levels: We are proposing to exempt printing shops, wastewater treatment plants, crematoria, and boat and ship building and repair facilities from the Fee Regulation based on de minimis throughputs or usage. For each facility type, the throughput or usage described below should result in a potential cancer risk of no more than one case per one million persons and a non-cancer risk an order of magnitude below a level where any adverse health effects may occur. The specific de minimis level for each facility type follows.

- 1) Printing Shops: Facilities whose primary business is printing, as described by SIC Codes 2711 through 2771 or 2782, would be exempt from the Fee Regulation if it uses an annualized average of all graphic arts materials of two gallons per day or less, or an annualized average of all graphic arts materials of 17 pounds per day or less. The throughput that would result in these levels of potential risk was calculated by developing a "worst case" chemical usage scenario and using conservative modeling parameters in a screening risk assessment.
- 2) Wastewater Treatment Plants: A facility that is a wastewater treatment plant described by SIC Code 4952 would be exempt from the Fee Regulation if it does not have a sludge incinerator and its maximum throughput does not exceed 10,000,000 gallons per day. The throughput that would result in these levels of potential risk was calculated using a prioritization analysis to determine what throughput would be equivalent to a prioritization score of 0.1.
- 3) Crematoria: A facility that is a crematorium for humans or animals as described by SIC Code 7261 or any SIC that describes a facility using an incinerator to burn biomedical waste (animals), that cremates no more than 300 cases or 43,200 pounds annually using propane or natural gas as fuel, would be exempt from the Fee Regulation. The throughput that would result in these levels of potential risk was calculated using source test data and a screening risk assessment analysis.
- 4) Boat and Ship Building and Repair: A facility whose primary business is boat or ship building and repair as described by SIC Codes 3731 or 3732 would be exempt from the Fee Regulation if it uses 20 gallons per year or less of coatings or is a coating operation using hand held nonrefillable aerosol cans only. The throughput that would result in these levels of potential risk was calculated through a prioritization score analysis to determine what throughput would be equivalent to a prioritization score of 0.1.

The intent of the Phase I exemptions is to quickly remove any facility from fees that clearly does not constitute or contribute to an air toxics hot spot. The selection of the values for the prioritization score, the risk assessment values, and the source category exemptions are based on the premise that any risk below a level of one potential cancer case per one million people and a non-cancer risk less than 0.1 will not likely result in any subsequent review or analysis. The facilities that are above this level are the facilities that are most likely to benefit from the work in progress during fiscal year 1995-1996, including the risk assessment guidelines and the risk reduction audit and plan guidelines. They are also the facilities that are most likely to contribute to a local hot spot in an evaluation of cumulative risk from multiple facilities.

In addition, these levels are consistent with de minimis levels used in other air toxic programs. For example, the one potential cancer case per million is the trigger level for the application of the best available control technology for toxics identified in the Air Resources Board's Risk Management Guidelines for New and Modified Sources of Toxic Air Contaminants, as well as several districts' new source review rules for toxics. It is also the level that triggers an evaluation of the need for further control of stationary sources under the residual risk program outlined in section 112(f) of the federal Clean Air Act.

The Phase II analysis will include a more comprehensive evaluation of appropriate exemption levels. This evaluation will encompass a more thorough assessment of individual source categories, the relationship of prioritization score to risk, and the potential for impacts from a cumulative risk analysis. Until this work is completed, we believe it is reasonable and health protective to have the remaining facilities continue to support the Program.

2. Modification to the Method to Distribute the State's Cost

Because of our proposal to exempt facilities, we are proposing a further modification to the method used to distribute the State's cost among districts. In the June 1995 Staff Report, we calculated a cost per facility and distributed the State's cost based on updated facility counts received from the districts in May 1995. To ensure that the cost per facility will not increase because of the exempted facilities, we propose that the previously calculated cost per facility remain unchanged. For each district, we totaled the revenue lost due to the exemptions and subtracted it from the amount to be paid to the State. By doing this, costs to the remaining facilities are not increased. In addition, all air districts' costs are reduced or unchanged from what was proposed in the June 1995 Staff Report. On average, as a result of the exemptions and other facility count updates, district shares of the State's cost are reduced by about 13.5 percent compared to our June 1995 proposal.

3. Reduction in the State's Cost

The proposed exemptions and our proposal to modify the calculation of the distribution of the State's cost will reduce the State's revenue. The cost to be recovered through fees for fiscal year 1994-95 was \$4,237,000. The June 1995 Staff Report contained a proposed State cost of \$3,650,000, already a 14 percent reduction compared to last year. This cost reflected an accelerated Program plan reduction of \$587,000. Now, with our exemption proposals, the State's Program would be reduced by an additional \$846,000. As a result of the accelerated Program plan cut and the revenue reductions resulting from the exemptions, the State's Program cost for fiscal year 1995-96 would have to be reduced. With the recommended exemptions, fees collected would be \$2,804,000. This is a reduction of over \$1.4 million dollars (34 percent) from the fees assessed in fiscal year 1994-95. We are continuing to receive updated facility counts from the districts that reflect the proposed exemptions. These changes will be presented at the ARB hearing in January 1996 and the State's cost will be adjusted accordingly.

4. Other Proposed Changes

a. Fee for Risk Assessments Being Reviewed by the State

We propose to include a provision that will establish a fee-for-service for review of risk assessments submitted to the State after the period of applicability for fiscal year 1995-96. For risk assessments submitted to the State after March 31, 1995, the districts will be required to reimburse the OEHHA for its actual costs to review the risk assessment. This provision is in accordance with Section 44361 of the Health and Safety Code. The OEHHA would track the hours spent on each risk assessment, detail this on an invoice, and mail the request for reimbursement and the invoice to the applicable district.

We are proposing this change in response to comments we've received that risk assessment review is a direct cost and should be recovered through a per hour charge. This approach is preferred so that a facility will pay only for the time spent on its risk assessment. With the current method for recovery of these costs, fees are averaged and facilities which provide the State with high quality risk assessments may be paying more than their fair share of costs.

Districts with facilities whose risk assessments were submitted to the State for review through March 31, 1995 will be assessed costs in accordance with Tables 1 and 3 in the Fee Regulation. The proposed fee-for-service will not change those costs or fees. For facilities with risk assessments submitted after March 31, 1995, future year facility fees will not include risk assessment review cost.

b. Districts Shares of the State's Cost

Table 1 of the proposed Fee Regulation has been revised to reflect updated districts' share of the State's costs. The difference between the total of Table 1 in the Fee Regulation and the totals shown in Table 2 and Table 7 in this report are due to rounding.

c. Fee Schedules

Tables 2 and 3 of the Fee Regulation have been revised to reflect the district Program costs and facility fees in the twelve districts which have requested that the ARB adopt fee schedules for them. All the tables also reflect updated facility counts from all districts. Table 4 of the proposed amended regulation has been revised to update district-specified flat fees. The districts specify and justify the fee for facilities in the Survey and Industrywide categories. The updated fees more accurately reflect the average cost of Program activities for these facilities.

d. Districts Requesting State Adoption of Fee Schedules

Health and Safety Code section 44380 allows the ARB to adopt fee schedules for only those districts that submit district program costs to the ARB by April 1 of the fiscal year preceding the Fee Regulation. The proposed fee schedules reflect each district's share of the State's costs, as calculated by the ARB, and district Program costs that have been approved by the governing board of the district. Twelve districts have fulfilled the requirements and will have the ARB adopt fee schedules for them as a part of the statewide fiscal year 1995-96 Fee Regulation. Those districts are the Calaveras, Imperial, Lassen, Mariposa, Placer, Santa Barbara, and Tuolumne County APCDs; the Great Basin and San Joaquin Valley Unified APCDs, the Mendocino County, Mojave Desert, and Yolo-Solano County AQMDs.

For these districts, the ARB will deduct the amount of a district's cost to be recovered from industrywide facilities prior to distributing each district's cost. If the district chooses to waive fees for industrywide facilities, the State's cost to be recovered from these facilities will be distributed among facilities in other Program categories.

Figure 10 lists the districts included in the State's Fee Regulation and the districts adopting local fee rules.

e. Definitions

Section 90701 of the Fee Regulation defines the terms used in the regulation. We propose to modify three definitions and add two definitions. We recommend the definition for Facility Program Category be modified to clarify that the list of facilities provided to the State by the districts must include each facility's name and identification number. This information is needed to perform various economic analyses and to verify and substantiate facility count changes. Another modification to this definition would delete the requirement that districts would need to supply a list of their Survey facilities, and add the requirement that districts supply a list of their State Industrywide facilities. We no longer require a list of Survey facilities as they are not part of the calculation to distribute the State's cost. However, because State Industrywide facilities are included in the calculation to distribute the State's cost, we are now requiring that districts supply a list of these facilities.

We recommend the definition for Industrywide facility be modified to delete the reference to the small business definition in the Fee Regulation. Deleting this reference makes the Fee Regulation consistent with the Emission Inventory Criteria and Guidelines Regulation.

The definition for Risk Assessment-State facility was updated to include a revised one-year period of applicability. This change is necessary so that a facility in this category is not assessed the fee for Risk Assessment-State more than once.

We propose to add a definition for SIC Code. An SIC Code is a numeric code which classifies establishments by the type of business activity in which they are engaged. We use the SIC codes to help describe State Industrywide facilities and the facility types that qualify for de minimis exemptions.

We propose to add a definition for a State Industrywide Facility to ensure that the State costs are distributed equitably across districts. The districts commented to us that we needed to be specific and clarify exactly which industrywide facilities would be used in the distribution of the State costs calculation. The new definition was developed through a lengthy process involving meetings of the Fee Regulation Committee and presenting various proposals at the May 1995 public workshops.

As a result of this process, we specified four types of facilities by SIC Code, as classes which meet the requirements for industrywide facilities specified in Health and Safety Code Section 44323(a)-(d). These four classes of facilities contain over 90 percent of the earlier reported industrywide facilities, and include gasoline service stations as described by SIC code 5541, autobody repair shops as described by SIC codes 5511-5521 or 7532, dry cleaners as described by SIC Code 7216, and printing shops as described by SIC Codes 2711-2771 or 2782. Most districts have already documented that they have facilities in these classes. We are also able to independently verify facility counts for these classes through data provided by Division of Measurement Standards, Department of Food and Agriculture; ARB surveys of dry cleaning facilities; and County Business Patterns, United States Department of Commerce.

We are also providing flexibility to the districts. Districts can specify additional classes as State Industrywide Facilities if proper documentation is presented to and approved by the Executive Officer of the ARB that shows that the additional class or classes meet the definition requirements. The definition requirements are that the class of facilities qualifies to be included in an industrywide emission inventory prepared by an air pollution control or air quality management district pursuant to Health and Safety Code section 44323, that the individual facilities have not prepared individual Plans and Reports, and the individual facilities release less than ten tons per year of each criteria pollutant.

f. Provisions for Facility Count Verification

We are including a provision in our proposed changes that will require the districts to provide documentation for facility count changes. The districts must provide the name, facility identification number, previous category, and current category of any facility which is not in the same category as the previous year. The district must also provide the SCC for facilities being added to the Industrywide category. We will use this information to determine the fee category of the facility for purposes of calculating the distribution of the State's costs, and make changes as appropriate. Without this information, we cannot sufficiently validate facility counts provided by the districts.

g. Code References

The alphabetical code section references in several areas of the Fee Regulation were modified to reflect the new definition, new sections, and deleted sections.

h. Applicability

We propose to change several subsections and add subsections to clarify applicability of the regulation. The changes and additions clarify which facility program categories, including the use of the new State Industrywide Facility category, are used in the distribution of the State's costs among districts. The changes also clarify which provisions of the regulation apply to districts adopting their own fee rules, and which provisions apply to districts whose fee schedules are included in the regulation. We believe these proposed changes are necessary to make the regulation clear for the districts adopting their own fee rules.

i. Purpose of Table 2

Language has been added to clarify the purpose of Table 2, District Costs to be Recovered Through the Fee Regulation, in the regulation. The information from Table 1 and Table 2 is used to calculate the fees in Table 3.

j. State Cost for Santa Barbara Risk Assessments

We are proposing to update the State cost used to calculate fees for Intermediate and Complex risk assessments prepared for facilities in the Santa Barbara County APCD by the district that are under review by the State. If a district prepared the risk assessment using an automated computer program approved by the ARB, Risk Assessment-State (Intermediate) facilities will pay a State cost of \$1,476, and Risk Assessment-State (Complex) facilities will pay a State cost of \$1,702. The appropriate district cost will be added to this cost to arrive at a facility fee. Risk assessments prepared using an automated program usually require less State time to review. Therefore, the facility should be charged a lesser fee.

k. Delete Reference to Labor-Tracking

Last year a provision was added to the regulation for the initiation of labor-tracking by the OEHHA during fiscal year 1994-95. The tracking is in progress, so the reference is now obsolete. In addition, the requirement is no longer necessary because we are proposing to add a new requirement that a fee-for-service be charge by the OEHHA for review of risk assessments.

l. Shortfall Recovery

We propose to increase the time period in which a shortfall in revenue may be recovered from districts whose fee schedules are included in the regulation. The time period is extended to

up to four years. The increased time period is needed to prevent undue economic hardship for facilities in some districts. If the shortfall provision is not changed and a shortfall is carried over only one year, the fees may increase substantially compared to the previous year. For that reason, we believe four years to be a more reasonable amount of time for the recovery of these costs.

m. Appendix A. District Toxics Inventories, Reports, or Surveys

Appendix A of the existing Fee Regulation lists air pollution control districts' inventories, reports, or surveys. These inventories, reports and surveys are one of the criteria used to determine if a facility is subject to the Program, as required by Health and Safety Code section 44320(b). The Monterey Bay Unified APCD and the South Coast AQMD have requested that we delete their toxics inventories because these facilities are now included on the inventory developed under the Program. The districts felt that the listing in Appendix A was no longer needed to clarify applicability. The Mojave Desert AQMD requested that we revise the title of their toxics inventory to reflect the change in the name of the district.

n. Resource Indexes for State Industrywide Facilities

The resource indexes for State Industrywide Facilities were modified to keep the cost associated with these facilities at \$15.

o. Change in Date for Updating Facility Counts

In the current Fee Regulation, districts are required to provide a list of facilities by Program category based on a facility's status as of April 1 prior to the start of the fiscal year. For this year, we are proposing to change that deadline to December 15, 1995 to allow districts time to update their facility counts based on the exemption proposals.

VI.

ENVIRONMENTAL AND ECONOMIC IMPACTS

A. INTRODUCTION

The environmental and economic impacts from the fees assessed through the Fee Regulation are discussed in this chapter. We are not aware of any adverse environmental impacts resulting from implementing the Fee Regulation. The economic impacts were determined using draft fees calculated based on preliminary facility counts provided by the districts. On average, the fees used were over eight percent higher than the fees that have been calculated based on the current proposals. Because of the proposed exemptions to the Fee Regulation and a lower State cost, these analyses likely overestimate the economic impacts on facilities in California.

B. ENVIRONMENTAL IMPACT

We do not anticipate any potential adverse impacts on the environment attributable to implementation of the amendments proposed to the regulation. The Fee Regulation may provide indirect environmental benefits because the fees recover the State's cost for emission data collection and analysis, and businesses can use these data to voluntarily reduce emissions.

Neither the current Fee Regulation, nor any of the proposed amendments require the installation of pollution control equipment, or a performance standard, or a treatment requirement within the meaning of Public Resources Code section 21159.

C. ECONOMIC IMPACT ANALYSES

The Hot Spots Act may require any facility subject to the Act to pay a fee pursuant to the Fee Regulation.

To comply with State law, before adopting any changes to the Fee Regulation, we must estimate the potential economic impacts of the fees. We do an analysis to determine if any State or local government agency will have an adverse economic impact from paying Hot Spots fees. We also conduct another analysis to determine the impact of the fees on California businesses. The economic impact analysis on businesses includes an evaluation of the ability of California businesses, being assessed these fees, to compete with similar businesses in other states. We also are required to estimate if imposing these fees would cause a business to relocate, cease or commence operation, or hire or layoff employees, or any combination of these.

We performed the economic impact analyses using draft facility fees for fiscal year 1995-96 for districts in the ARB Fee Regulation. Districts that are adopting their own fee rules provided us with estimates of fees for their facilities. For districts whose fee schedules are included in the Fee Regulation, draft fees were calculated based on the facility program category. For districts adopting their own fee rules, we used draft and adopted fee rules, as well as district personnel estimates of fees.

The same basic approach was used to estimate the impact of the proposed fee-for-service for OEHHA review of risk assessments submitted to the State after March 31, 1995. At the time of the analysis, only two risk assessments had been submitted subsequent to March 31, 1995. To obtain a larger database, the risk assessments submitted since April 1, 1994 were also included in the analysis. The fees these facilities would pay under the new proposal were estimated based on OEHHA's previous experience in reviewing risk assessments. The average cost per hour for a qualified reviewer and the average number of hours to review a risk assessment were used to obtain an estimated fee. The estimated fee was then used to calculate a change in Return on Equity (ROE).

At the time of these analyses, the State budget had not been approved. However, in analyzing the potential fiscal and economic impacts, the State's initial proposed cost of \$3,650,000 was used. With the exemptions we are now proposing, the State's cost is reduced to \$2,804,000.

1. Impact on Government Agencies

We originally conducted a fiscal impact analysis for a Staff Report that was issued in June 1995. The fiscal impacts estimated at that time were based on a higher State cost and did not exempt any facilities from the Fee Regulation. Based on the proposed exemptions, we revised the Fiscal Impact Statement using updated facility fees to estimate the fiscal impact on government agencies.

a. State Government Agencies Costs

The Fee Regulation will impose costs on some State agencies that must comply with the requirements of the Act. Our analysis indicates that State agencies will be able to absorb the fees assessed to them within existing budgets and resources. Hospitals, colleges and universities, and correctional facilities are examples of State-owned facilities that may have to pay Hot Spots fees. In our original estimate for the June 1995 Staff Report, the fees for State agencies were estimated to range from \$50 to \$10,422. The total cost estimate for State-owned facilities was \$142,318.

In the revised Fiscal Impact Statement, we estimated that about 20 percent of facilities statewide would qualify for an exemption. Our earlier estimate of the range of fees paid by

State-owned facilities is unchanged. However, if 20 percent of these facilities qualify for an exemption, the total fiscal impact is reduced to \$117,510.

By law, the Fee Regulation must recover all of the ARB's and OEHHA's costs for the Program. Implementing the Fee Regulation is part of the ARB's cost. We estimate that the ARB's cost to develop and implement the Fee Regulation for fiscal year 1995-96 is \$152,000. This is about five percent of the revised total cost for the ARB and the OEHHA of \$2,804,000.

b. Local Government Agencies Costs

The adoption of the proposed regulation will create costs and impose a State-mandated program upon local government agencies that will be required to pay the fees established. Potentially affected agencies include air districts; utilities, air, water, and solid waste facilities; school districts; hospitals; and publicly owned treatment works (POTWs). We originally estimated that fees assessed local governmental agencies would range from \$25 to \$9,750. The total costs assessed to local governmental agencies, other than the districts, were estimated to be \$422,985.

However, based on the proposed exemptions, and the revised Fiscal Impact Statement, we now estimate the total cost to be assessed to local governmental agencies will be reduced to \$322,008. The range of fees is unchanged from what we earlier estimated.

Implementing the amended regulation will create costs and impose a State-mandated local program upon the districts. These costs are incurred because a district must set up a program to notify and collect fees from the operator of every facility subject to the Act. However, these district costs are not reimbursable by the State within the meaning of Section 6 of Article XIII B of the California Constitution and Government Code, section 17500 et seq., because the districts have the authority to levy fees sufficient to pay for the mandated program (Government Code section 17556(d)). The districts costs to implement the amended regulation are estimated to be \$610,000. This estimate is unchanged in the revised Fiscal Impact Statement.

The costs of twelve air pollution control districts will be recovered through the fee schedules in the proposed changes to the Fee Regulation. The Fee Regulation requires the remaining districts to adopt district rules to recover the district's costs and share of the State's costs. The total of districts' costs to be recovered is approximately \$5.9 million.

A high percentage of water treatment works are publicly owned. However, their costs of compliance with the proposed regulation are not reimbursable by the State within the meaning of Article XIII B, section 6 and Government Code Sections 17500 et seq. Publicly Owned Treatment Works are authorized to levy service charges to cover the costs associated with the mandated Fee Regulation program. The earlier estimated total cost for POTWs was \$120,446.

We are now proposing an exemption for wastewater treatment plants without sludge incinerators that have maximum daily throughputs of less than 10,000,000 gallons. In the revised Fiscal Impact Statement we estimated that about 50 percent of POTWs would qualify for this exemption. Therefore, we now estimate that the total cost for POTWs is reduced to \$70,530.

2. Impact on Non-Government Facilities

This analysis was conducted prior to issuing the June 1995 Staff Report. The fees used at that time to estimate the economic impact on non-government facilities were, on average, eight percent higher. Because of that we now believe that the economic impacts were likely overestimated. Furthermore, because of the exemption proposals, fewer facilities are paying fees.

The amended regulation will create costs and impose a State-mandated program on facilities that are subject to the Act. As described in Chapter II, each of these facilities may be required to pay a Hot Spots fee pursuant to the Fee Regulation.

We conducted a financial analysis to determine the potential economic impacts to businesses resulting from the fees proposed in this regulation. We are also required to estimate if imposing these fees would cause a business to relocate, cease or commence operation, or hire or layoff employees, or any combination of these. Appendix VII contains the detailed economic impact analysis. Included in this analysis is an evaluation of the ability of California businesses, subject to the Fee Regulation, to compete with similar businesses in other states.

The approach used in assessing the potential economic impact of the amended regulation on businesses is as follows:

- (1) We developed a list of SIC Codes that represent industries with businesses that would be required to pay fees. Using the ARB's inventory of toxic emissions, a random sample of one to three businesses, from different areas of the State, was selected from each of the applicable SIC categories.
- (2) Fees were estimated for each of these approximately 1,100 businesses using draft fees. The fees shown in Table 3 of the amended regulation have been updated since this analysis and are, on average, eight percent lower than those used for this analysis. Table 3 lists fee amounts by facility program category for each district having the ARB adopt fee schedules for them. Facility fees will vary by district because of differences in the anticipated district program costs. The highest fee in each SIC was then used in the analysis.

- (3) The fees required by this regulation are a business expense. Approximately 40 percent of the fee is deductible on State and federal tax returns as a business expense. This deduction is accounted for in determining potential economic impact.
- (4) The ROE was calculated for each of the business categories by dividing the net profit by the net worth. The adjusted fees were then subtracted from net profit data. The results were used to calculate an adjusted ROE. The adjusted ROE was then compared with the ROE before the subtraction of the adjusted fees, to determine the impact on the profitability of the businesses. A substantial reduction in profitability (10 percent) indicates a potential for significant financial difficulties.

This economic analysis includes 309 industries with a variety of products. For some additional industries with affected businesses, however, an analysis of the potential impact of the fees could not be performed because of the lack of financial data.

We conclude that overall, California businesses seem to be able to absorb the costs of the fees without significant adverse impact on their profitability. Although some businesses would potentially experience a greater reduction in their profitability than others, most businesses appear to be able to absorb the impact of the fee. In addition, we expect that the actual cost impact of the fees on the profitability of California businesses is most likely to be less than what we have estimated in this analysis. These reasons are described in the detailed analysis contained in Appendix VII of this report. The proposed fees are low enough and will be applied in such a manner that it is unlikely that they will result in a significant adverse economic impact on businesses. However, the imposition of the amended fees may have a significant adverse impact on some businesses operating with little or no margin of profitability.

a. Ability to Compete with Other States

Our analysis indicates that, in general, imposing these fees will not hinder a business' ability to compete with similar businesses in other states. However, for some businesses, operating with little or no margin of profitability, assessing these fees may have a significant adverse impact on their ability to compete with similar businesses in other states.

b. Effect on Jobs and Businesses

This proposed regulation is not expected to affect the creation or elimination of jobs or businesses within the State. Our analysis also indicates that imposing these fees should not cause a business to cease or commence operation or relocate, or any combination of these. However, for some businesses operating with little or no margin of profitability, assessing these fees may have a significant adverse impact on the creation, elimination, or expansion of jobs and businesses within the State.

VII.

EVALUATION OF ALTERNATIVES

A. INTRODUCTION

The various alternatives that were considered by the ARB staff in developing the proposed changes to the Fee Regulation are discussed in this chapter. The ARB staff's recommendation on adoption of the proposed amendments is also included.

B. EVALUATION OF ALTERNATIVES

Government Code section 11346.14 requires us to describe the alternatives to the proposed regulation that were considered. We identified the following options:

Option 1: Do not adopt a Fee Regulation.

We considered this option, but State law requires us to review and adopt, if necessary, a Fee Regulation annually. Health and Safety Code section 44380(a) requires the ARB to adopt a regulation that recovers all of the State's cost to implement the Program. It also requires districts to adopt fee rules to recover their costs and their portion of the State's cost. Some districts choose to have their fee schedules established in the State's Fee Regulation. Districts that ask the ARB to calculate and adopt fees will have the means available to recover the costs of implementing the Program as required by law.

We, therefore, recommend rejecting this option. Also, the Fee Regulation is the only option in the Act that provides for assessing fees on nonvehicular sources to obtain the needed additional resources.

Option 2: Assess fees on a criteria pollutant emissions basis.

Health and Safety Code section 44380(a)(3) requires that Hot Spots fees be based on toxics emissions and facility risk priority to the extent practicable. In 1993, we developed the Hot Spots Facility Program Category method to comply with this mandate. This method considers toxic emissions and facility risk priority. To continue to meet this mandate, we recommend that the criteria pollutant emissions option be rejected.

Option 3: Assess fees based on weighted toxics emissions.

Toxics emissions data are available for Phase I and most of Phase II facilities; however, only limited data are available for Phase III facilities. In 1993, streamlining measures for the Hot Spots Program changed the inventory update requirements to a four-year cycle. The first of the required updates under this new schedule are due in 1996. If we were to change the fee method to a weighted toxics emissions based method this year, many facilities would want to update their inventory now instead of waiting for their scheduled date. Industry would incur an additional expense for updating the inventory out-of-cycle. We believe this goes against the spirit of the streamlining measure. We, therefore, recommend rejecting this option. However, we will be studying this as an option in Phase II of our streamlining proposal for fiscal year 1996-97.

Option 4: Modify the existing method for determining fees.

We considered several different modifications to the current Program Category method of assessing fees, and presented these proposals at our public workshops held in May 1995. We considered revising the SCC portion of the fee structure in response to comments received from different industry groups. These revisions included: (1) not using any SCC subcategories, (2) using the first three digits of the SCC instead of six, (3) moving low priority, complex facilities to the intermediate category, and (4) further subdividing the complex subcategory. We also considered modifying the small business definition and fee to include a three-tiered fee based on SCCs.

The first method, eliminating the SCC subcategories, results in higher fees for the simpler facilities since the complex facilities would be paying less. Because the fees would be higher for a large number of smaller facilities, we are not recommending this approach.

The second method, using only the first three digits of the SCC, results in an overall shift in the number of facilities into the lower fee categories. With fewer facilities in the high categories, the fees for all categories increase. Again, because fees increase for a large number of the smaller facilities, we do not recommend this approach.

Some small oil producers requested that we modify the manner in which their facilities are categorized using SCCs. They proposed that for fee purposes, oil producers with gross revenues between \$5 million and \$50 million per year who have low and intermediate priority Plan and Report facilities, have a fee cap at the Plan and Report (Intermediate) level. Our analysis estimated that this proposal could increase the fees for all other facilities from approximately \$30 to \$500 per facility. Because fees would increase for a large number of facilities, we do not recommend this approach.

In response to comments we received from the aerospace industry, we examined further subdividing the complex subcategory into three more subcategories. This change would not

have much affect on the distribution of the State's costs or fees, because very few facilities are in the complex category. A few of the very complex facilities would pay higher fees. We received no comments in support of this proposal at our public workshops held in May 1995, so we are not recommending a change at this time.

One of the districts requested we consider a three-tiered fee for small businesses based on SCCs. This proposal would not affect the distribution of the State's cost among districts. Our analysis showed that this proposal would not have a large impact on facility fees in most districts, since there is a balance of simple and complex small businesses. A disadvantage of this proposal is that it makes the fee system more complicated, and it increases the workload for both the district and the State in determining correct fees. It also increases the fees for some small businesses from \$300 to \$400. We received no comments in support of this proposal at our public workshops held in May 1995. For these reasons, we are not recommending a change at this time.

Option 5: Approve the proposed changes to the Fee Regulation.

The Fee Regulation fulfills a very specific legal requirement. The proposed changes are made in accordance with legislative mandates. The proposed fee basis considers facility priority which is related to the facility's toxics emissions. No alternative would be more effective in carrying out the legislative mandated purpose for which the regulation is proposed or would be as effective, equitable, and less burdensome to affected private persons.

By approving these amendments, Phase I of our two-phased proposal to further streamline the Program would be complete. These amendments will result in reducing the State's cost to \$2,804,000, over 34 percent lower than last year. Facilities remaining subject to the Fee Regulation will realize about a 19 percent cut in their State cost, and districts we adopt fee schedules for will, on average, assess fees to facilities that are 16 percent lower than last year.

By adopting these amendments, we can ease the burden on affected facilities while still implementing a responsible, health protective Program.

C. RECOMMENDATION

We recommend that the ARB adopt the proposed amendments to the Fee Regulation for fiscal year 1995-96. These changes are described in more detail in Chapter V, and are contained in Appendix I to this report.

Appendix I

**Proposed Amendments to the Air Toxics
Hot Spots Fee Regulation
For Fiscal Year 1995-96**

Note: Language to be added is underlined and language to be removed is shown in ~~strikeout~~

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SUBCHAPTER 3.6 AIR TOXICS "HOT SPOTS" FEE REGULATION

Article 1. General

90700. Purpose and Mandate.

- (a) This regulation provides for the establishment of fees to pay for the cost of implementing and administering the Air Toxics "Hot Spots" Information and Assessment Act of 1987 (the "Act"; Stats 1987 ch 1252; Health and Safety Code Section 44300 et seq.).
- (b) Each district with jurisdiction over facilities meeting the criteria set forth in Section 90702(a)(1), (a)(2), and (a)(3) shall annually collect from the operator of each such facility, and each operator shall pay, fees which shall provide for the following:
 - (1) Recovery of anticipated costs to be incurred by the State Board and the Office to implement and administer the Act, as set forth in Table 1 of this regulation, and any costs incurred by the Office or its independent contractor for review of facility risk assessments submitted to the State after March 31, 1995 under Health and Safety Code Section 44361(c).
 - (2) Recovery of anticipated costs to be incurred by the district to implement and administer the Act, including but not limited to the cost incurred to: review emission inventory plans, review emission inventory data, review risk assessments, verify plans and data, and administer this regulation and the Air Toxics "Hot Spots" program.

NOTE: Authority cited: Sections 39600, 39601, and 44380, Health and Safety Code.
Reference: Sections 44320, 44361, and 44380, Health and Safety Code.

90701. Definitions.

- (a) "Air pollution control district" or "district" has the same meaning as defined in Section 39025 of the Health and Safety Code.
- (b) "Audit and Plan Facility" means a facility that is required by the district, by April 1 of the calendar year prior to the fiscal year, to prepare a Risk Reduction Audit and Plan in accordance with Sections 44390 through 44394 of the Health and Safety Code.

- (c) "Audit and Plan Facility (Complex)" means a facility that meets the criterion set forth in Section 90701(b), and has more than five processes as determined by six-digit Source Classification Codes (SCC).
- (d) "Audit and Plan Facility (Intermediate)" means a facility that meets the criterion set forth in Section 90701(b), and has three to five processes as determined by six-digit SCC.
- (e) "Audit and Plan Facility (Simple)" means a facility that meets the criterion set forth in Section 90701(b), and has one or two processes as determined by six-digit SCC.
- (f) "Criteria pollutant" means, for purposes of this regulation, total organic gases, particulate matter, nitrogen oxides or sulfur oxides.
- (g) "Facility" has the same meaning as defined in Section 44304 of the Health and Safety Code.
- (h) "Facility Program Category" means a list of facilities, including facility name and identification number, provided to the Air Resources Board by the districts by April 1 of the calendar year prior to the fiscal year, which lists the facilities which meet the definitions in Section 90701 (b), (c), (d), (e), (f), (j), (k), (l), (m), (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), (z), (aa), and (af).
- (i) "Industrywide Facility" means a facility that qualifies to be included in an industrywide emission inventory prepared by an air pollution control district pursuant to Health and Safety Code Section 44323, or an individual facility which emits less than 10 tons per year of each criteria pollutant, falls within a class composed of primarily small businesses, ~~as defined by subsection (ab) below~~, and whose emissions inventory report was prepared by the air pollution control district.
- (j) "Notification Facility" means a facility that is required by the district by April 1 of the calendar year prior to the fiscal year, to notify the public of the potential health risk associated with the air toxics emissions from that facility pursuant to Health and Safety Code Section 44362(b).
- (k) "Notification Facility (Complex)" means a facility that meets the criterion set forth in Section 90701(j), and has more than five processes as determined by six-digit Source Classification Codes (SCC).
- (l) "Notification Facility (Intermediate)" means a facility that meets the criterion set forth in Section 90701(j), and has three to five processes as determined by six-digit SCC.

- (m) "Notification Facility (Simple)" means a facility that meets the criterion set forth in Section 90701(j), and has one or two processes as determined by six-digit SCC.
- (n) "Office" means the Office of Environmental Health Hazard Assessment.
- (o) "Operator" has the same meaning as defined in Section 44307 of the Health and Safety Code.
- (p) "Plan and Report Facility" means a facility that by April 1 of the calendar year prior to the fiscal year, has been required by the district to prepare an individual plan and report in accordance with Sections 44340, 44341, and 44344 of the Health and Safety Code. This includes facilities completing an update plan, an update report, an update summary form, and facilities in the Santa Barbara County Air Pollution Control District that were categorized as intermediate priority for health risk assessment, and had a health risk assessment prepared for them by the district.
- (q) "Plan and Report Facility (Complex)" means a facility that meets the criterion set forth in Section 90701(p), and has more than five processes as determined by six-digit Source Classification Codes (SCC).
- (r) "Plan and Report Facility (Intermediate)" means a facility that meets the criterion set forth in Section 90701(p), and has three to five processes as determined by six-digit SCC.
- (s) "Plan and Report Facility (Simple)" means a facility that meets the criterion set forth in Section 90701(p), and has one or two processes as determined by six-digit SCC.
- (t) "Risk Assessment-District Facility" means a facility that by April 1 of the calendar year prior to the fiscal year, has been required by the district to prepare a health risk assessment in accordance with Section 44360(b) of the Health and Safety Code, and whose risk assessment has not yet been approved by the district.
- (u) "Risk Assessment-District Facility (Complex)" means a facility that meets the criterion set forth in Section 90701(t), and has more than five different processes as determined by six-digit SCC.
- (v) "Risk Assessment-District Facility (Intermediate)" means a facility that meets the criterion set forth in Section 90701(t), and has three to five different processes as determined by six-digit SCC.

- (w) "Risk Assessment-District Facility (Simple)" means a facility that meets the criterion set forth in Section 90701(t), and has one or two different processes as determined by six-digit SCC.
- (x) "Risk Assessment-State Facility" means a facility whose risk assessment was received by the Office between April 1, ~~1993~~ 1994, and March 31, ~~1994~~ 1995.
- (y) "Risk Assessment-State Facility (Complex)" means a facility that meets the criterion set forth in Section 90701(x), and has more than five different processes as determined by six-digit SCC.
- (z) "Risk Assessment-State Facility (Intermediate)" means a facility that meets the criterion set forth in Section 90701(x), and has three to five different processes as determined by six-digit SCC.
- (aa) "Risk Assessment-State Facility (Simple)" means a facility that meets the criterion set forth in Section 90701(x), and has one or two different processes as determined by six-digit SCC.
- (ab) "Small Business" for the purposes of Section 90704(g)(2) means a facility which is independently owned and operated and has met the following criteria in the preceding year: 1) the facility has 10 or fewer employees; 2) the facility's total annual gross receipts are less than \$1,000,000; and 3) the total annual gross receipts of the California operations the facility is part of are less than \$5,000,000. All oil producers in the San Joaquin Valley Unified Air Pollution Control District will be judged by the criteria of San Joaquin Valley Unified Air Pollution Control District Rule 2201, subsections 3.29.1 - 3.29.3 (Operative October 21, 1993) to determine overall facility size and boundaries for purposes of qualifying as a small business.
- (ac) "Source Classification Codes" means number codes created by the United States Environmental Protection Agency used to identify processes associated with point sources that contribute emissions to the atmosphere.
- (ad) "Standard Industrial Classification (SIC) Code" means the Standard Industrial Classification Code which classifies establishments by the type of business activity in which they are engaged, as defined by the Standard Industrial Classification Manual, 1987, published by the Executive Office of the President, Office of Management and Budget, 1987.
- (ade) "State costs" means the reasonable anticipated cost which will be incurred by the State Board and the Office to implement and administer the Act, as shown in Table 1 of this part.

- (af) "State Industrywide Facility" means a facility that (1) qualifies to be included in an industrywide emission inventory prepared by an air pollution control or air quality management district pursuant to Health and Safety Code Section 44323, (2) releases, or has the potential to release, less than ten tons per year of each criteria pollutant, and (3) is either of the following:
- (A) a facility in one of the following four classes of facilities: autobody shops, as described by SIC Codes 5511-5521 or 7532; gasoline stations, as described by SIC Code 5541; dry cleaners, as described by SIC Code 7216; and printing and publishing, as described by SIC Codes 2711- 2771 or 2782; or
- (B) a facility that has not prepared an Individual Plan and Report and for which the district submits documentation for approval by the Executive Officer of the State Board, verifying that the facility meets the requirements of Health and Safety Code Section 44323(a)-(d).
- (aeg) "Supplemental Fee" means the fee charged to cover the costs of the district to review a health risk assessment containing supplemental information which was prepared in accordance with the provisions of Section 44360(b)(3) of the Health and Safety Code.
- (afh) "Survey Facility" means a facility which emits less than ten tons per year of criteria pollutants, and which falls in any class listed in Appendix E-II to Sections 93300 et seq. of Title 17 of the California Code of Regulations.
- (agi) "Total organic gases" or "TOG" means all gases containing carbon, except carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate.

NOTE: Authority cited: Sections 39600, 39601, 44380, and 44380.5, Health and Safety Code. Reference: Sections 44320, 44380, and 44380.5, Health and Safety Code.

Article 2. Applicability

90702. Facilities Covered.

- (a) Except for facilities exempted by Health and Safety Code sSection 44324, this regulation applies to any facility which:
- (1) manufactures, formulates, uses, or releases any of the substances listed by the State Board pursuant to Health and Safety Code Section 44321 and contained in Appendix A to Sections 93300 et seq. of Title 17 of the California Code of Regulations, which is incorporated by reference, or any

California Code of Regulations, which is incorporated by reference, or any other substance which reacts to form a substance so listed, and releases 10 tons per year or greater of any criteria pollutant, or

- (2) is listed in any current toxics use or toxics air emission survey, inventory, or report released or compiled by an air pollution control district and referenced in Appendix A, or
- (3) manufactures, formulates, uses or releases any listed substance or any other substance which reacts to form any listed substance, and which releases less than 10 tons per year of each criteria pollutant and falls in any class listed in Appendix E to Sections 93300 to 93355 of Title 17 of the California Code of Regulations.

(b) A facility shall be excluded from the calculation of the distribution of the State's cost specified in Section 90703(a) for fiscal year 1995-96 if by December 15, 1995, any one or more of the following criteria is met:

- (1) the facility has been prioritized by its district in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review, and the facility's prioritization score is less than 0.1 for cancer health effects and is less than 0.1 for non-cancer health effects. Some appropriate procedures for estimating priority facilities are presented in the California Air Pollution Control Officers' Association (CAPCOA) "Air Toxics "Hot Spots" Program Facility Prioritization Guidelines, July 1990".
- (2) the facility has had its health risk assessment approved by the district in accordance with Health and Safety Code Section 44362 and been notified in writing by the district that the risk assessment results show a total potential cancer risk at an actual receptor, summed across all pathways of exposure and all compounds, of less than one case per one million persons and a total hazard index for each toxicological endpoint of less than 0.1. Some appropriate procedures for determining potential cancer risk and total hazard index are presented in the CAPCOA "Air Toxics "Hot Spots" Program Revised 1992 Risk Assessment Guidelines, October 1993."
- (3) the facility primarily performs printing as described by SIC Codes 2711 through 2771 or 2782, and the facility uses an annualized average of two gallons per day or less (or 17 pounds per day or less) of all graphic arts materials.
- (4) the facility is a wastewater treatment plant as described by SIC Code 4952, the facility does not have a sludge incinerator and the maximum throughput at the facility does not exceed 10,000,000 gallons per day.

- (5) the facility is a crematorium for humans, animals, or pets as described by SIC Code 7261 or any SIC Code that describes a facility using an incinerator to burn biomedical waste (animals), the facility uses propane or natural gas as fuel, and the facility annually cremates no more than 300 cases (human) or 43,200 pounds (human or animal). Facilities using incinerators that burn biomedical waste other than cremating animals do not qualify for this exemption.
- (6) the facility is primarily a boat building and repair facility or primarily a ship building and repair facility as described by SIC Codes 3731 or 3732, and the facility uses 20 gallons per year or less of coatings or is a coating operation using hand held nonrefillable aerosol cans only.
- (c) A facility shall be excluded from the fee schedule calculated in accordance with Section 90704(d)-(g) and from the fee schedule set forth in Table 3 for fiscal year 1995-96 if (1) it qualifies for exclusion pursuant to subdivision (b) of this section, (2) it is located in a district which has met the requirements of section 90704(b) and (3) the district has requested State Board adoption of a fee schedule. Exclusion from fee schedules under this subdivision does not exempt a facility from any other applicable requirement under this title.
- (d) Prior to December 15, 1995, each district shall provide to the State Board a list of facilities meeting any one or more of the criteria specified in subdivision (b) of this section. The list of facilities shall include the facility's name, identification number, and documentation of the exemption the facility qualifies for.

NOTE: Authority cited: Sections 39600, 39601, 44321, and 44380, Health and Safety Code.
Reference: Sections 44320, 44321, 44322, and 44380, Health and Safety Code.

Article 3. Fees

90703. District Board Adoption of Fees.

Except for the districts that have fulfilled all of the requirements specified in Section 90704(b), every district shall annually adopt a rule or regulation which recovers the costs specified in 90700(b), unless the district rule or regulation contains a specific provision for automatic readoption of the rule or regulation annually by operation of law.

- (a) Except as specified in subdivision (b) of this section, or in Section 90702(b), the State Board shall calculate each district's share of state costs on the basis of the number of facilities in program categories as defined in Sections 90701(b), (c),

number of facilities in program categories as defined in Sections 90701(b), (c), (d), (e), (f), (j), (k), (l), (m), (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), (z), and (aa) and (af).

(1) For the purposes of subdivision (a) of this section, for fiscal year 1995-96, the district shall set forth the facilities that are in the described program categories as of December 15, 1995.

(b) For purposes of calculation of a district's share of State costs under subdivision (a) of this section, the number of facilities in the State Industrywide and Plan and Report program categories will be based on the provisions of Section 90704(d)(2).

(c) Districts shall reimburse the State in accordance with Health and Safety Code Section 44361(c) for review of facility risk assessments submitted to the State after March 31, 1995.

NOTE: Authority cited: Sections 39600, 39601, 44321, and 44380, Health and Safety Code.
Reference: Sections 44320, 44321, 44322, 44361, and 44380, Health and Safety Code.

90704. State Board Adoption of Fees.

(a) The State Board shall annually adopt a regulation which meets the requirements of Health and Safety Code Section 44380(a). Districts whose fee schedules are included in this regulation under Section 90704(b) are subject to the provisions of subdivisions (d)-(i) of this section.

(b) The State Board may annually adopt a fee schedule which assesses a fee upon the operators of facilities subject to this regulation, and which identifies and provides for the recovery of both state costs and district costs to administer and implement the Act pursuant to Section 90700(b), for facilities located in districts that have completed all of the following requirements:

(1) The district board has approved, and adopted by resolution, the cost of implementing and administering the Act for the applicable fiscal year as specified in 90700(b)(2);

(2) The district has submitted a written request specifying the amount to be collected for the applicable fiscal year, through fees established by the State Board regulation, as calculated pursuant to Section 90704(d)(3), (e), (f), (g), and (h) and including documentation of the calculations;

- (3) The district has submitted the resolution, request and documentation specified in subsections (1) and (2) to the State Board by April 1 preceding the applicable fiscal year.
- (c) Any district whose fee schedule is included in this regulation pursuant to Section 90704(b)(1) - (3) may, as a substitute for this regulation, adopt a district fee rule that meets the requirements of Section 90700(b), provided that the district informs the Executive Officer of the State Board in writing.
- (d) Calculation of Fees.
- (1) The State Board shall establish the fee applicable to each facility for the recovery of state and district costs and shall notify each district in writing by December 1 of each year of the amount to be collected from each facility and of the amount of revenue which the district must remit to the State Board for reimbursement of state costs, as set forth in Table 1. When calculating the fees, the State Board shall use the State costs in Table 1 and the district costs in Table 2, and shall take into account and allow for the unanticipated closing of businesses, nonpayment of fees, and other circumstances which would result in a shortfall in anticipated revenue.
- (2) The State Board shall calculate fees on the basis of the facility program category as set forth by the district by April 1 preceding the applicable fiscal year, except for facilities excluded under Section 90702(b) or except for facilities covered by Section 90704(f) and (g). For purposes of calculation of a district's share of State costs under this subdivision and under Section 90703(a), the number of State Industrywide facilities shall be used instead of the number of Industrywide facilities. Facilities that meet the Industrywide Facility definition but do not meet the State Industrywide Facility definition shall be placed in the appropriate Facility Program Category for purposes of calculation of a district's share of the State's costs. Districts may still assess facilities that meet the Industrywide definition but not the State Industrywide definition the fees listed in Table 4.
- (3) A Risk Assessment-State Facility (Intermediate or Complex) that is located in the Santa Barbara County Air Pollution Control District, and had its risk assessment prepared by the district using an automated risk assessment program approved by the Air Resources Board, will be assessed the following State costs for purposes of distribution of State Costs and facility fees: Risk Assessment-State (Intermediate) - ~~\$1,632~~, \$1,476, Risk Assessment-State (Complex) - ~~\$1,909~~ \$1,702.

(e) Fees Based on Facility Program Category.

- (1) The State Board shall provide a flat fee per facility based on the facility program category of the facility as set forth in Table 3. The program categories are Plan and Report (Simple), Plan and Report (Intermediate), Plan and Report (Complex), Risk Assessment-District (Simple), Risk Assessment-District (Intermediate), Risk Assessment-District (Complex), Risk Assessment-State (Simple), Risk Assessment-State (Intermediate), Risk Assessment-State (Complex), Notification (Simple), Notification (Intermediate), Notification (Complex), Audit and Plan (Simple), Audit and Plan (Intermediate), and Audit and Plan (Complex).
- (2) A facility that becomes subject to the Act after State Board adoption of the Fee Regulation, and is required to prepare an Inventory Plan and Report during the applicable fiscal year, shall pay the Plan and Report (Simple) fee for that fiscal year.
- (3) No changes to a facility's prior-year Facility Program Category shall be made by a district unless the district provides the State Board the following information: (a) the name and facility identification number, (b) the previous category of the facility, (c) the current category of the facility, (d) the previous Source Classification Codes of the facility, and (e) the current Source Classification Codes of the facility. The district shall provide the SIC Code for facilities being added to the State Industrywide Facility category.

(f) Specified Flat Fees

- (1) A Survey Facility shall be assessed the flat fee specified in Table 4, Column A. An Industrywide Facility shall be assessed the flat fee specified in Table 4, Column B. If a facility was previously assessed, and has paid, a fee pursuant to the program categories specified for Column A or B of Table 4, subsequent fees pursuant to Column A or B of Table 4 shall be waived by the district, if the district determines that there are insignificant costs with respect to said facility under the Act.

(g) Other Flat Fees

- (1) Pursuant to the provisions of Section 44380.5 of the Health and Safety Code, the supplemental fee which may be assessed upon the operator of a facility, to cover the direct costs to the district to review the information supplied, shall be \$2,000.

- (2) The maximum fee which a small business, as defined in Section 90701(ab), shall pay will be \$300. The districts shall provide to the Air Resources Board by April 1 of the calendar year prior to the fiscal year, the number of facilities in each facility program category meeting the small business definition.
 - (3) If in the judgment of a district the action will not result in a shortfall in revenue, a district may request the fee for the Plan and Report (Simple) category be set at no more than \$800.
 - (4) If in the judgment of a district the action will not result in a shortfall in revenue, a district may request the fee for the Risk Assessment-District (Simple) category be set at no more than \$2,000.
- (h) Costs to be recovered by the regulation adopted by the State Board pursuant to Section 90704 subdivision (b) of this section shall be calculated as follows: Each district board shall approve its anticipated costs to implement and administer the Act. The Air Resources Board will subtract from this amount anticipated revenues from collection of the flat fee specified in Section 90704(f)(1); and any excess revenues obtained by the district pursuant to Section 90705(c). When submitting board-approved program costs to the State Board, the district shall include a breakdown of how the collected fees will be used.
- (i) ~~In fiscal year 1994-95, the Office shall initiate a program of labor tracking of risk assessment review for purposes of management review and accountability.~~
- (i) Districts shall reimburse the State in accordance with Health and Safety Code Section 44361(c) for review of facility risk assessments submitted to the State after March 31, 1995.

NOTE: Authority cited: Sections 39600, 39601, and 44380, Health and Safety Code.
Reference: Sections 44320, 44322, 44361, 44380, and 44380.5, Health and Safety Code.

90705. Fee Payment and Collection.

- (a) Each district shall notify and assess the operator of each facility subject to this regulation in writing of the fee due. Except as provided in Sections 90702(b), 90703, 90704(f), and 90704(g)(1)-(2), each district shall use the facility program category as the basis for billing. The operator shall remit the fee to the district within 60 days after the receipt of the fee assessment notice or the fee will be considered past due. If an operator fails to pay the fee within 60 days of this notice, the district shall assess a penalty of not more than 100 percent of the assessed fee, but in an amount sufficient, in the district's determination, to pay the

district's additional expenses incurred by the operator's non-compliance. If an operator fails to pay the fee within 120 days after receipt of this notice, the district may initiate permit revocation proceedings. If any permit is revoked it shall be reinstated only upon full payment of the overdue fee plus any late penalty, and a reinstatement fee to cover administrative costs of reinstating the permit.

- (1) The invoices sent by the districts to the facilities shall contain, but not be limited to, the following information: name and address of the facility; name, address, and phone number contact of the district sending the bill, date of bill, invoice number, fiscal year for which the bill is being sent, where to send the remittance, an indication of whether or not a small business cap is applicable, and the following statement: "The California Health and Safety Code Section 44380 requires the collection of fees from facilities subject to the requirements of the Air Toxics Hot Spots Information and Assessment Act of 1987."
- (b) Each district shall collect the fees assessed by or required to be assessed by this regulation. After deducting the costs to the district to implement and administer the program, each district shall transmit to the State Board the amount the district is required to collect for recovery of state costs pursuant to Section 90700(b)(1), as set forth in Table 1, on or before April 1 of each year. Checks shall be made payable to the State Air Resources Board. The State Board shall forward the revenues to the State Controller for deposit in the Air Toxics Inventory and Assessment Account.
- (c) Any fee revenues received by a district for which fees have been adopted pursuant to Section 90704(b) which exceed district and state costs shall be reported to the State Board and shall be retained by the district for expenditure in the next two fiscal years.
- (d) In the event a district does not collect sufficient revenues to cover both the district program costs and the portion of the state costs which the district is required to remit to the State Board due to circumstances beyond the control of the district, including but not limited to plant closure or refusal of the source operator to pay despite permit revocation and/or other enforcement action, such district shall notify the Executive Officer of the State Board and may for demonstrated good cause be relieved by the Executive Officer from an appropriate portion of the fees the district is required to collect and remit to the state.

Documentation of the circumstances resulting in the shortfall shall be submitted to the ARB upon request. Nothing herein shall relieve the operator from any obligation to pay any fees assessed pursuant to this regulation.

- (1) A district for which the State Board has adopted a fee schedule pursuant to Section 90704(b) may, upon notifying the Executive Officer of the State Board, carry over all or a portion of such shortfall in revenue from one to four ~~to the~~ fiscal years after ~~which~~ the shortfall was discovered and add the shortfall amount to ~~the~~ its program costs for each such subsequent fiscal year.

Notes: Authority cited: Sections 39600, 39601, and 44380, Health and Safety Code.
Reference: Section 44380, Health and Safety Code.

Table 1

Revenues to be Remitted to Cover State Costs
by Air Pollution Control District

Air Pollution Control District	Revenues to be Remitted	
Amador	10,916	<u>9,496</u>
Bay Area	377,205	<u>397,833</u>
Butte	33,500	<u>36,543</u>
Calaveras	795	<u>3,170</u>
Colusa	24,648	<u>19,069</u>
El Dorado	8,453	<u>7,705</u>
Feather River	17,615	<u>11,718</u>
Glenn	17,141	<u>15,898</u>
Great Basin	14,820	<u>11,915</u>
Imperial	26,620	<u>24,175</u>
Kern	18,917	<u>9,977</u>
Lake	4,841	<u>15,115</u>
Lassen	4,541	<u>4,642</u>
Mariposa	884	<u>796</u>
Mendocino	19,470	<u>9,946</u>
Modoc	0	<u>225</u>
Mojave Desert	84,750	<u>56,016</u>
Monterey	61,971	<u>37,015</u>
North Coast	13,163	<u>14,678</u>
Northern Sierra	12,520	<u>10,863</u>
Northern Sonoma	6,317	<u>4,988</u>
Placer	39,815	<u>26,443</u>
Sacramento	51,612	<u>35,842</u>
San Diego	247,524	<u>189,968</u>
San Joaquin Valley	631,510	<u>373,291</u>
San Luis Obispo	39,652	<u>19,305</u>
Santa Barbara	86,172	<u>57,277</u>
Shasta	26,159	<u>20,927</u>
Siskiyou	2,203	<u>7,888</u>
South Coast	2,321,802	<u>1,353,930</u>
Tehama	7,598	<u>8,775</u>
Tuolumne	17,642	<u>7,707</u>
Ventura	168,135	<u>98,794</u>
Yolo-Solano	49,934	<u>42,255</u>
TOTAL	4,448,845	<u>2,944,185</u>

Table 2

District Costs to be Recovered Through the Fee Regulation

Air Pollution Control District	Anticipated Districts Costs*	
<u>Calaveras</u>		<u>0</u>
Great Basin	<u>2,375</u>	<u>6,040</u>
Imperial	<u>10,582</u>	<u>4,805</u>
Kern	<u>34,112</u>	
Lassen	<u>2,161</u>	<u>1,496</u>
Mariposa	0	
Mendocino	<u>23,565</u>	<u>22,330</u>
Mojave Desert	<u>302,476</u>	<u>120,400</u>
<u>Placer</u>		<u>9,421</u>
San Joaquin Valley	<u>1,115,815</u>	<u>568,855</u>
Santa Barbara	<u>203,625</u>	<u>197,895</u>
South Coast	<u>3,076,734</u>	
Tuolumne	<u>9,000</u>	<u>9,150</u>
Yolo-Solano	<u>20,635</u>	<u>19,930</u>

* These amounts do not include program costs which will be recovered by the flat fees described in Section 90704(d), or may reflect adjustments for excess or insufficient revenues pursuant to Section 90705(c) and (d)(1).

Table 3a
 Cost per Facility by District and Facility Program Category

AIR POLLUTION CONTROL DISTRICT	Plan and Report (Simple)	Plan and Report (Intermediate)	Plan and Report (Complex)	Risk ¹ Assessment (Simple)	Risk ² District (Simple)
<u>Calaveras</u>	<u>451</u>				
Great Basin	638	1082	1945	1939	
Imperial	629	1057	1860	1305	
Kern	794	1552	3509		
Lassen	973		2090		
Mariposa	554				
Mendocino	800	3497	3280		
Mojave Desert	800	4956	2404	6660	2000
<u>Placer</u>	<u>620</u>		1183	2590	1603
San Joaquin Valley	800	3179	1544	3796	1452
Santa Barbara	1249	2916	1905	4996	1944
South Coast	976	2097		5226	1398
Tuolumne		1527	2204	5995	
Yolo-Solano	621	1033	1041	1780	689
			2118		694

¹Risk assessment under review by the District.

²Risk assessment submitted to OEHA from April 1, 1993 through March 31, 1994 1995.

Table 3b
 Cost per Facility by District and Facility Program Category

AIR POLLUTION CONTROL DISTRICT	Risk ¹ Assessment (Intermediate)	Risk ² Assessment (Intermediate)	Risk ¹ Assessment (Complex)	Risk ² Assessment (Complex)
<u>Calaveras</u>				
Great Basin				<u>2458</u>
Imperial	4207			
Kern			4700	
Lassen				
Mariposa				
Mendocino	5274	<u>6435</u>		<u>13918</u>
Mojave Desert			<u>21732</u>	<u>9540</u>
<u>Placer</u>				<u>10481</u>
San Joaquin Valley	3077	<u>2123</u>	7844	<u>5243</u>
Santa Barbara	4306	<u>2724</u>		<u>7044</u>
South-Coast	2940		7435	
Tuolumne				
Yolo-Solano	4467	<u>1285</u>	<u>2115</u>	<u>2727</u>
				<u>10009</u>

¹Risk assessment under review by the District.

²Risk assessment submitted to OEHHA from April 1, 1993- 1994 through March 31, 1994 1995.

Table 3c
 Cost per Facility by District and Facility Program Category

AIR POLLUTION CONTROL DISTRICT	Notification (Simple)	Notification (Intermediate)	Notification (Complex)	Audit and Plan (Simple)	Audit and Plan (Intermediate)	Audit and Plan (Complex)
<u>Calaveras</u>						
Great Basin						
Imperial						
Kern						
Lassen						
Mariposa						
Mendocino						
Mojave Desert		35433	19363	36964	20310	
Placer						
San Joaquin Valley		46916	13633	47947	14580	
Santa Barbara						
South Coast						
Tuolumne						16210
Yolo-Solano			11225			

*Risk assessment under review by the District
 #Risk assessment submitted to OEHHA from April 1, 1993 through March 31, 1994.

Table 4*

Fees for Survey and Industrywide Facilities

District	A Survey Facilities	B Industrywide Facilities
<u>Calaveras</u>	<u>15</u>	<u>15</u>
Great Basin	25	25
Imperial	60 <u>75</u>	75
Kern	100	250
Lassen	100	100
Mariposa	15	15
Mendocino	100	100
Mojave Desert	100	115
<u>Placer</u>	<u>50</u>	<u>50</u>
San Joaquin Valley	100	100
Santa Barbara	75	75
South Coast	25	25
Tuolumne	15	15
Yolo-Solano	100	100 <u>125</u>

* State cost per facility is consistent statewide as follows:

Survey facilities: \$0

Industrywide facilities: \$15

Appendix A

Air Pollution Control District Air Toxic Inventories, Reports or Surveys

1. Bay Area Air Quality Management District "Current BAAQMD Air Toxics Inventory. October 27, 1990."
2. Kern County Air Pollution Control District "District's Toxic Use List, Southeast Desert Portion of Kern County. February 14, 1992."
3. Sacramento Metropolitan Air Quality Management District "Sacramento Air Quality Management District Toxic Air Pollutant Emission Inventory For Sacramento County. June 1993."
4. ~~San Bernardino County Air Pollution Control District "San Bernardino County APCD Mojave Desert Air Quality Management District "San Bernadino County Area Toxics Inventory List. June 27, 1990."~~
5. San Diego County Air Pollution Control District "List of Semiconductor Manufacturers Using Toxic Gases (Arsine or Phosphine). May 1988."
6. San Joaquin Valley Unified Air Pollution Control District "San Joaquin Valley Unified APCD Toxics List. February 25, 1994."
7. San Luis Obispo County Air Pollution Control District "San Luis Obispo County Air Pollution Control District Air Toxics Inventory List for AB 2588. May 3, 1990."
"Additions to List of District's Toxics Inventory. January 6, 1994."
8. Santa Barbara County Air Pollution Control District "Current Santa Barbara County Air Pollution Control District List of Air Toxic Sources. May 27, 1992."
9. ~~South Coast Air Quality Management District "Current SCAQMD Air Toxics Inventory List for AB 2588. May 11, 1990."~~
10. ~~Monterey Bay Unified Air Pollution Control District "AB 2588 - Facilities Affected FY 92/93 & FY 93/94. April 8, 1993."~~

1. The first part of the document discusses the importance of maintaining accurate records of all transactions.

2. It then goes on to describe the various methods used to collect and analyze data from these records.

3. The next section details the specific steps involved in the data collection process, from identifying sources to gathering information.

4. This is followed by a discussion of the analysis techniques used to interpret the collected data and identify trends.

5. The document concludes with a summary of the findings and a list of recommendations for future research.

6. Finally, it provides a detailed appendix of the data sources and methods used throughout the study.

7. The appendix includes a table of the data sources used, along with a description of each source and the methods used to collect data from it.

8. This table provides a clear overview of the data sources and methods used in the study, allowing readers to understand the scope and limitations of the research.

9. The document also includes a list of references to the sources used in the study, providing a comprehensive bibliography of the research.

10. Finally, it provides a detailed appendix of the data sources and methods used throughout the study, including a table of the data sources used, along with a description of each source and the methods used to collect data from it.

11. The appendix includes a table of the data sources used, along with a description of each source and the methods used to collect data from it.

12. This table provides a clear overview of the data sources and methods used in the study, allowing readers to understand the scope and limitations of the research.

13. The document also includes a list of references to the sources used in the study, providing a comprehensive bibliography of the research.

14. Finally, it provides a detailed appendix of the data sources and methods used throughout the study, including a table of the data sources used, along with a description of each source and the methods used to collect data from it.

Appendix II

**Air Toxics "Hot Spots" Information
and Assessment Act**

44247. Local agencies imposing vehicle registration fees for air pollution programs pursuant to this chapter shall report to the state board on their use of the fees and the results of the programs funded by the fees and shall cooperate with the state board in the preparation of its report. These reports shall be submitted according to a schedule adopted by the state board to ensure compliance with the reporting requirements of Section 44245.

(Added by Stats. 1990, Ch. 1705, Sec. 1.)

PART 6. AIR TOXICS "HOT SPOTS" INFORMATION AND ASSESSMENT

(Part 6 added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.

Note: Sections 44380 and 44384 became operative Jan. 1, 1988.)

CHAPTER 1. LEGISLATIVE FINDINGS AND DEFINITIONS

(Chapter 1 added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44300. This part shall be known and may be cited as the Air Toxics "Hot Spots" Information and Assessment Act of 1987.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44301. The Legislature finds and declares all of the following:

(a) In the wake of recent publicity surrounding planned and unplanned releases of toxic chemicals into the atmosphere, the public has become increasingly concerned about toxics in the air.

(b) The Congressional Research Service of the Library of Congress has concluded that 75 percent of the United States population lives in proximity to at least one facility that manufactures chemicals. An incomplete 1985 survey of large chemical companies conducted by the Congressional Research Service documented that nearly every chemical plant studied routinely releases into the surrounding air significant levels of substances proven to be or potentially hazardous to public health.

(c) Generalized emissions inventories compiled by air pollution control districts and air quality management districts in California confirm the findings of the Congressional Research Service survey as well as reveal that many other facilities and businesses which do not actually manufacture chemicals do use hazardous substances in sufficient quantities to expose, or in a manner that exposes, surrounding populations to toxic air releases.

(d) These releases may create localized concentrations or air toxics "hot spots" where emissions from specific sources may expose individuals and population groups to elevated risks of adverse health effects, including, but not limited to, cancer and contribute to the cumulative health risks of emissions from other sources in the area.

In some cases where large populations may not be significantly affected by adverse health risks, individuals may be exposed to significant risks.

(e) Little data is currently available to accurately assess the amounts, types, and health impacts of routine toxic chemical releases into the air. As a result, there exists significant uncertainty about the amounts of potentially hazardous air pollutants which are released, the location of those releases, and the concentrations to which the public is exposed.

(f) The State of California has begun to implement a long-term program to identify, assess, and control ambient levels of hazardous air pollutants, but additional legislation is needed to provide for the collection and evaluation of information concerning the amounts, exposures, and short- and long-term health effects of hazardous substances regularly released to the surrounding atmosphere from specific sources of hazardous releases.

(g) In order to more effectively implement control strategies for those materials posing an unacceptable risk to the public health, additional information on the sources of potentially hazardous air pollutants is necessary.

(h) It is in the public interest to ascertain and measure the amounts and types of hazardous releases and potentially hazardous releases from specific sources that may be exposing people to those releases, and to assess the health risks to those who are exposed.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44302. The definitions set forth in this chapter govern the construction of this part.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44303. "Air release" or "release" means any activity that may cause the issuance of air contaminants, including the actual or potential spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of a substance into the ambient air and that results from the routine operation of a facility or that is predictable, including, but not limited to, continuous and intermittent releases and predictable process upsets or leaks.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44304. "Facility" means every structure, appurtenance, installation, and improvement on land which is associated with a source of air releases or potential air releases of a hazardous material.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44306. "Health risk assessment" means a detailed comprehensive analysis prepared pursuant to Section 44361 to evaluate and predict the dispersion of hazardous substances in the environment and the potential for exposure of human populations and to assess and quantify both the individual and populationwide health risks associated with those levels of exposure.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44307. "Operator" means the person who owns or operates a facility or part of a facility.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44308. "Plan" means the emissions inventory plan which meets the conditions specified in Section 44342.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44309. "Report" means the emissions inventory report specified in Section 44341.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

CHAPTER 2. FACILITIES SUBJECT TO THIS PART

(Chapter 2 added by Stats. 1987, Ch. 1252, Sec. 1.

Operative July 1, 1988, by Section 44384.)

44320. This part applies to the following:

(a) Any facility which manufactures, formulates, uses, or releases any of the substances listed pursuant to Section 44321 or any other substance which reacts to form a substance listed in Section 44321 and which releases or has the potential to release total organic gases, particulates, or oxides of nitrogen or sulfur in the amounts specified in Section 44322.

(b) Except as provided in Section 44323, any facility which is listed in any current toxics use or toxics air emission survey, inventory, or report released or compiled by a district. A district may, with the concurrence of the state board, waive the application of this part pursuant to this subdivision for any facility which the district determines will not release any substance listed pursuant to Section 44321 due to a shutdown or a process change.

(Amended by Stats. 1989, Ch. 1254, Sec. 7.)

References at the time of publication (see page iii):

Regulations: 17, CCR, sections 90700-90703, 90704, 93303, 93306

44321. For the purposes of Section 44320, the state board shall compile and maintain a list of substances that contains, but is not limited to, all of the following:

(a) Substances identified by reference in paragraph (1) of subdivision (b) of

Section 6382 of the Labor Code and substances placed on the list prepared by the National Toxicology Program issued by the United States Secretary of Health and Human Services pursuant to paragraph (4) of Section 262 of Public Law 95-622 of 1978. For the purposes of this subdivision, the state board may remove from the list any substance which meets both of the following criteria:

(1) No evidence exists that it has been detected in air.

(2) The substance is not manufactured or used in California, or, if manufactured or used in California, because of the physical or chemical characteristics of the substance or the manner in which it is manufactured or used, there is no possibility that it will become airborne.

(b) Carcinogens and reproductive toxins referenced in or compiled pursuant to Section 25249.8, except those which meet both of the criteria identified in subdivision (a).

(c) The candidate list of potential toxic air contaminants and the list of designated toxic air contaminants prepared by the state board pursuant to Article 2 (commencing with Section 39660) of Chapter 3.5 of Part 2, including, but not limited to, all substances currently under review and scheduled or nominated for review and substances identified and listed for which health effects information is limited.

(d) Substances for which an information or hazard alert has been issued by the repository of current data established pursuant to Section 147.2 of the Labor Code.

(e) Substances reviewed, under review, or scheduled for review as air toxics or potential air toxics by the Office of Air Quality Planning and Standards of the Environmental Protection Agency, including substances evaluated in all of the following categories or their equivalent: preliminary health and source screening, detailed assessment, intent to list, decision not to regulate, listed, standard proposed, and standard promulgated.

(f) Any additional substances recognized by the state board as presenting a chronic or acute threat to public health when present in the ambient air, including, but not limited to, any neurotoxins or chronic respiratory toxins not included within subdivision (a), (b), (c), (d), or (e).

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

References at the time of publication (see page iii):

Regulations: 17, CCR, sections 90700-90702, 93307, 93308, 93334, 93335

44322. This part applies to facilities specified in subdivision (a) of Section 44320 in accordance with the following schedule:

(a) For those facilities that release, or have the potential to release, 25 tons per year or greater of total organic gases, particulates, or oxides of nitrogen or sulfur, this part becomes effective on July 1, 1988.

(b) For those facilities that release, or have the potential to release, more than 10 but less than 25 tons per year of total organic gases, particulates, or oxides of nitrogen or sulfur, this part becomes effective July 1, 1989.

(c) For those facilities that release, or have the potential to release, less than 10 tons per year of total organic gases, particulates, or oxides of nitrogen or sulfur, the state board shall, on or before July 1, 1990, prepare and submit a report to the Legislature identifying the classes of those facilities to be included in this part and specifying a timetable for their inclusion.

(Amended by Stats. 1989, Ch. 1254, Sec. 8.)

References at the time of publication (see page iii):

Regulations: 17, CCR, sections 90702, 90703, 93303-93305, 93308

44323. A district may prepare an industrywide emissions inventory and health risk assessment for facilities specified in subdivision (b) of Section 44320 and subdivisions (a) and (b) of Section 44322, and shall prepare an industrywide emissions inventory for the facilities specified in subdivision (c) of Section 44322, in compliance with this part for any class of facilities that the district finds and determines meets all of the following conditions:

(a) All facilities in the class fall within one four-digit Standard Industrial Classification Code.

(b) Individual compliance with this part would impose severe economic hardships on the majority of the facilities within the class.

(c) The majority of the class is composed of small businesses.

(d) Releases from individual facilities in the class can easily and generically be characterized and calculated.

(Amended by Stats. 1989, Ch. 1254, Sec. 9.)

References at the time of publication (see page iii):

Regulations: 17, CCR, sections 93304, 93306

44324. This part does not apply to any facility where economic poisons are employed in their pesticidal use, unless that facility was subject to district permit requirements on or before August 1, 1987. As used in this section, "pesticidal use" does not include the manufacture or formulation of pesticides.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44325. Any solid waste disposal facility in compliance with Section 41805.5 is in compliance with the emissions inventory requirements of this part.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

CHAPTER 3. AIR TOXICS EMISSION INVENTORIES

(Chapter 3 added by Stats. 1987, Ch. 1252, Sec. 1.

Operative July 1, 1988, by Section 44384.)

44340. (a) The operator of each facility subject to this part shall prepare and submit to the district a proposed comprehensive emissions inventory plan in accordance with the criteria and guidelines adopted by the state board pursuant to Section 44342.

(b) The proposed plan shall be submitted to the district on or before August 1, 1989, except that, for any facility to which subdivision (b) of Section 44322 applies, the proposed plan shall be submitted to the district on or before August 1, 1990. The district shall approve, modify, and approve as modified, or return for revision and resubmission, the plan within 120 days of receipt.

(c) The district shall not approve a plan unless all of the following conditions are met:

(1) The plan meets the requirements established by the state board pursuant to Section 44342.

(2) The plan is designed to produce, from the list compiled and maintained pursuant to Section 44321, a comprehensive characterization of the full range of hazardous materials that are released, or that may be released, to the surrounding air from the facility. Air release data shall be collected at, or calculated for, the primary locations of actual and potential release for each hazardous material. Data shall be collected or calculated for all continuous, intermittent, and predictable air releases.

(3) The measurement technologies and estimation methods proposed provide state-of-the-art effectiveness and are sufficient to produce a true representation of the types and quantities of air releases from the facility.

(4) Source testing or other measurement techniques are employed wherever necessary to verify emission estimates, as determined by the state board and to the extent technologically feasible. All testing devices shall be appropriately located, as determined by the state board.

(5) Data are collected or calculated for the relevant exposure rate or rates of each hazardous material according to its characteristic toxicity and for the emission rate necessary to ensure a characterization of risk associated with exposure to releases of the hazardous material that meets the requirements of Section 44361. The source of all emissions shall be displayed or described.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

References at the time of publication (see page iii):

Regulations: 17, CCR, sections 93300, 93301, 93303-93307, 93310-93315, 93320, 93321-93324, 93330-93340, 93345-93347

44341. Within 180 days after approval of a plan by the district, the operator shall implement the plan and prepare and submit a report to the district in accordance with the plan. The district shall transmit all monitoring data contained in the approved report to the state board.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

References at the time of publication (see page iii):

Regulations: 17, CCR, sections 93300-93301, 93303-93306, 93310-93315, 93320-93324, 93330-93340, 93345-93347

44342. The state board shall, on or before May 1, 1989, in consultation with the districts, develop criteria and guidelines for site-specific air toxics emissions inventory plans which shall be designed to comply with the conditions specified in Section 44340 and which shall include at least all of the following:

(a) For each class of facility, a designation of the hazardous materials for which emissions are to be quantified and an identification of the likely source types within that class of facility. The hazardous materials for quantification shall be chosen from among, and may include all or part of, the list specified in Section 44321.

(b) Requirements for a facility diagram identifying each actual or potential discrete emission point and the general locations where fugitive emissions may occur. The facility diagram shall include any nonpermitted and nonprocess sources of emissions and shall provide the necessary data to identify emission characteristics. An existing facility diagram which meets the requirements of this section may be submitted.

(c) Requirements for source testing and measurement. The guidelines may specify appropriate uses of estimation techniques including, but not limited to, emissions factors, modeling, mass balance analysis, and projections, except that source testing shall be required wherever necessary to verify emission estimates to the extent technologically feasible. The guidelines shall specify conditions and locations where source testing, fence-line monitoring, or other measurement techniques are to be required and the frequency of that testing and measurement.

(d) Appropriate testing methods, equipment, and procedures, including quality assurance criteria.

(e) Specifications for acceptable emissions factors, including, but not limited to, those which are acceptable for substantially similar facilities or equipment, and specification of procedures for other estimation techniques and for the appropriate use of available data.

(f) Specification of the reporting period required for each hazardous material for which emissions will be inventoried.

(g) Specifications for the collection of useful data to identify toxic air contaminants pursuant to Article 2 (commencing with Section 39660) of Chapter 3.5 of Part 2.

(h) Standardized format for preparation of reports and presentation of data.

(i) A program to coordinate and eliminate any possible overlap between the requirements of this chapter and the requirements of Section 313 of the Superfund Amendment and Reauthorization Act of 1986 (Public Law 99-499).

The state board shall design the guidelines and criteria to ensure that, in collecting data to be used for emissions inventories, actual measurement is utilized whenever necessary to verify the accuracy of emission estimates, to the extent technologically feasible.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

References at the time of publication (see page iii):

Regulations: 17, CCR, sections 93300, 93301, 93303-93307, 93310-93315, 93320-93324, 93330-93340, 93345-93347

44343. The district shall review the reports submitted pursuant to Section 44341 and shall, within 90 days, review each report, obtain corrections and clarifications of the data, and notify the State Department of Health Services, the Department of Industrial Relations, and the city or county health department of its findings and determinations as a result of its review of the report.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44344. Except as provided in Section 44391, emissions inventories developed pursuant to this chapter shall be updated every four years, in accordance with the procedures established by the state board. Those updates shall take into consideration improvements in measurement techniques and advancing knowledge concerning the types and toxicity of hazardous material released or potentially released.

(Amended by Stats. 1993, Ch. 1041, Sec. 1.)

References at the time of publication (see page iii):

Regulations: 17, CCR, sections 93307, 93330

44344.3. (a) A facility shall be granted an exemption by a district from further compliance with this part after meeting all of the following criteria:

(1) The facility was required to comply with this part only as a result of its particulate matter emissions.

(2) The facility has participated in, utilized data derived from, or is eligible to utilize data derived from, approved pooled source testing.

(3) The facility has submitted an emissions inventory plan and report that was subsequently accepted and approved.

(4) The facility has been designated by the district as a low priority facility under the guidelines set forth pursuant to this part for facility prioritization, and facility emissions do not present a significant health risk as specified in subdivision (b) of Section 44362.

(5) The facility handles, processes, stores, or distributes bulk agricultural

commodities or handles, feeds, or rears livestock.

(b) Subdivision (a) does not apply to a facility that, because of information provided pursuant to Section 44344.7, is reclassified as an intermediate or high priority facility by the district.

(c) The operator of a facility that has been granted an exemption pursuant to this section shall biennially submit a statement to the district for the district's review, with a copy of the most recent emissions inventory for the facility, indicating that, except as to matters for which an emissions inventory update has been or will be submitted pursuant to Section 44344.7, there has been no significant change in facility operations or activities. The district shall not impose any fee upon the operator with regard to the submission of the statement.

(Added by Stats. 1993, Ch. 1037, Sec. 1.)

44344.5. The operator of any new facility that previously has not been subject to this part shall prepare and submit an emissions inventory plan and report.

(Added by Stats. 1993, Ch. 1037, Sec. 2.)

44344.7. The operator of a facility exempted pursuant to subdivision (a) of Section 44344.3 shall submit an emissions inventory update for those sources and substances for which a change in activities or operations has occurred, as follows:

(a) The facility emits a newly listed substance.

(b) A sensitive receptor has been established or constructed on or after January 1, 1994, within 500 meters of the facility.

(c) The facility emits a substance for which the potency factor has increased.

(d) The facility has begun emission of a listed substance not included in the previous emissions inventory.

(Added by Stats. 1993, Ch. 1037, Sec. 3.)

44345. (a) On or before July 1, 1989, the state board shall develop a program to compile and make available to other state and local public agencies and the public all data collected pursuant to this chapter.

(b) In addition, the state board, on or before March 1, 1990, shall compile, by district, emissions inventory data for mobile sources and area sources not subject to district permit requirements, and data on natural source emissions, and shall incorporate these data into data compiled and released pursuant to this chapter.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

References at the time of publication (see page iii):

Regulations: 17, CCR, sections 93330, 93345

44346. (a) If an operator believes that any information required in the facility diagram specified pursuant to subdivision (b) of Section 44342 involves the release of a trade secret, the operator shall nevertheless make the disclosure to the district, and shall notify the district in writing of that belief in the report.

(b) Subject to this section, the district shall protect from disclosure any trade secret designated as such by the operator, if that trade secret is not a public record.

(c) Upon receipt of a request for the release of information to the public which includes information which the operator has notified the district is a trade secret and which is not a public record, the following procedure applies:

(1) The district shall notify the operator of the request in writing by certified mail, return receipt requested.

(2) The district shall release the information to the public, but not earlier than 30 days after the date of mailing the notice of the request for information, unless, prior to the expiration of the 30-day period, the operator obtains an action in an appropriate court for a declaratory judgment that the information is subject to protection under this section or for a preliminary injunction prohibiting disclosure of the information to the public and promptly notifies the district of that action.

(d) This section does not permit an operator to refuse to disclose the information required pursuant to this part to the district.

(e) Any information determined by a court to be a trade secret, and not a public record pursuant to this section, shall not be disclosed to anyone except an officer or employee of the district, the state, or the United States, in connection with the official duties of that officer or employee under any law for the protection of health, or to contractors with the district or the state and its employees if, in the opinion of the district or the state, disclosure is necessary and required for the satisfactory performance of a contract, for performance of work, or to protect the health and safety of the employees of the contractor.

(f) Any officer or employee of the district or former officer or employee who, by virtue of that employment or official position, has possession of, or has access to, any trade secret subject to this section, and who, knowing that disclosure of the information to the general public is prohibited by this section, knowingly and willfully discloses the information in any manner to any person not entitled to receive it is guilty of a misdemeanor. Any contractor of the district and any employee of the contractor, who has been furnished information as authorized by this section, shall be considered an employee of the district for purposes of this section.

(g) Information certified by appropriate officials of the United States as necessary to be kept secret for national defense purposes shall be accorded the full protections against disclosure as specified by those officials or in accordance with the laws of the United States

HEALTH AND SAFETY CODE

(h) As used in this section, "trade secret" and "public record" have the meanings and protections given to them by Section 6254.7 of the Government Code and Section 1060 of the Evidence Code. All information collected pursuant to this chapter, except for data used to calculate emissions data required in the facility diagram, shall be considered "air pollution emission data," for the purposes of this section.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

References at the time of publication (see page iii):

Regulations: 17, CCR, sections 93321, 93322, 93339

CHAPTER 4. RISK ASSESSMENT

(Chapter 4 added by Stats. 1987, Ch. 1252, Sec. 1.
Operative July 1, 1988, by Section 44384.)

*Government Code, Division 39, sections 59000-59017, added the Governor's Reorganization Plan No. 1 of 1991, which became effective July 17, 1991 under Government Code section 12080.5 and established the Office of Environmental Health Hazard Assessment (OEHHA). Government Code Section 59004(d) provides that the functions and responsibilities of OEHHA include those formerly performed by the Department of Health Services pursuant to Chapter 4 (commencing with Section 44360) of Part 6 of Division 26 of the Health & Safety Code.

44360. (a) Within 90 days of completion of the review of all emissions inventory data for facilities specified in subdivision (a) of Section 44322, but not later than December 1, 1990, the district shall, based on examination of the emissions inventory data and in consultation with the state board and the State Department of Health Services, prioritize and then categorize those facilities for the purposes of health risk assessment. The district shall designate high, intermediate, and low priority categories and shall include each facility within the appropriate category based on its individual priority. In establishing priorities pursuant to this section, the district shall consider the potency, toxicity, quantity, and volume of hazardous materials released from the facility, the proximity of the facility to potential receptors, including, but not limited to, hospitals, schools, day care centers, worksites, and residences, and any other factors that the district finds and determines may indicate that the facility may pose a significant risk to receptors. The district shall hold a public hearing prior to the final establishment of priorities and categories pursuant to this section.

(b) (1) Within 150 days of the designation of priorities and categories pursuant to subdivision (a), the operator of every facility that has been included within the highest priority category shall prepare and submit to the district a health risk assessment pursuant to Section 44361. The district may, at its discretion, grant a 30-day extension for submittal of the health risk assessment.

(2) Health risk assessments required by this chapter shall be prepared in accordance with guidelines established by the Office of Environmental Health Hazard Assessment. The office shall prepare draft guidelines which shall be circulated to the public and the regulated community and shall adopt risk assessment guidelines after consulting with the state board and the Risk Assessment Committee of the California Air Pollution Control Officers Association and after conducting at least two public workshops, one in the northern and one in the southern part of the state. The adoption of the guidelines is not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The scientific review panel established pursuant to Section 39670 shall evaluate the guidelines adopted under this

paragraph and shall recommend changes and additional criteria to reflect new scientific data or empirical studies.

(3) The guidelines established pursuant to paragraph (2) shall impose only those requirements on facilities subject to this subdivision that are necessary to ensure that a required risk assessment is accurate and complete and shall specify the type of site-specific factors that districts may take into account in determining when a single health risk assessment may be allowed under subdivision (d). The guidelines shall, in addition, allow the operator of a facility, at the operator's option, and to the extent that valid and reliable data are available, to include for consideration by the district in the health risk assessment any or all of the following supplemental information:

(A) Information concerning the scientific basis for selecting risk parameter values that are different than those required by the guidelines and the likelihood distributions that result when alternative values are used.

(B) Data from dispersion models, microenvironment characteristics, and population distributions that may be used to estimate maximum actual exposure.

(C) Risk expressions that show the likelihood that any given risk estimate is the correct risk value.

(D) A description of the incremental reductions in risk that occur when exposure is reduced.

(4) To ensure consistency in the use of the supplemental information authorized by subparagraphs (A), (B), (C), and (D) of paragraph (3), the guidelines established pursuant to paragraph (2) shall include guidance for use by the districts in considering the supplemental information when it is included in the health risk assessment.

(c) Upon submission of emissions inventory data for facilities specified in subdivisions (b) and (c) of Section 44322, the district shall designate facilities for inclusion within the highest priority category, as appropriate, and any facility so designated shall be subject to subdivision (b). In addition, the district may require the operator of any facility to prepare and submit health risk assessments, in accordance with the priorities developed pursuant to subdivision (a).

(d) The district shall, except where site specific factors may affect the results, allow the use of a single health risk assessment for two or more substantially identical facilities operated by the same person.

(e) Nothing contained in this section, Section 44380.5, or Chapter 6 (commencing with Section 44390) shall be interpreted as requiring a facility operator to prepare a new or revised health risk assessment using the guidelines established pursuant to paragraph (2) of subdivision (a) of this section if the facility operator is required by the district to begin the preparation of a health risk assessment before those guidelines are established.

(Amended by Stats. 1992, Ch. 1162, Sec. 1.)

44361. (a) Each health risk assessment shall be submitted to the district. The district shall make the health risk assessment available for public review, upon request. After preliminary review of the emissions impact and modeling data, the district shall submit the health risk assessment to the State Department of Health Services for review and, within 180 days of receiving the health risk assessment, the State Department of Health Services shall submit to the district its comments on the data and findings relating to health effects. The district shall consult with the state board as necessary to adequately evaluate the emissions impact and modeling data contained within the risk assessment.

(b) For the purposes of complying with this section, the State Department of Health Services may select a qualified independent contractor to review the data and findings relating to health effects. The State Department of Health Services shall not select an independent contractor to review a specific health risk assessment who may have a conflict of interest with regard to the review of that health risk assessment. Any review by an independent contractor shall comply with the following requirements:

(1) Be performed in a manner consistent with guidelines provided by the State Department of Health Services.

(2) Be reviewed by the State Department of Health Services for accuracy and completeness.

(3) Be submitted by the State Department of Health Services to the district in accordance with this section.

(c) The district shall reimburse the State Department of Health Services or the qualified independent contractor designated by the State Department of Health Services pursuant to subdivision (b), within 45 days of its request, for its actual costs incurred in reviewing a health risk assessment pursuant to this section.

(d) If a district requests the State Department of Health Services to consult with the district concerning any requirement of this part, the district shall reimburse the State Department of Health Services, within 45 days of its request, for the costs incurred in the consultation.

(e) Upon designation of the high priority facilities, as specified in subdivision (a) of Section 44360, the State Department of Health Services shall evaluate the staffing requirements of this section and may submit recommendations to the Legislature, as appropriate, concerning the maximum number of health risk assessments to be reviewed each year pursuant to this section.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44362. (a) Taking the comments of the State Department of Health Services into account, the district shall approve or return for revision and resubmission and then approve, the health risk assessment within 180 days of receipt. If the health risk assessment has not been revised and resubmitted within 60 days of the district's request of the operator to do so, the district may modify the health risk assessment and approve it as modified.

(b) Upon approval of the health risk assessment, the operator of the facility shall

provide notice to all exposed persons regarding the results of the health risk assessment prepared pursuant to Section 44361 if, in the judgment of the district, the health risk assessment indicates there is a significant health risk associated with emissions from the facility. If notice is required under this subdivision, the notice shall include only information concerning significant health risks attributable to the specific facility for which the notice is required. Any notice shall be made in accordance with procedures specified by the district.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44363. (a) Commencing July 1, 1991, each district shall prepare and publish an annual report which does all of the following:

(1) Describes the priorities and categories designated pursuant to Section 44360 and summarizes the results and progress of the health risk assessment program undertaken pursuant to this part.

(2) Ranks and identifies facilities according to the degree of cancer risk posed both to individuals and to the exposed population.

(3) Identifies facilities which expose individuals or populations to any noncancer health risks.

(4) Describes the status of the development of control measures to reduce emissions of toxic air contaminants, if any.

(b) The district shall disseminate the annual report to county boards of supervisors, city councils, and local health officers and the district board shall hold one or more public hearings to present the report and discuss its content and significance.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44364. The state board shall utilize the reports and assessments developed pursuant to this part for the purposes of identifying, establishing priorities for, and controlling toxic air contaminants pursuant to Chapter 3.5 (commencing with Section 39650) of Part 2.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44365. (a) If the state board finds and determines that a district's actions pursuant to this part do not meet the requirements of this part, the state board may exercise the authority of the district pursuant to this part to approve emissions inventory plans and require the preparation of health risk assessments.

(b) This part does not prevent any district from establishing more stringent criteria and requirements than are specified in this part for approval of emissions inventories and requiring the preparation and submission of health risk assessments. Nothing in this part limits the authority of a district under any other provision of law to assess and regulate releases of hazardous substances.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44366. (a) In order to verify the accuracy of any information submitted by facilities pursuant to this part, a district or the state board may proceed in accordance with Section 41510.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

CHAPTER 5. FEES AND REGULATIONS

(Chapter 5 added by Stats. 1987, Ch. 1252, Sec. 1.
Operative July 1, 1988, by Section 44384.)

44380. (a) The state board shall adopt a regulation which does all of the following:

(1) Sets forth the amount of revenue which the district must collect to recover the reasonable anticipated cost which will be incurred by the state board and the Office of Environmental Health Hazard Assessment to implement and administer this part.

(2) Requires each district to adopt a fee schedule which recovers the costs of the district and which assesses a fee upon the operator of every facility subject to this part. A district may request the state board to adopt a fee schedule for the district if the district's program costs are approved by the district board and transmitted to the state board by April 1 of the year in which the request is made.

(3) Requires any district that has an approved toxics emissions inventory compiled pursuant to this part by August 1 of the preceding year to adopt a fee schedule, as described in paragraph (2), which imposes on facility operators fees which are, to the maximum extent practicable, proportionate to the extent of the releases identified in the toxics emissions inventory and the level of priority assigned to that source by the district pursuant to Section 44360.

(b) Commencing August 1, 1992, and annually thereafter, the state board shall review and may amend the fee regulation.

(c) The district shall notify each person who is subject to the fee of the obligation to pay the fee. If a person fails to pay the fee within 60 days after receipt of this notice, the district, unless otherwise provided by district rules, shall require the person to pay an additional administrative civil penalty. The district shall fix the penalty at not more than 100 percent of the assessed fee, but in an amount sufficient in its determination, to pay the district's additional expenses incurred by the person's noncompliance. If a person fails to pay the fee within 120 days after receipt of this notice, the district may initiate permit revocation proceedings. If any permit is revoked, it shall be reinstated only upon full payment of the overdue fee plus any late penalty, and a reinstatement fee to cover administrative costs of reinstating the permit.

(d) Each district shall collect the fees assessed pursuant to subdivision (a). After deducting the costs to the district to implement and administer this part, the district shall transmit the remainder to the Controller for deposit in the Air Toxics Inventory and Assessment Account, which is hereby created in the General Fund. The money in the account is available, upon appropriation by the Legislature, to the state board and the Office of Environmental Health Hazard Assessment for the purposes of administering this part.

(Amended by Stats. 1992, Ch. 375, Sec. 1.)

44380.1. A facility shall be granted an exemption by a district from paying a fee in accordance with Section 44380 if all of the following criteria are met:

(a) The facility primarily handles, processes, stores, or distributes bulk agricultural commodities or handles, feeds, or rears livestock.

(b) The facility was required to comply with this part only as a result of its particulate matter emissions.

(c) The fee schedule adopted by the district or the state board for these types of facilities is not solely based on toxic emissions weighted for potency or toxicity.

(Added by Stats. 1993, Ch. 1037, Sec. 4.)

44380.5. In addition to the fee assessed pursuant to Section 44380, a supplemental fee may be assessed by the district, the state board, or the Office of Environmental Health Hazard Assessment upon the operator of a facility that, at the operator's option, includes supplemental information authorized by paragraph (3) of subdivision (b) of Section 44360 in a health risk assessment, if the review of that supplemental information substantially increases the costs of reviewing the health risk assessment by the district, the state board, or the office. The supplemental fee shall be set by the state board in the regulation required by subdivision (a) of Section 44380 and shall be set in an amount sufficient to cover the direct costs to review the information supplied by an operator pursuant to paragraph (3) of subdivision (b) of Section 44360.

(Added by Stats. 1992, Ch. 1162, Sec. 2.)

44381. (a) Any person who fails to submit any information, reports, or statements required by this part, or who fails to comply with this part or with any permit, rule, regulation, or requirement issued or adopted pursuant to this part, is subject to a civil penalty of not less than five hundred dollars (\$500) or more than ten thousand dollars (\$10,000) for each day that the information, report, or statement is not submitted, or that the violation continues.

(b) Any person who knowingly submits any false statement or representation in any application, report, statement, or other document filed, maintained, or used for the purposes of compliance with this part is subject to a civil penalty of not less than one thousand dollars (\$1,000) or more than twenty-five thousand dollars (\$25,000) per day for each day that the information remains uncorrected.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44382. Every district shall, by regulation, adopt the requirements of this part as a condition of every permit issued pursuant to Chapter 4 (commencing with Section 42300) of Part 4 for all new and modified facilities.

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, by Section 44384.)

44384. Except for Section 44380 and this section, all provisions of this part shall become operative on July 1, 1988.

(Added by Stats. 1987, Ch. 1252, Sec. 1.)

CHAPTER 6. FACILITY TOXIC AIR CONTAMINANT RISK REDUCTION AUDIT AND PLAN

(Chapter 6 added by Stats. 1992, Ch. 1162, Sec. 3.)

44390. For purposes of this chapter, the following definitions apply:

(a) "Airborne toxic risk reduction measure" or "ATRRM" means those in-plant changes in production processes or feedstocks that reduce or eliminate toxic air emissions subject to this part. ATRRM's may include:

- (1) Feedstock modification.
- (2) Product reformulations.
- (3) Production system modifications.
- (4) System enclosure, emissions control, capture, or conversion.
- (5) Operational standards and practices modification.

(b) Airborne toxic risk reduction measures do not include measures that will increase risk from exposure to the chemical in another media or that increase the risk to workers or consumers.

(c) "Airborne toxic risk reduction audit and plan" or "audit and plan" means the audit and plan specified in Section 44392.

(Added by Stats. 1992, Ch. 1162, Sec. 3.)

44391. (a) Whenever a health risk assessment approved pursuant to Chapter 4 (commencing with Section 44360) indicates, in the judgment of the district, that there is a significant risk associated with the emissions from a facility, the facility operator shall conduct an airborne toxic risk reduction audit and develop a plan to implement airborne toxic risk reduction measures that will result in the reduction of emissions from the facility to a level below the significant risk level within five years of the date the plan is submitted to the district. The facility operator shall implement measures set forth in the plan in accordance with this chapter.

(b) The period to implement the plan required by subdivision (a) may be shortened by the district if it finds that it is technically feasible and economically practicable to implement the plan to reduce emissions below the significant risk level more quickly or if it finds that the emissions from the facility pose an unreasonable health risk.

(c) A district may lengthen the period to implement the plan required by

subdivision (a) by up to an additional five years if it finds that a period longer than five years will not result in an unreasonable risk to public health and that requiring implementation of the plan within five years places an unreasonable economic burden on the facility operator or is not technically feasible.

(d) (1) The state board and districts shall provide assistance to smaller businesses that have inadequate technical and financial resources for obtaining information, assessing risk reduction methods, and developing and applying risk reduction techniques.

(2) Risk reduction audits and plans for any industry subject to this chapter which is comprised mainly of small businesses using substantially similar technology may be completed by a self-conducted audit and checklist developed by the state board. The state board, in coordination with the districts, shall provide a copy of the audit and checklist to small businesses within those industries to assist them to meet the requirements of this chapter.

(e) The audit and plan shall contain all the information required by Section 44392.

(f) The plan shall be submitted to the district, within six months of a district's determination of significant risk, for review of completeness. Operators of facilities that have been notified prior to January 1, 1993, that there is a significant risk associated with emissions from the facility shall submit the plan by July 1, 1993. The district's review of completeness shall include a substantive analysis of the emission reduction measures included in the plan, and the ability of those measures to achieve emission reduction goals as quickly as feasible as provided in subdivisions (a) and (b).

(g) The district shall find the audit and plan to be satisfactory within three months if it meets the requirements of this chapter, including, but not limited to, subdivision (f). If the district determines that the audit and plan does not meet those requirements, the district shall remand the audit and plan to the facility specifying the deficiencies identified by the district. A facility operator shall submit a revised audit and plan addressing the deficiencies identified by the district within 90 days of receipt of a deficiency notice.

(h) Progress on the emission reductions achieved by the plan shall be reported to the district in emissions inventory updates. Emissions inventory updates shall be prepared as required by the audit and plan found to be satisfactory by the district pursuant to subdivision (g).

(i) If new information becomes available after the initial risk reduction audit and plan, on air toxics risks posed by a facility, or emission reduction technologies that may be used by a facility that would significantly impact risks to exposed persons, the district may require the plan to be updated and resubmitted to the district.

(j) This section does not authorize the emission of a toxic air contaminant in violation of an airborne toxic control measure adopted pursuant to Chapter 3.5 (commencing with Section 39650) or in violation of Section 41700.

(Amended by Stats. 1993, Ch. 1041, Sec. 2.)

44392. A facility operator subject to this chapter shall conduct an airborne toxic risk reduction audit and develop a plan which shall include at a minimum all of the following:

- (a) The name and location of the facility.
- (b) The SIC code for the facility.
- (c) The chemical name and the generic classification of the chemical.
- (d) An evaluation of the ATRRM's available to the operator.
- (e) The specification of, and rationale for, the ATRRMs that will be implemented by the operator. The audit and plan shall document the rationale for rejecting ATRRMs that are identified as infeasible or too costly.
- (f) A schedule for implementing the ATRRMs. The schedule shall meet the time requirements of subdivision (a) of Section 44391 or the time period for implementing the plan set by the district pursuant to subdivision (b) or (c) of Section 44391, whichever is applicable.
- (g) The audit and plan shall be reviewed and certified as meeting this chapter by an engineer who is registered as a professional engineer pursuant to Section 6762 of the Business and Professions Code, by an individual who is responsible for the processes and operations of the site, or by an environmental assessor registered pursuant to Section 25570.3.

(Added by Stats. 1992, Ch. 1162, Sec. 3.)

44393. The plan prepared pursuant to Section 44391 shall not be considered to be the equivalent of a pollution prevention program or a source reduction program, except insofar as the audit and plan elements are consistent with source reduction, as defined in Section 25244.14, or subsequent statutory definitions of pollution prevention.

(Added by Stats. 1992, Ch. 1162, Sec. 3.)

44394. Any facility operator who does not submit a complete airborne toxic risk reduction audit and plan or fails to implement the measures set forth in the plan as set forth in this chapter is subject to the civil penalty specified in subdivision (a) of Section 44381, and any facility operator who, in connection with the audit or plan, knowingly submits any false statement or representation is subject to the civil penalty specified in subdivision (b) of Section 44381.

(Added by Stats. 1992, Ch. 1162, Sec. 3.)

PART 9. HALOGENATED REFRIGERANTS

(Part 9 added by Stats. 1991, Ch. 874, Sec. 1.)

44470. (a) The Legislature finds and declares the following:

- (1) For the first time in human history, the use and disposal of certain manmade products are actively destroying a layer of the earth's atmosphere without which human life cannot continue to exist.

Appendix III

**Emission Inventory Criteria and Guidelines
Regulation (portions)**

Amendments to Titles 17 and 26, California Code of Regulations:

AMENDMENTS

CHAPTER 7.6. EMISSION INVENTORY CRITERIA AND GUIDELINES

Article 1. General

93300. Purpose.

This subchapter sets forth the criteria and guidelines for preparing emission inventory plans and reports to develop site-specific inventories of air emissions of toxic substances, as required by the Air Toxics "Hot Spots" Information and Assessment Act of 1987 (the "Act"; Stats. 1987, ch. 1252; Health and Safety Code Section 44300 et seq.).

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

93301. Definitions.

- (a) "Air emission", "emission", "air release", or "release" has the same meaning as defined in Health and Safety Code Section 44303.
- (b) "ARB-adopted source test method" or "ARB-adopted method" means a procedure for performing source testing as set forth in Title 17 California Code of Regulations, Section 94100 et seq.
- (c) "Device" means any article, machine, equipment or other contrivance (whether or not operated under a permit from an air pollution control district or air quality management district) which may cause the emission of a listed substance.
- (d) "Emission inventory plan", "inventory plan", or "plan" means the emission inventory plan required by Health and Safety Code Sections 44340 and 44342.
- (e) "Emission inventory report", "inventory report", or "report" means the emission inventory report required by Health and Safety Code Section 44341.
- (f) "Emitting process" means any fugitive source or any operation within a device that involves the manufacture, formulation, use, or release of one or more of the listed substances, when the substance is present in any capacity whatsoever, including but not limited to an ingredient, product, auxiliary, or catalyst.

(g) "Facility" means the same as defined in Health and Safety Code Section 44304. "Facility" shall not include any motor vehicle as defined in Section 415 of the Vehicle Code.

(1) Except for the oil production operations defined in subsection (2) below, for purposes of this regulation, the phrase "every structure, appurtenance, installation" shall mean all equipment, buildings, and other stationary items, or aggregations thereof, (A) which are associated with a source of air emission or potential air emission of a listed substance; (B) which involve activities that belong to the same two-digit Standard Industrial Classification code, or are part of a common operation; (C) which are located on a single site or on contiguous or adjacent sites; and (D) which are under common ownership, operation, or control, or which are owned or operated by entities which are under common ownership, operation, or control.

(2) For oil production operations in the counties of Kern and Fresno, the phrase "every structure, appurtenance, installation" shall mean the same as "stationary source" defined in Section 3.3, "Definitions" in San Joaquin Valley Unified Air Pollution Control District Rule 2201 "New and Modified Stationary Source Review Rule" as amended December 17, 1992, which is incorporated by reference herein.

(h) "Facility diagram" means a diagram submitted with the inventory report that shows all points of actual or potential air release of a listed substance, including fugitive emissions.

(i) "Fugitive emissions" means those emissions which do not pass through a stack, chimney, vent, or other functionally equivalent opening.

(j) "List of substances" means the list of chemical substances which may pose a threat to public health when present in the ambient air as set forth in Appendix A of Title 17 California Code of Regulations, Sections 90700 through 90704, and in Appendices A-I and A-II of this regulation; a "listed substance" is a substance included on this list.

(k) "Material Safety Data Sheet" ("MSDS") means printed material concerning a hazardous substance which is prepared by manufacturers and importers in accordance with Section 5194(g) of Title 8, California Code of Regulations, "Hazard Communication".

(l) "Operator" or "facility operator" means the same as defined in Health and Safety Code Section 44307.

(m) "Small business" means the same as defined in Government Code Section 11342(e).

(n) "source" or "point of release" means the location of a facility activity, device or emitting process, including locations of fugitive emissions, which may be associated with air emissions of a listed substance or other air pollutant; or the location of any substance which may be associated with emissions of a listed substance or other air pollutant.

(o) "Total organic gases (TOG)" means all gases consisting of substances containing carbon, except carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate.

(p) "Trade secrets" means the same as defined in Government Code Section 6254.7(d).

(q) "Update plan" means an emission inventory plan which is revised and updated as required by Health and Safety Code Section 44344.

(r) "Update report" means an emission inventory report which is revised and updated as required by Health and Safety Code Section 44344.

(s) "Use" means any application, whether primary or secondary to the main facility operation, which may result in an air release of a listed substance, unless exempted pursuant to Section 93333.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, and 44344, Health and Safety Code.

Article 2. Applicability

93303. Facilities Covered.

(a) Except for facilities or activities exempted by Health and Safety Code Sections 44324 and 44325, as further defined in subsection (c), below, this regulation shall apply upon its effective date to any facility which:

(1) manufactures, formulates, uses, or releases any listed substance or any other substance which reacts to form a listed substance, and releases 25 tons per year or more of total organic gases, particulate matter, nitrogen oxides, or sulfur oxides;

(2) is listed in any current toxics use or toxics air emission survey, inventory, or report released or compiled by an air pollution control district or air quality management district (herein referred to as "district") and referenced in Appendix B of Title 17 California Code of Regulations, Sections 90700 through 90704.

(b) Effective July 1, 1989, this regulation shall also apply to any facility which manufactures, formulates, uses, or releases any listed substance or any other substance which reacts to form a listed substance, and releases 10 or more but less than 25 tons per year of total organic gases, particulate matter, nitrogen oxides, or sulfur oxides.

(c) For purposes of this subchapter, the phrase "in compliance with Section 41805.5" as used in Health and Safety Code Section 44325, regarding solid waste disposal facilities, shall refer only to those activities conducted at a solid waste disposal facility which are subject to the Calderon testing program described in Health and Safety Code Section 41805.5 and which have complied with its requirements. All other activities conducted at a solid waste disposal facility are subject to the requirements of this subchapter. A facility is deemed to have complied with the requirements of the Calderon testing program if the facility has performed the required testing or is on schedule, as determined by the district, to do so.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 41805.5, 44320, 44322, 44324, 44325, 44340, 44341, and 44342, Health and Safety Code.

93304. Plan Submittal.

(a) Every facility included in subsection 93303(a) shall submit an emission inventory plan to the appropriate district by August 1, 1989, unless the district notifies the facility in writing that the facility's emissions are or will be included in an industrywide emission inventory prepared by the district pursuant to Health and Safety Code Section 44323.

(b) Every facility included in subsection 93303(b) shall submit an emission inventory plan to the appropriate district by August 1, 1990, unless the district notifies the facility in writing that the facility's emissions are or will be included in an industrywide emission inventory prepared by the district.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44322, 44323, 44340, 44341, and 44342, Health and Safety Code.

93305. New Facilities and Facilities whose Emissions Increase.

This regulation shall also apply to facilities commencing operation or increasing emissions of total organic gases, particulate matter, nitrogen oxides, or sulfur oxides after June 1, 1989 which meet the conditions specified in Section 93303. The operator of every such facility commencing operation or increasing emissions on or before January 1 of a given year shall submit an emission inventory plan to the appropriate district by the following August 1, unless:

93306. Facilities Added to District Surveys.
This regulation shall also apply to facilities added after July 1, 1988, to a toxics use or toxics air emission survey, inventory, or report released or compiled by a district and subsequently referenced in Appendix B of Title 17 California Code of Regulations, Sections 90700 through 90704. The operator of any such facility referenced in such Appendix B on or before April 1 of a given year shall submit an emission inventory plan to the appropriate district by the following August 1, unless the district notifies the facility in writing that the facility's emissions are or will be included in an industrywide emission inventory prepared by the district.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44320(b), 44323, 44340, 44341, and 44342, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93306.6 Facilities Removed from District Surveys.
(a) This regulation ceases to apply to any facility that is removed from a district's toxics use or toxics air emission survey, inventory, or report referenced in Appendix B of Title 17 California Code of Regulations, Section 90700 through 90704, if the facility demonstrates to the district, and the district finds and the state board concurs that the following criteria are satisfied:

- (1) the facility does not satisfy the conditions specified in Section 93303 or 93308; and
 - (2) the facility poses no significant risk to public health.
- (b) The operator of every such facility that satisfies the criteria of subsection (a) and is deleted from a reference in Appendix B of Title 17 California Code of Regulations, Section 90700 through 90704, on or before April 1 of a given year shall not be required to comply with the update requirements that apply to that or to any subsequent year.
- (c) If at any time a facility ceases to satisfy any of the criteria specified in subsection (a), the facility shall automatically become subject to this regulation. A facility must notify the district immediately if it fails to satisfy the criteria specified in subsection (a).

NOTE: Authority cited: Sections 39600, 39601, 44320, 44342, and 44344, Health and Safety Code. Reference: Sections 44320, 44323, 44340, 44341, 44342, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

(a) The district notifies the facility in writing that the facility's emissions are or will be included in an industrywide emission inventory prepared by the district; or

(b) The facility is subject to earlier submission of an inventory plan pursuant to district requirements adopted in accordance with Health and Safety Code Sections 44365(b).

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44322, 44323, 44340, 44341, and 44342, Health and Safety Code.

93306.6 Facilities whose Emissions Decrease Below 10 Tons Per Year of Criteria Pollutants

(a) This regulation shall cease to apply to any facility whose emissions of total organic gases, particulate matter, nitrogen oxides, or sulfur oxides are reduced to the extent that the facility no longer satisfies the conditions specified in Section 93303(a)(1) and (b), if the facility demonstrates to the district, and the district finds and the state board concurs that the following criteria are satisfied:

- (1) the facility does not satisfy the conditions specified in Sections 93303(a)(2) or 93308;
- (2) the emission reductions are permanent and enforceable; and
- (3) the facility poses no significant risk to public health.

(b) The operator of every facility which satisfies the criteria of subsection (a) and obtains the district's findings thereof and the state board's concurrence thereof on or before January 1 of a given year, shall not be required to comply with the update requirements that apply to that or to any subsequent year.

(c) If at any time a facility ceases to satisfy any of the criteria specified in subsection (a), the facility shall automatically become subject to this regulation. A facility must notify the district immediately if it ceases to satisfy the criteria specified in subsection (a).

NOTE: Authority cited: Sections 39600, 39601, 44320, 44342, and 44344, Health and Safety Code. Reference: Sections 44322, 44323, 44340, 44341, 44342, and 44344, Health and Safety Code.

93307. Updates to the List of Substances.

The operator of any facility which manufactures, formulates, uses, or releases any substance added to the list of substances on or before April 1 of a given year shall include such substance in any emission inventory plan required pursuant to this Article, or in the next update of the emission inventory required pursuant to Health and Safety Code Section 43344 and to Article 6, beginning with Section 93348, unless the district notifies the facility in writing that the facility's emissions of the substance are or will be included in an industrywide emission inventory prepared by the district.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44321, 44323, 44340, 44342, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix A.

93308. Facilities Emitting Less Than 10 Tons Per Year of Criteria Pollutants.

(a) This Section shall apply on its effective date to any facility which manufactures, formulates, uses, or releases any listed substance or any other substance which reacts to form a listed substance; and which releases less than 10 tons per year of each of total organic gases, particulate matter, nitrogen oxides, and sulfur oxides; and which falls in any class listed in Appendix E-I or Appendix E-II.

(b) Each such facility shall comply with subsections (c) and (d) below, unless:

- (1) The district notifies the facility in writing that the facility's emissions are or will be included in an industrywide emission inventory prepared by the district pursuant to Health and Safety Code Section 44323; or
- (2) The facility is subject to earlier submission of an inventory plan pursuant to Sections 93304, 93305, or 93306 or pursuant to district requirements adopted in accordance with Health and Safety Code Section 44365(b).

(c) Except as provided in (b), above, the operator of any such facility which falls in any class listed in Appendix E-I shall submit to the appropriate district an inventory plan and inventory report which meet all the requirements of this subchapter. The inventory plan shall be due August 1 of the year following the effective date of this subsection for any such facility in operation at the time of such effective date. For any such facility commencing operation after such effective date, the operator of every such facility commencing operation on or before January 1 of a given year shall submit an inventory plan to the appropriate district by the following August 1, except as provided in

subsection (b)(1) above. The schedule specified in Health and Safety Code Sections 44340(b), 44341, and 44343, and in Sections 93320 and 93347 herein shall apply to the review, approval, and implementation of the plan and submission of the report.

(d) Except as provided in (b), above, the operator of any such facility which does not fall in any class listed in Appendix E-I but falls in any class listed in Appendix E-II shall submit to the appropriate district, for one time only, in lieu of a plan and a report, a completed copy of the Facility Description Form and a completed copy of Form S-Up which includes all applicable substances listed in both Appendix A-I and Appendix A-II. The operator shall include on Form S-Up or on an attachment a brief description regarding the nature and approximate quantity of the indicated use, production, or other presence of each applicable substance. These completed forms shall be submitted to the district on or before August 1 of the year following the effective date of this subsection for any such facility in operation at the time of such effective date. For any such facility commencing operation after such effective date, the operator of every such facility commencing operation on or before January 1 of a given year shall submit the required forms to the appropriate district by the following August 1, except as provided in subsection (b)(1) above. The district shall forward these forms to the ARB within sixty (60) days of receipt.

(e) This regulation shall also apply to any such facility which falls in any class which is subsequently added to Appendix E-I or Appendix E-II. The operator of any such facility which falls in a class added to Appendix E-I or E-II on or before April 1 of a given year shall submit the required emission inventory plan or the completed Facility Description Form and Form S-Up, respectively, to the appropriate district by the following August 1, unless:

- (1) The district notifies the facility in writing that the facility's emissions are or will be included in an industrywide emission inventory prepared by the district pursuant to Health and Safety Code Section 44323; or
- (2) The facility is subject to earlier submission of an inventory plan pursuant to Sections 93304, 93305, or 93306 or pursuant to district requirements adopted in accordance with Health and Safety Code Sections 44365(b).

NOTE: Authority cited: Sections 39600, 39601, 44322, and 44342, Health and Safety Code. Reference: Sections 44321, 44322, 44323, 44340, 44341, 44342, 44343, 44344, and 44365, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix A.

93311. Flow Diagram.

Each inventory plan shall include a flow diagram consisting of a comprehensive schematic drawing of the process flows which affect the nature or quantity of emissions of listed substances. If necessary, a reference document shall be attached to the drawing to include any information needed to fulfill the flow diagram requirements which cannot be included on the drawing. An existing diagram which meets the requirements of this section may be submitted. The diagram shall indicate the following:

- (a) All devices associated with an emitting process within a facility, including but not limited to:

- (1) Boilers
- (2) IC Engines
- (3) Incinerators
- (4) Flares
- (5) Furnaces
- (6) Kilns
- (7) Process Heaters
- (8) Control Devices (including hoods)
- (9) Storage or Process Tanks or Enclosures
- (10) Cooling Towers

Each device shall be represented by a block labeled with the name and number of the device it represents.

For purposes of this section, similar small devices which are substantially equivalent may be aggregated and considered for reporting purposes as one device. The number of such devices which are so aggregated shall be reported.

- (b) Specific emitting processes, each associated with a device number and numbered sequentially as an emitting process within that device number. Emissions which always occur simultaneously from the same point of release shall be considered to result from a single emitting process. Each fuel burned at a combustion device shall be reported as a separate emitting process. Each air pollution control device and process shall be reported.

For purposes of this section, similar small emitting processes which are substantially equivalent may be aggregated and considered for reporting purposes as one emitting process. The number of such emitting processes which are so aggregated shall be reported.

- (c) An estimate of the numbers of valves, vents, flanges, seals, and gaskets associated with each listed substance at the general locations of fugitive emissions. The estimate shall be sufficiently accurate so calculations of emissions based on the estimate meet the degree of accuracy required in Section 93334. The estimate of such components may be indicated as an aggregation at a general location.

93309. Facilities Emitting Less Than 10 Tons Per Year of Criteria Pollutants And No Longer Falling Within an "Any SIC" Class Description Listed in Appendix E-1.

(a) This regulation shall cease to apply to any facility at which a process is discontinued such that the facility no longer falls within an "any SIC" class listed in Appendix E-1, if the facility demonstrates to the district, and the district finds and the state board concurs that the following criteria are satisfied:

- (1) the facility does not satisfy the conditions specified in Section 93303 or any other condition specified in Section 93308;
 - (2) the process is discontinued permanently; and
 - (3) the facility poses no significant risk to public health.
- (b) The operator of every facility which satisfies the criteria of subsection (a) and obtains the district's findings thereof and the state board's concurrence thereof on or before January 1 of a given year, shall not be required to comply with the update requirements that apply to that or to any subsequent year.

(c) If at any time a facility ceases to satisfy any of the criteria specified in subsection (a), the facility shall automatically become subject to this regulation. A facility must notify the district immediately if it ceases to satisfy the criteria specified in subsection (a).

NOTE: Authority cited: Sections 39600, 39601, 44320, 44322, 44323, 44342, and 44344, Health and Safety Code. Reference: Sections 44321, 44322, 44323, 44340, 44341, 44342, 44343, 44344, and 44365, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix E-1.

Article 3. Requirements for Preparing Emission Inventory Plans
93310. General.

The emission inventory plan shall provide a comprehensive and detailed description of the methods that will be used to quantify air releases or potential air releases of listed substances from all points of release. The plan shall include quantification methods which shall result in an accurate and comprehensive characterization of releases and shall comply with all other applicable requirements in this regulation.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

(d) All stacks, vents, ducted building exhaust sites, and other sites of exhaust release of a listed substance.

(e) Interconnections showing functional relationships that affect emissions or their reportable characteristics, sufficient to support evaluation of the completeness and representativeness of each required source test protocol and inventory plan, including but not limited to connections between devices, stacks, emitting processes, and control equipment. Interconnections shall be indicated by arrows labeled to identify the listed substances associated with each discrete emission point or general fugitive location.

(f) All major modifications to existing processes or devices anticipated to result in a significant change in the amount or nature of emissions which are expected to occur during the reporting period.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

93312. Trade Secrets.

Information claimed to be a trade secret shall be denoted by use of a "black box" block on the flow diagram which is labeled with the non-proprietary name(s) of the operation(s) therein. All devices and emitting processes within the "black box" shall be identified by name and by number. Fugitive emissions of listed substances located within the black box shall be indicated.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, and 44346, Health and Safety Code, and Government Code Section 6254.7

93313. Numbering.

Numbering of devices and stacks shall be consistent throughout all parts of the plan, report, and reporting forms and with existing device and stack numbers currently used by the district to characterize the facility. For devices and stacks for which the district has not assigned numbers, the facility operator shall number the devices and stacks in a manner compatible with the existing numbering convention. In cases where a facility has one or more substantially identical activities, repetitions may be indicated with an appropriately labeled box or boxes.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

93314. Specification of Emission Quantification Methods.

For each emission point on the flow diagram, including the general location of fugitive emissions, the facility operator shall identify the listed substances being emitted and specify in detail the estimation method, source test method or other measurement method that will be used to quantify the air releases of the listed substances as required by Sections 93336 through 93348, as appropriate. Each method shall result in an accurate and comprehensive characterization of releases.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

93315. Source Test Protocol and Other Required Information.

The inventory plan shall include a source test protocol which describes how each source test method will be applied to each emission point where source testing is required pursuant to Section 93336 and Appendix D. The inventory plan shall propose values for the effectiveness of air pollution control equipment in accordance with the requirements of subsection 93345(c) and shall include any other documentation required to be cited pursuant to Article 5, beginning with Section 93330.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

Article 4. Requirements for Emission Inventory Reports

93320. General.

The emission inventory report shall be submitted to the district within 180 days after approval of the plan and shall include a facility diagram; the results of all source tests, material analysis and other measurements performed; and completed copies of the necessary multiples of the four core reporting forms and the S-Up Form, or the required information in an alternative format if so required by the district. Any deficiencies or errors noted by the district, or by the ARB where applicable, shall be corrected.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

93321. Facility Diagram.

- (a) The facility diagram shall include all the information presented in the flow diagram and in the equivalent format and shall also include any specific required information which the facility chooses to designate as trade secret.
- (b) Only the necessary data used to calculate emissions which are required in the facility diagram may be designated trade secret. For purposes of this regulation, "necessary data to calculate emissions" shall include process rate, operating schedule, equipment capacity, emission factors, and feed composition. "Necessary data to calculate emissions" which may be designated trade secret shall not include information previously disclosed or easily discernable, including all information which the district requires any applicant to provide before such applicant builds, alters, replaces, or operates a facility, device, or emitting process; information on the Facility Description Form, the Stack Data Form, the Device Description and Device-Stack Relations Form, and all other information on the Process and Emittents Data Form, with the exception of process description, which was not defined earlier as "necessary data to calculate emissions."

- (c) Information claimed to be a trade secret shall be included on the facility diagram and reference document with a box around such information, using dashed lines and a bold letter "C" in the upper right corner of the dashed box. The designated information will be protected as a trade secret when it appears in another component of the emission inventory report only if thus denoted on the facility diagram and denoted in such other component in accordance with the provisions of this regulation.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, and 44346, Health and Safety Code, and Government Code Section 6254.7

93322. Reporting Forms.

- (a) The operator of each facility subject to the regulation shall complete one Facility Description Form, an entry on a Stack Data Form for each stack or vent from which a listed substance may be released, an entry on a Device Description and Device-Stack Relations Form for each device associated with a release of a listed substance, and a Process and Emittents Data Form for each emitting process within each device. A Process and Emittents Data Form and an entry on a Device Description and Device-Stack Relations Form shall be completed for each general location of fugitive emissions.

- (b) Form S-UP shall be completed for all substances set forth in Appendix A-I which are: 1) used as ingredients in any activity or process at the facility; 2) manufactured or produced as a result of any activity or process at the facility; or 3) otherwise associated with an activity or process, including but not limited to presence in a formulation operation or presence as a by-product or a reaction intermediate which appears temporarily during processing.

- (c) Information designated as trade secret on the facility diagram shall be identified on the reporting forms according to the instructions set forth in Appendix B.

- (d) The forms shall be available at the district office and shall be provided to facility operators upon request.

- (e) Form S-UP shall also be completed for all substances set forth in Appendix A-I when required pursuant to Section 93334 (e) and for all substances set forth in Appendix A-I and Appendix A-II when required pursuant to Section 93308(c).

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, and 44345, Health and Safety Code.

93323. Other Required Data.

- (a) Each inventory report shall include the results of each required source test and source test protocol, each fuel or material analysis, and any other documentation required to be submitted pursuant to Article 5.

- (b) The inventory report shall include the results of any source tests performed pursuant to district regulations implementing an ARB airborne toxic control measure which was adopted pursuant to Health and Safety Code Section 39666 for the control of toxic air contaminants, where such source tests have been performed prior to the date of submittal of the inventory report.

- (c) If so required by the district, the facility operator shall include with the inventory report a facility-wide emissions summary which lists for each reported substance the total of the annual emissions and the maximum hourly emissions of each listed substance from the facility. The totals for each substance shall match the sums of the annual and maximum hourly emissions, respectively, which have been reported for the substance on the Process and Emittents Data Forms for all applicable emitting processes at the facility. If such a summary is required by the district, the district shall, on request, specify a standardized format for the summary data.

- (c) The facility operator shall use and cite available technical guidance as needed to identify the presence of any listed substances and to quantify and report emissions in accordance with the requirements set forth in Section 93334.
- (d) Nothing in subsections (a) through (c), above, shall be construed as requiring that source testing be conducted for substances set forth in Appendix C. Further, in cases where a substance set forth in Appendix C is not in fact present at a particular facility, the facility operator shall not attempt to quantify the emissions of such substance, but shall provide adequate documentation to demonstrate to the district that the possible presence of the substance at the facility has been addressed and that there are no emissions of the substance for specified reasons.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

93333. Exempted Uses.

The following uses of listed substances shall not be subject to this regulation:

- (a) Use as a structural component of the facility.
- (b) Personal use by employees or other persons of foods, drugs, cosmetics, tobacco products, and other personal items, including supplies of such products within the facility in an on-site cafeteria, store, or infirmary.
- (c) Office and administrative use of products including ink, marking pens, ink pads, correction fluid, correction fluid thinner, and glue.
- (d) Use of products for routine janitorial or facility grounds maintenance.
- (e) Use of products for structural maintenance and repair, including WD-40 and other lubricants, sealants, touch-up paints, spray paints, and varnishes. Structural maintenance does not include maintenance and repair of process and industrial equipment.
- (f) Use of products for minor maintenance and repair of process and industrial equipment, including WD-40 and other lubricants, sealants, touch-up paints, spray paints, and varnishes. Minor maintenance and repair shall not include maintenance and repair which is routinely scheduled or which is due to predictable process upsets.
- (g) Use of products for the purpose of maintaining motor vehicles operated by the facility, unless vehicle maintenance is a significant function of the facility, such as in an auto repair facility or in a trucking or other business where a fleet of vehicles is maintained.

- (h) Use of process water or non-contact cooling water which is drawn from municipal water supplies or from other local ground or surface water sources but is not drawn from activities at the facility.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

93334. Emission Quantification and Degree of Accuracy.

- (a) For all substances listed in Appendix A-I, the inventory report shall identify and quantify emissions from the use, manufacture, formulation, and release of the substance at all primary locations of actual or potential release.
- (b) For each process for which source testing is required to quantify emissions of a listed substance pursuant to Section 93336 and Appendix D, the measured concentrations shall meet the practical quantification limit in the applicable ARB-adopted source test method. All other parameters needed to calculate emissions shall be reported to within plus or minus 10 per cent of their total values. The emission results of each source test shall be reported to the degree of accuracy consistent with the detection and accuracy limits achievable using the applicable source test method, whether or not such emissions are below the lowest applicable degree of accuracy set forth in subsection (c) below.
- (c) The sampling frequency shall provide the best practicable characterization of emissions at the facility representative of the reporting year and shall be specified in the source test protocol submitted with the inventory plan.
- (d) In cases where source testing is required to quantify emissions of a listed substance from some but not all emitting processes at the facility, total emissions from the processes for which source testing is not required shall meet the applicable limits set forth in subsection (c) below.
- (e) For each substance listed in Appendix A-I, the total emissions from processes for which source testing is not required shall be reported to within plus or minus 10 per cent of the total emissions of the substance, or to within plus or minus the applicable degree of accuracy value in Appendix A-I for that substance, whichever is greater.
- (f) For all substances listed in Appendix A-II, the facility operator shall identify and report each substance produced, used, or otherwise present at all primary locations of use, manufacture, formulation, or release.
- (g) For all substances listed in Appendix A-I which are manufactured, formulated, used, or released but for which emissions are below the applicable limits for degree of accuracy required by subsection (c) and listed in Appendix A-I, the facility operator shall complete Form S-UP

to indicate the presence of such substances, unless a numeric estimate of such emissions is reported on a Process and Emissions Data Form for the appropriate emitting process.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44321, 44340, 44341, and 44342, Health and Safety Code, and 17 CCR Section 90700-90704, Appendix A.

93335. Reporting Mixtures and Trade Name Products.

(a) Except as provided in subsections (c) through (h), below, the emissions of each listed substance contained in any mixture shall be individually reported to the degree of accuracy required in Section 93334 and Appendix A.

(b) Mixtures Without Emission Identification Numbers: Except as required in subsections (c) through (h), below, the emissions from any mixture or substance group header listed in Appendix A but for which an emission identification number is not included shall be reported as emissions of the component listed substances.

(c) Mixtures With Emission Identification Numbers: Except as required in subsections (d) through (h), below, the emissions of any listed mixture or group heading for which an emission identification number is included in Appendix A-I shall be reported as follows:

(1) Emissions of individual substances listed under the mixture or group heading shall be reported individually. Other, unspecified substances in the mixture or group must be summed and reported under the emission identification number for the mixture or group heading.

(2) If no individual substances are listed under the mixture or group heading, the emissions of the mixture or group heading shall be reported as total emissions of the aggregated mixture using the applicable emission identification number. The listed mixture shall not be divided into constituent listed substances for purposes of reporting emissions on the reporting forms in Appendix B. Rather, the facility operator shall provide all reasonably obtainable information on the composition and variability of the mixture as it pertains to constituents which are listed substances, including at a minimum, each applicable Material Safety Data Sheet, Technical Data Sheet, and other data on batch composition.

(d) Metal Compounds: Emissions of individually listed metal compounds shall be reported as total emissions of the compound using the emission identification number for that compound. Emissions of metal compounds for which an emission identification number is not included in Appendix A-I, but which contains one or more listed metals, shall be reported as each listed metal's atom equivalent, using the emission identification number for each metal or applicable metal compound group header.

(e) Diesel and Gasoline Engine Exhaust: Emissions of diesel engine exhaust and gasoline engine exhaust shall be reported as emissions of total particulate matter and total organic gas using the emission identification numbers specified in Appendix A. Individually listed substances from diesel and gasoline combustion shall also be reported using the applicable emission identification numbers.

(f) Gasoline Vapors: Total gasoline vapor emissions shall be reported using the applicable emission identification number. Emissions of individual components of gasoline vapors which are listed substances shall also be reported.

(g) Source test results for polycyclic aromatic hydrocarbons (PAHs) shall include measurement of total PAHs and each of the component substances which are listed substances and to which the ARB-adopted source test method pertains. Each individual substance and total PAHs shall be reported in accordance with the instructions set forth in Appendix B.

(h) Source test results for dioxins and furans shall include measurement of total dioxins and furans and each of the component substances which are listed substances and to which the ARB-adopted source test method pertains. The results shall include the determination of total tetra-, penta-, hexa-, hepta-, and octa- PCDD/PCDF homologue groups and all the 2,3,7,8-substituted PCDD/PCDF isomers listed in the method. Each individual substance and total dioxins and furans shall be reported in accordance with the instructions set forth in Appendix B.

(i) Trade name products shall be treated as mixtures.

(j) A Material Safety Data Sheet (MSDS) or Technical Data Sheet (TDS) shall be considered sufficient to identify listed substances in a mixture or trade name product only if all listed substances can be identified to the degree of accuracy required by Section 93334 and Appendix A unless the district concurs that the presence of a particular substance in the mixture is highly unlikely. An MSDS or TDS shall not be acceptable for purposes of this regulation if trade secret information has been omitted or if it includes a mixture or a category of substances (such as "petroleum process oil") that may reasonably be expected to contain a listed substance (such as benzene), unless, by consulting the manufacturer or performing a laboratory analysis of the material, the

facility operator demonstrates that no listed substances are included in the mixture or establishes the amounts of listed substances that are present.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44321, 44340, 44341, and 44342, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix A.

93336. Source Testing and Measurement.

(a) Source testing shall be required for those sources set forth in Appendix D for the substances specified and in accordance with the measurement methods set forth therein. Exemptions and alternatives are set forth in the third column of Appendix D.

(b) The ARB-adopted test methods shall be used to fulfill the source test requirements in subsection (a) when the specified conditions exist, except that:

(1) To determine quantities of trace elements in fuel, waste, or material samples, the following methods shall be used: EPA Method 7196 for Chromium (hexavalent), EPA Method 7471 for mercury, EPA Method 7740 for selenium, and EPA Method 6010 for all other trace elements, all of which are dated September 1986 and set forth in SW-846, Test Methods for Evaluating Solid Waste, Third Edition, November 1986, and all of which are incorporated by reference herein; and

(2) To determine chlorine content and sulfur content of coal and coke fuel samples: ASTM Methods D2361-85 amended as of 1985 and D3177-89 amended as of 1989, both of which are incorporated by reference herein, shall be used, respectively.

(3) To determine chlorine content and sulfur content in wood, refuse-derived, and other solid fuel, waste, or material samples, ASTM Methods E776-87 amended as of 1987 and E775-87 amended as of 1987, both of which are incorporated by reference herein, shall be used, respectively.

(4) To determine chlorine content and sulfur content in other fuel or material samples, ASTM Methods D808-87 amended as of 1987 and D129-64 amended as of 1964, both of which are incorporated by reference herein, shall be used, respectively.

(c) The facility operator may propose in the inventory plan and the district may approve equivalent sampling and analysis methods to accomplish the required source testing only if the facility operator includes in the inventory plan sufficient information to enable the Executive Officer of the ARB to determine in writing that the alternative method is substantially equivalent to the ARB-adopted method for that facility for purposes of complying with this regulation.

(d) The inventory plan may include a proposal for the use of existing source test data from the facility to satisfy the source testing requirement. The district may approve the proposal only if all conditions affecting emissions of listed substances are substantially the same, and the source test methods used are determined by the Air Pollution Control Officer or Executive Officer of the district to be substantially equivalent to the ARB-adopted test methods. The proposal must be approved in writing by the district prior to use.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

93337. Pooled Source Testing.

(a) The operators of a group of related facilities may propose in each of their respective inventory plans to satisfy any source testing requirement by performing a limited number of representative source tests and applying the results to each of their respective facilities. Such a proposal shall be submitted for district review and approval with the source test protocol in the inventory plan.

(b) Upon receipt of a proposal for pooled source testing, the district shall ensure that all required components of information are included. Once the proposal is complete, the district shall immediately submit the proposal to the Executive Officer of the ARB for technical review and comment. To the extent practicable, the Executive Officer of the ARB shall indicate whether the proposal is acceptable. If the proposal is unacceptable, the Executive Officer shall identify those areas of the proposal which are deficient. The proposal shall be deemed acceptable to the ARB if the Executive Officer does not respond to the district within 45 days of receipt of the proposal.

(c) The district may approve the proposal for participating facilities which were not source tested but to which the results are proposed to be applied only if:

(1) The facility operator includes in the plan sufficient information regarding operating conditions, input and output streams, equipment characteristics, control equipment, and other parameters affecting emission characteristics of the operator's facility and the facility tested to enable the district to make a determination that sufficient similarity in all parameters affecting emissions of listed substances exists between the facility tested and the facility to which the results are proposed to be applied, such that emissions can be calculated to yield representative emission results to the required degree of accuracy; and

(2) If applicable, the facility operator corrects the deficiencies identified by the Executive Officer of the ARB.

- (c) If the proposed alternative method is to determine emissions of arsenic or arsenic compounds, beryllium or beryllium compounds, cadmium or cadmium compounds, chromium (hexavalent), benzo(a)pyrene, or chlorinated dioxins and dibenzofurans, the district may approve the proposed alternative only if both the district and the ARB concur that the proposed alternative method complies with subsection (a) above. If the proposal is not approved, the facility shall undertake source testing as required or shall use an alternative method which is determined by the district and the ARB to meet the requirements of subsection (a).
- (d) If the proposed alternative method is to determine emissions of a substance other than those identified in subsection (c), the district may approve the proposed alternative only if, after considering any comments by the Executive Officer of the ARB, the district determines that the proposed alternative method complies with subsection (a) above. If the proposal is not approved, the facility shall undertake source testing as required or shall use an alternative method which is determined by the district to meet the requirements of subsection (a).

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

93339. Source Test Protocol and Source Test Report.

For each required source test, including pooled source tests conducted pursuant to Section 93337, a proposed source test protocol shall be submitted with the inventory plan. The proposed protocol shall include the information set forth in subsections (a) through (w) below, responding to language in brackets to indicate future intent or anticipated values, and excluding information claimed to be trade secret.

For each required source test, a source test report shall be submitted with the inventory report. The source test report shall include the actual test values for the information required in subsections (a) through (w) below. Information denoted as trade secret on the facility diagram shall be so denoted in the source test report according to the procedure set forth in subsection 93321(c). Facilities participating in pooled source tests conducted pursuant to Section 93337 need only reference the source test report in their inventory report if the district already possesses a copy of the report and the facility obtains the district's findings that a further copy is not needed.

- (a) Date on which the source test was [will be] performed.
- (b) Name and qualifications of companies and/or persons who conducted [will conduct] the source test and analyzed [will analyze] the samples.
- (c) Name of contractor.
- (d) Process description.
- (e) Process reactant composition and rates [approximate values or range of values for composition and rates].

- (d) If the proposal is not approved, each facility shall undertake individual source testing as required.
- NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

93338. Alternatives to Required Source Testing.

(a) As a substitute for a required source test as set forth in Appendix D or the alternatives to it as set forth in Sections 93335 and 93337 and Appendix D, the inventory plan may include a proposal for the use of an alternative method to quantify emissions if the facility operator provides adequate documentation to demonstrate that the alternative method will result in the best technologically feasible characterization of the facility's emissions, and:

- (1) the proposed alternative method:
 - (A) has been demonstrated in actual practice to result in a characterization of emissions which is as accurate or more accurate than that achievable by the ARB-adopted source test method, and
 - (B) is not to be used instead of the required source testing for combustion or incineration processes or for other processes where the mechanisms that result in emissions and the parameters which are necessary to determine the emissions cannot be quantified sufficiently to allow emissions to be estimated to meet the applicable degrees of accuracy set forth in Section 93334; or
 - (2) use of the required source testing is not technologically feasible because of physical circumstances at the facility, but the ARB-adopted source test method may be modified for use at the facility, in which case such modified method shall be used; or
 - (3) use of the required source testing is not technologically feasible because of physical circumstances at the facility and the ARB-adopted source test method cannot be modified in accordance with subsection (a)(2) above, in which case the best technologically feasible non-testing alternative may be proposed.
- (b) Upon receipt of a proposal for the use of such an alternative method, the district shall ensure that all required components of information are included. Once the proposal is complete, the district shall immediately submit the proposal to the Executive Officer of the ARB for technical review and comment. To the extent practicable, the Executive Officer of the ARB shall determine whether the required source test is feasible and shall note any deficiencies in the proposal. The proposal shall be deemed acceptable to the ARB if the Executive Officer does not respond to the district within 45 days of receipt of the proposal.

- (f) Fuel analysis and firing rates for combustion processes [approximate values or range of values for fuel composition and firing rates].
- (g) Source test and analysis methods for all listed substances for which source testing is required [commitment to source test and analysis methods as required by Sections 93336 and Appendix D].
- (h) Equipment specifications and drawings as needed to plan and interpret source test results, including but not limited to stack dimensions (including diameter and height) and port configuration.
- (i) ARB independent tester Executive Order, provided pursuant to Section 91207, Title 17, California Code of Regulations, if the tester has been certified by the ARB for the proposed source test method.
- (j) Typical values and allowable ranges of operating parameters (including pressure, feed rate) of the process [approximate values or range of values for operating parameters].
- (k) Process operating conditions during test [approximate values or range of values anticipated during test].
- (l) Stack temperature [approximate value anticipated].
- (m) Concentration of any listed substances in the exhaust stream [approximate values or range of values anticipated].
- (n) Mass emission rate of any listed substances [approximate values or range of values anticipated].
- (o) Composition and rate of waste streams, including scrubber effluent, ash, fly ash [approximate values or range of values anticipated].
- (p) Oxygen, carbon dioxide and moisture content of exhaust gas [approximate values or range of values anticipated].
- (q) Exhaust gas velocity and volumetric flow rate at the point where testing is conducted [approximate values or range of values anticipated].
- (r) Sampling points and number of samples [proposed points and number].
- (s) Calibration data, including certification that the accuracy of calibration gases is traceable to the National Institute of Standards and Technology (NIST).
- (t) Quality assurance and quality control data including analysis audit, zero and span drift, blank and spiked samples [proposed].
- (u) Chain of custody document, where appropriate [proposal for provision of document].
- (v) Applicable emission standards or other permit conditions affecting emissions of listed substances.
- (w) The estimated limit of detection, the proposed number of test runs, and any other pretest calculations for the source test method that is used.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, and 44346, Health and Safety Code, Government Code Section 6254.7.

93340. Converting Source Test Results to Emission Rates.

- (a) Source testing shall be performed under representative operating conditions for the reporting year. Representative operating conditions shall be developed in consultation with the appropriate air pollution control district and specified in the inventory plan.
- (b) In consultation with the district, and in accordance with the procedures set forth in the ARB-adopted source test methods where applicable, the facility operator shall calculate and report a site-specific emission factor for the listed substance based on the mass emission rate for the listed substance measured during the source test and expressed in terms of the most representative "usage unit". The usage unit shall be the measure of operating conditions which best characterizes the dependence of the emissions of the listed substance on operating conditions. The most appropriate usage unit shall be hours of operation only when the operation undergoes very limited variation over time during the reporting year.
- (c) The facility operator shall calculate annual average emissions, in pounds per year, from the site-specific emission factor and the average value of the usage unit during the reporting year.
- (d) The facility operator shall calculate maximum hourly emissions, in pounds per hour, from the site-specific emission factor and the maximum value of the usage unit that can reasonably be expected in a one hour period. The maximum value shall be the best possible representation of the process conditions that produce the maximum emissions within the range of allowable conditions, under routine operation or predictable upset, but not including conditions reflecting atypical shut-down of control equipment.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

93345. Specifications for Acceptable Estimation Methods and Emission Factors.

- (a) Where emissions of substances are required to be quantified but where measurement is not required pursuant to Section 93336, the inventory plan may propose an estimation method to quantify such emissions at all primary locations of release to the degree of accuracy required by Section 93334. The district may approve a proposed method only if all of the following criteria are met:

- (1) The district determines that the method is effective and reflects the best available methods and data, and will produce an accurate representation of the types and quantities of air releases at a facility;

- (2) The proposed method accounts for all facets of the applicable emitting process and is based on sufficient data about the air toxics emission characteristics under the full range of relevant conditions to characterize the emissions to the degree of accuracy required by Section 93334; and
- (3) Standard calculations for mass balance, emission factor application, and engineering calculations comply with the following requirements:

- (A) Mass balance calculations are acceptable when no adequate emission factors are available or when a more accurate estimate will be obtained by the use of a mass balance than by the use of available emission factors. All mass balance calculations must account for all routes of inflow and outflow and all accumulations sufficiently to characterize air releases to the degree required.
- (B) Proposed emission factors must have been generated under substantially similar conditions for substantially similar facilities or equipment as those to which the emission factors will be applied, to the extent technologically feasible. For purposes of this Section, if the ARB has published, pursuant to Health and Safety Code Section 39650 et seq., an emission factor for a listed substance which is applicable to the emitting process at the facility, the most recent such emission factor shall be used to estimate emissions of the substance.

- (C) Engineering calculations shall be based on sufficient data about the air toxics emission characteristics at all relevant conditions to characterize the emissions to the degree of accuracy required by Section 93334.

- (b) The estimation method included in the inventory plan may include a proposal to use available data and data from substantially similar facilities or equipment. The district shall not approve the proposal unless the criteria set forth in subsections (a)(1) and (2) are met.

- (c) The effects of all air pollution control equipment or process conditions which are adjusted to control air pollution shall be quantified for each listed substance affected by the equipment or process. The facility operator shall propose in the inventory plan a value for the effectiveness of each air pollution control device affecting the emissions of each listed substance and shall cite the justification for the value of control effectiveness for each listed substance under actual operating conditions.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, and 44345, Health and Safety Code.

93346. Format for Reports and Presentation of Data.

- (a) The operator of each facility subject to this regulation shall complete the core reporting forms and the S-up form in accordance with the formats and instructions set forth in Appendix B, except that the required information shall be submitted in an alternative format if so required by the district.
- (b) The core Facility Description Form shall be the first page of the required emission inventory report. Other core forms shall be in sequence by device number. The required source test report and other documentation supporting the emission calculations shall be attached after the core reporting forms and in an order corresponding to the core reporting forms for the applicable devices, stacks, or emitting processes.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

93347. Other Procedures.

Within 90 days of approval of the inventory report, the district shall transmit to the ARB staff all data required on the core and S-up forms in a format approved by the ARB staff for transmittals via paper or electronic media.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, and 44342, Health and Safety Code.

Article 6. Updates

93348. Update Requirements

- (a) Facility operators required to report pursuant to Sections 93304, 93305, 93306, or 93308(b)(1) or (c) are subject to update requirements as specified by Sections 93348-93355. Every facility operator shall submit either an Update Summary Form or an update plan and report, as specified in subsections (b-g) below. Facility operators shall comply with these requirements pursuant to the schedule specified in Section 93353. In the following subsections the terms "significant risk facility", "high priority facility", "intermediate priority facility", and "low priority facility" are used as specified in Health and Safety Code Sections 44360(a) and 44362(b). In addition, facility priority categorization as used in Sections 93348-93353, shall reflect emissions from the most recent facility emission inventory approved by the district.

- (b) **Significant Risk Facilities:** Every four years the operator of any facility whose health risk assessment indicates that there is a significant health risk associated with emissions from the facility, as determined by the district pursuant to Health and Safety Code Section 4366(b), shall submit to the district an update plan and report, as specified in Sections 93350-93353. Operators subject to this part shall identify and report all changes in emissions for those devices which constitute, at a minimum, the upper 80 percent of the facility's risk, such that the aggregated risk of devices not identified does not exceed either one cancer in a million or a noncancer hazard index of one, in the judgment of the district. Devices shall be identified with the concurrence of the district. Alternatively, facility operators subject to this part may, at their option, submit update plans and reports which show all changes to all devices at the facility.
- (c) **High Priority, Not Significant Risk Facilities:** Every four years the operator of any facility which is categorized by a district as high priority pursuant to Health and Safety Code Section 44360(a), and whose emissions do not present a significant health risk as determined by the district, shall complete and submit to the district for review the Update Summary Form as specified in Section 93349. Based on data reported on Part C of the Update Summary Form, any facility that experienced a significant increase in facility activity since the facility's previous emission inventory report was submitted shall submit an update plan and report, as specified in Sections 93350-93353. The update plan and report shall include updated information for those devices which experience significant increases in activity.
- (1) **Significant Increases.** For facility operators subject to this subsection, significant increases in facility activity shall be defined as a 10 percent or greater increase in device activity. Devices may be identified as described in either (i) or (ii) below:
- (i) **Any Devices.** Any device whose activity (as measured by increases in throughput, fuel usage or type, feed rates, emissions, or process rates) has increased by 10 percent or greater since the facility's previous emission inventory report was submitted; or
- (ii) **Substantial Risk Devices.** Those devices which constitute, at a minimum, the upper 80 percent of the facility's risk, such that the aggregated risk of devices not identified does not exceed either one cancer in a million or a noncancer hazard index of one, in the judgment of the district. Devices shall be identified with the concurrence with the district. Facility operators shall provide updated data in an update plan and report for any of the identified devices with activity increases of 10 percent or more (as measured by increases in throughput, fuel usage or type, feed rates, emissions, or process rates).
- (2) **Consolidated Device Data:** At their option, facility operators may consolidate devices for the purpose of quantifying increases in device activity when reporting on the Update Summary Form. All devices so consolidated, must be within the same Source Classification Code (SCC). Increases shall be in comparison to the activity for comparable devices as reported in the facility's most recently submitted and approved emission inventory report. When the sum of the changes in activity for all consolidated devices within an SCC exceeds a 10 percent increase, an updated Process and Emittants (PRO) Form must be submitted by the facility operator for any individual device or grouped devices (reported on the same PRO Form) whose activity increases by 10 percent or more.
- (3) **Other Criteria:** Based upon data reported in Part B of the Update Summary Form or other information required by the district, districts may require a facility operator to submit an emission inventory update plan and report for the facility as specified in Sections 93350-93353.
- (d) **Low or Intermediate Priority Facilities:** Every four years the operator of any facility which was categorized by a district as low or intermediate priority pursuant to Health and Safety Code Section 44360(a) and which is not subject to Section 93348(b), shall complete and submit to the district for review Parts A and B of the Update Summary Form as specified in Section 93349. The Update Summary Form shall meet the update requirements for facilities subject to this subsection unless, based upon data reported on the Update Summary Form or other information required by the district, the district requires the facility operator to submit an emission inventory update plan and report for the facility as specified in Sections 93350-93353.
- (e) **Facilities Not Yet Prioritized:** Every four years, the operator of any facility that has not been prioritized by a district pursuant to Health and Safety Code Section 44360(a) shall complete and submit to the district Part A of the Update Summary Form as specified in Section 93349. The Update Summary Form shall meet the update requirements of facilities subject to this subsection. For any facility prioritized by December 1 of a given year, this part no longer applies to the facility for that year or for any subsequent year.
- (f) **Voluntary Updates:** Any facility operator may voluntarily submit an update plan and report, following approval and scheduling by the district.

- (g) **Data Revised for Prioritizations or Risk Assessments:** If a facility operator requests, and a district allows a facility operator to use revised inventory data for prioritization or risk assessment, the facility operator shall submit an update report to the district which reflects any changes from the previously submitted and approved emission inventory report. The district shall submit this updated inventory to the ARB.

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360, and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93349. Update Summary Form

- (a) Operators of facilities identified in Sections 93348(c-e) shall complete and submit the Update Summary Form for the applicable update reporting year based on the schedule specified in Section 93353.
- (b) Districts shall review the Update Summary Form and respond to the facility operator as specified in Section 93354. The Update Summary Form shall satisfy a facility's update requirements for facilities specified in Sections 93348(d-e) unless the operator is notified by the district that an update plan and report is required as specified in Sections 93350-93353.
- (c) In reviewing Update Summary Forms to determine whether to require the facility to submit an update plan and report, districts may take into account factors including, but not necessarily limited to:

- (1) increases in throughput, fuel usage, process rate changes, or emissions;
- (2) changes in types of fuels or substances used at the facility;
- (3) determinations that previous source test data are inadequate;
- (4) addition of new processes or equipment to the facility which cause increases in emissions;
- (5) issuance of new permits or changes in permit conditions;
- (6) including newly listed substances whose potency values have increased or whose acceptable exposure levels have decreased;
- (7) facility status as it pertains to current or future air pollution control measures;
- (8) reductions in the distance from the facility to the nearest receptor;
- (9) changes in emission factors.

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360, and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93350. Update Plans and Update Reports.

- (a) The operator of any facility which is subject to this subchapter shall submit to the appropriate district an update plan and update report according to the schedules specified in Section 93353. The update plan and report need only update changes in information contained in the previously submitted emission inventory plan and emission inventory report for the facility in order to represent the most current values of the information required pursuant to Sections 93310 through 93347 and Appendices A through E. Such information includes but is not limited to any applicable substances added to Appendix A pursuant to Section 93307, which have not previously been addressed in the plan or report.

- (b) Except as provided in Section 93351, at least the following updated information shall be submitted as part of the update plan and report:

- (1) For those facilities subject to this section pursuant to Section 93348(b), updated information shall be submitted for all components of the plan and report as may be necessary to reflect any change in any parameter which affects the nature or quantity of emissions of a listed substance from the facility for all devices identified pursuant to Section 93348(b).
- (2) For those facilities subject to this section pursuant to Section 93348(c), updated information shall be submitted for those components of the plan and report which may be necessary to describe emission increases (including emissions of previously unreported listed substances) for all devices identified pursuant to Section 93348(c).
- (3) For those facilities subject to this section pursuant to Section 93348(d), updated information shall be submitted only if required by the district following district review of the Update Summary Form or other information.

- (c) Updated information, when required, may include but is not limited to: the effects of changes in the emission controls affecting the process, changes in input materials used, changes in the nature or quantity of any emitting process, and changes in the proposed method of quantifying emissions. A revised process flow diagram and facility diagram shall only be submitted when new components or processes not reflected in the prior diagrams have been added at the facility. Each such change shall be clearly marked.

- (d) As required, updated information shall be provided for each applicable component of a plan and report to address any new operation, process, or listed substance at the facility, and to account for any revised or additional requirements pursuant to this subchapter which apply to the facility, including but not limited to any applicable substances added to Appendix A pursuant to Section 93307.

(e) For any revision proposed in an update plan which reflects a reduction in emissions, the facility operator shall include in the update plan adequate documentation to demonstrate to the district the basis and magnitude of the reduction.

(f) An update report shall include all applicable report components as required pursuant to Article 4, beginning with Section 93320, except that only the reporting forms which reflect revised information shall be submitted, with each addition, deletion, and change indicated as specified in Appendix B. The report shall include the results of any additional source test(s) and any other supporting documentation for updates, as specified in Section 93323, including any new or updated source test results pursuant to Section 93323(b) where such tests have been performed prior to the date of submittal of the update report.

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360, and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93351. Use of Previously Submitted Information.

(a) Except as specified for previous source test results in subsections (b), (c), and (d), below, the facility operator may propose in an update plan to use an applicable component of a previously submitted plan or report to satisfy the update requirement for that component, and the district may approve the proposal, if the facility operator provides adequate documentation to demonstrate to the district that:

- (1) no change has occurred since the last update which would affect the accuracy of the previously reported information; or
- (2) the previously reported information characterizes the current emissions to within the required degree of accuracy.

(b) Except as specified in subsection (c), below, the facility operator may propose in the update plan to use the results of a previous source test conducted pursuant to Sections 93336, 93337 or 93338, to fulfill the update requirements for a source test required pursuant to Section 93336 and Appendix D provided that:

- (1) the test meets the requirements for use of previous source tests specified in Section 93336(d); and
- (2) the test meets all other applicable requirements specified in Sections 93336, 93337, and 93338.

Such a proposal to use the "results of a previous source test" may include a proposal to apply the site-specific emission factor developed pursuant to Section 93340, together with current values of the applicable "usage units" to calculate a revised emission result, provided that the current values of the relevant process parameters do not exceed the range of values characterized by the previous source test and that all applicable provisions in subsections (b) and (c) are met.

(c) Unless exempted by the district, the results of a previous source test shall not be used to fulfill update requirements for a source test required pursuant to Section 93336 and Appendix D if:

- (1) a major change, including but not limited to: shutdown or startup of equipment, change in air pollution control equipment, or change in the input materials affecting listed substances, has occurred in the operation of the facility which affects the emitting process for which testing is required; or,
- (2) the facility has been cited by the district for a violation of any rule limiting or controlling a listed toxic substance associated with the emitting process for which testing is required; or
- (3) the previous source test data submitted by the facility has been determined by the district or the Executive Officer of the Air Resources Board to be invalid or inadequate to accurately assess emissions for the tested process(es).

(d) The district may approve a proposal to use the results of a previous source test to fulfill an update of a required source test if the district determines that the requirements specified in subsections (b) and (c), above, are met. The district may require a new test to update a previous source test if the district has reason to believe that conditions affecting the emissions of listed substances have changed or if the district determines that significantly improved emission quantification is technologically feasible and appropriate for the particular facility.

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360, and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93352. Update Reporting Year.

(a) Information required on the Update Summary Form shall reflect facility operations for the calendar year (the update year) prior to the year the Update Summary Form is due. Information required on the Update Summary Form which describes changes at a facility shall be referenced to either the previously submitted emissions inventory report or to the previous update year, as specified for individual questions on the form.

(b) Emissions data in any update plan and update report shall reflect facility operations during the calendar year prior to the year in which the plan is due (the update year).

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360, and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93353. Schedule for Update Submittal.

(a) Update submittals shall be due according to the following schedule unless the district specifies in writing in advance an alternative schedule within the same year.

- (1) For any facility which is subject to the requirements of this subchapter pursuant to Section 93304(a) and to Section 93340(b), the update plan shall be due by August 1, 1994, and every four years thereafter.
- (2) For any facility which is subject to the requirements of this subchapter pursuant to Section 93304(a) and to Section 93348(c), (d), or (e), the Update Summary Form shall be due by February 1, 1994, and every four years thereafter. If the district requires that the facility prepare an update plan, such plan shall be due August 1 of the year the Update Summary Form is due.
- (3) For any facility which is subject to the requirements of this subchapter pursuant to Section 93304(b) and to Section 93348(b), the update plan shall be due by August 1, 1995, and every four years thereafter.
- (4) For any facility which is subject to the requirements of this subchapter pursuant to Section 93304(b) and to Section 93348(c), (d), or (e), the Update Summary Form shall be due by February 1, 1995, and every four years thereafter. If the district requires that the facility prepare an update plan, such plan shall be due August 1 of the year the Update Summary Form is due.
- (5) For any facility which is subject to the requirements of this subchapter pursuant to Section 93305 or 93306 and to Section 93348(b), the update plan shall be due by August 1 of the year which is four years after the year the initial plan submittal was required, and every four years thereafter.

(6) For any facility which is subject to the requirements of this subchapter pursuant to Section 93305 or 93306 and to Section 93348(c), (d), or (e), the Update Summary Form shall be due by February 1 of the year which is four years after the year the initial plan submittal was required and every four years thereafter. If the Update Summary Form indicates that the facility must prepare an update plan, such plan shall be due August 1 of the same year the Update Summary Form is due.

(7) For any facility which is subject to the requirements of this subchapter pursuant to Section 93308(b)(1) or (c) and to Section 93348(b), the update plan shall be due by August 1, 1994 and every four years thereafter.

(8) For any facility which is subject to the requirements of this subchapter pursuant to Section 93308(b)(1) or (c) and to Section 93348(c), (d), or (e), the Update Summary Form shall be due by February 1, 1994, and every four years thereafter. If the district requires that the facility prepare an update plan, such plan shall be due August 1 of the year the Update Summary Form is due.

(b) Except as provided in subsection (c), below, the schedule specified for the inventory plan and report in Health and Safety Code Sections 44340(b), 44341, and 44343, and in Sections 93320 and 93347 herein shall apply to the review, approval, and implementation of the update plan and update report.

(c) Nothing in subsection (b), above, shall preclude an operator from submitting a proposed update report at the same time as the update plan provided that all applicable revisions are included in the update report and that no new source testing was required for the facility. If upon review of the update plan, the district requires the operator to revise the update plan, the operator shall implement the revised plan and incorporate all applicable revisions to the update report.

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360 and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93354. Schedule for Update Summary Form Review.

(a) Districts shall review facility Update Summary Forms. Following review, districts shall notify facility operators in writing if the facility operator must submit an emissions inventory update plan and report as specified in Sections 93348-93353. Districts shall notify facilities of the requirement to perform an update by May 1 of the year the Update Summary Form was submitted, or within 90 days of receipt of the form if an alternative submittal schedule was specified by the district.

(b) If the district does not respond to the facility operator as specified in Section 93354(a), the Update Summary Form shall meet the facility's update requirements for the update year. However, failure of the district to respond does not prevent the district from requiring updated information if the district determines that information provided on the Update Summary Form is erroneous, incomplete, or the existing facility emissions inventory does not adequately characterize facility emissions.

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360, and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93355. Change in Ownership or Company Name.

The update requirements in this subchapter shall apply to any facility which had been subject to this subchapter pursuant to the provisions of Health and Safety Code Sections 44320 and 44322, which subsequently changed ownership or company name.

NOTE: Authority cited: Sections 39600, 39601, 44342, and 44344, Health and Safety Code. Reference: Sections 44320, 44342, and 44344, Health and Safety Code.

APPENDIX A
SUBSTANCES TO BE INVENTORIED

A-I
LIST OF SUBSTANCES FOR WHICH EMISSIONS MUST BE QUANTIFIED

A-II
**LIST OF SUBSTANCES FOR WHICH PRODUCTION, USE,
OR OTHER PRESENCE MUST BE REPORTED**

APPENDIX A-1
Substances For Which Emissions Must Be Quantified

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (Note [5])	Source List (e) (Note [6])	Other Notes (e)
75070	Acetaldehyde		0	100	1 2 3 4	
66355	Acetamide		0	100	1 2 3 4	
87641	Acetone	05/01		100	1	
75058	Acetonitrile	05/01		100	1	
68862	Acetophenone	05/01		100	1 2	
53943	2-Acetylaminofluorene [PAH-Derivative, POM]		0	100	1 2 4 5	
107628	Acrolein			10	1 2 3 4	
70061	Acrylamide	05/01	0	100	1 2 3 4	
70107	Acrylic acid			100	1 2 3 4 5	
107131	Acrylonitrile		0	100	1 2 4	
107051	Allyl chloride		0	100	1 2 4	
7420065	Aluminum	05/01		100	1	
1344281	Aluminum oxide (fibrous forms)	05/01	0	100	1 2 4 5	7
117703	2-Aminoanthraquinone [PAH-Derivative, POM]		0	100	1 2 3 4 5	
82671	4-Aminobiphenyl [POM]		0	100	1 2 3 4 5	
81825	Asitrole		0	100	1 2	
7684417	Aspartic acid			100	1	
6484522	Ammonium nitrate	05/01		100	1	
7783282	Ammonium sulfate	05/01		100	1	
82533	Aniline	05/00	0	100	1 2 4	
60040	o-Anisidine		0	100	1 2 3 4 5	
7446300	Anthracene [PAH, POM]. (see PAH)	05/01		100	1 2	7 [7]
	Antimony	05/01		100		
	Antimony compounds					
	Including but not limited to:					
1308644	Antimony trioxide	05/00	0	100	1 2 3 4	[7]
7446382	Arsenic		0	1	1 2 3 4 5	[7]
1018	Arsenic compounds (inorganic)		0	1	1 2 3 4 5	[7]
	Including but not limited to:					
7784421	Asiline	05/01		10	1 2	7 [7]
1017	Arsenic compounds (other than inorganic)	05/01		100	1	[7]
7446393	Barium	05/01		100	1	7 [7]
	Barium compounds					
	Benz[a]anthracene [PAH, POM]. (see PAH)					
71432	Benzene		0	10	1 2 3 4 5	
92878	Benzidine (and its salts) [POM]		0	10	1 2 3 4 5	
1020	Benzidine-based dyes [POM]		0	10	1 2 3	
	Including but not limited to:					
1037377	Direct Black 38 [PAH-Derivative, POM]		0	10	1 2 4 5	
2002402	Direct Blue 6 [PAH-Derivative, POM]		0	10	1 2 4 5	
10071066	Direct Brown 95 (technical grade) [POM]	05/00	0	10	1 2 4	
	Benzofluorene [PAH, POM]. (see PAH)		0	10		
	Benzofluoranthene [PAH, POM]. (see PAH)		0	100		
271806	Benzofuran	05/01	0	10	1 2 4 5	
60077	Benzole trichloride [Benzotrifluoride]		0	10		

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
98884	Benzo[<i>a</i>]fluoranthene [PAH, POM]; (see PAH)	06/91		100	1	
94360	Benzo[<i>k</i>]fluoranthene [PAH, POM]; (see PAH)	06/91		100	1	
100447	Benzoyl chloride	06/91	•	10	2 3 4 5	
7440417	Benzyl chloride	06/91	•	1	2 3 4 5	[7]
92524	Beryllium compounds	06/89	•	1	1	
111444	Biphenyl [POW]	06/91	•	100	1	
542601	Bis(2-chloroethyl) ether [DCEE]	06/91	•	100	1 2 3 4 5	
103231	Bis(chloromethyl) ether	06/89	•	10	1 2 3 4 5	
772656	Bis(2-ethylhexyl) adipate	06/91	•	100	1	
	Bromine			100	2	
	Bromine compounds (Inorganic) Including but not limited to:			100	1 2	[7]
7758612	Potassium bromate			100	1 3 4	
75252	Bromoform	06/91	•	100	1 2 3 4 5	[7]
106000	1,3-Butadiene			10	1 2 3 4 5	
141322	Butyl acrylate	06/91		100	1	
71363	n-Butyl alcohol	06/91		100	1	
78922	sec-Butyl alcohol	06/91		100	1	
75650	tert-Butyl alcohol	06/91		100	1	
85687	Butyl benzyl phthalate	06/91	•	100	1	
7440430	Cadalum		•	1	2 3 4 5	[7]
	Cadalum compounds		•	1	1 2 3 4 5	
150627	Calcium cyanamide	06/91		100	1 2	
105602	Caprolactam	06/91		100	1 2	
2425061	Captafol	08/89	•	100	1 2 4	
133062	Capton	08/89	•	100	1 2 4	
63252	Carbaryl [PAH-Derivative, POW]	06/91	•	100	1 2 4	
1050	Carbon black extract			100	1 2 4	
73150	Carbon disulfide	06/91		100	1 2 3 4 5	[7]
56335	Carbon tetrachloride		•	10	1 2 3 4 5	
403581	Carbonyl sulfide	06/91	•	100	1 2	
1056	Carregeenan (degraded)		•	100	1 2 3 4	
120800	Catechol	06/91	•	100	1 2	
133084	Chloramben	06/91	•	100	1 2 3 4	
56757	Chloroacetaldehyde	06/91	•	100	1 2 3 4	
57740	Chloroform	06/89	•	10	1 2 3 4	
100171202	Chlorinated paraffins (average chain length, C12; approximately 60% chlorine by weight)	06/89	•	100	1 2 3 4 5	
	Chlorine			10	1	
7702505	Chlorine dioxide	06/91		100	1 2	
10040044	Chloroacetic acid	06/91		100	1 2	
70110	Chloroacetic acid	06/91		100	1 2	
532274	2-Chloroacetophenone	06/91		100	1 2	

Substances For Which Emissions Must Be Quantified (cont.)

Existent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(e)
1050	Chlorobenzenes including but not limited to:	06/91		100	1	
106067	Chlorobenzene			100	1 2	
25321226	Dichlorobenzenes (mixed isomers) including:	06/91		100	1	7
95501	1,2-Dichlorobenzene	06/91		100	1	7
841731	1,3-Dichlorobenzene	06/91		100	1	7
106487	p-Dichlorobenzene [1,4-Dichlorobenzene]	06/91		100	1 2 3	6
120821	1,2,4-Trichlorobenzene	06/91	o	100	1 2	4
510156	Chlorobenzilate [PCM] [Ethyl-4,4'- dichlorobenzilate]	06/90	o	100	1 2 4	
1390008	1-(2-Chloroethyl)-3-(4-methylcyclohexyl)-1-nitrosourea [methyl CCNU]		o	100	3	
07003	Chloroform		o	10	1 2 3 4 5	
107302	Chloromethyl methyl ether (technical grade)		o	100	1 2 4 5	
1050	Chlorophenols including but not limited to:		o	100	1 3	
120032	2,4-Dichlorophenol	06/91	o	100	1	7
07005	Pentachlorophenol	06/90	o	100	1 2 4	
05054	2,4,5-Trichlorophenol	06/91	o	100	1 2	
08052	2,4,6-Trichlorophenol	06/91	o	100	1 2 4	
95030	4-Chloro-o-phenylenediamine		o	100	3 4 5	
76002	Chloroquinoline			10	7	
120008	Chloroprene			100	1 2 3 4	
95002	p-Chloro-o-toluidine	06/91	o	100	1 2 3 4	7
7440473	Chromium	06/91	o	100	1 2 3 4 5	[7]
10540200	* Chromium compounds (other than hexavalent) including but not limited to:		o	100	1 2 3 4 5	[7]
10204403	Barium chromate	06/91	o	1	1 2	5
13765100	Calcium chromate	06/91	o	1	1 2	5
1333020	Chromium trioxide	06/91	o	1	1 2	5
750070	Lead chromate	06/91	o	1	1 2	5
1050010	Sodium dichromate	06/91	o	1	1 2	5
7700002	Strontium chromate	06/91	o	1	1 2	5
7440404	Chrysene [PAH, POM]. (see PAH)	06/91		100	1 2 3 4 5	7
	Cobalt	06/91		100	1 2 3 4 5	[7]
	* Cobalt compounds	06/91	o	100	1 2 3 4 5	[7]
1000	Coke oven emissions		o	100	1 2 3 4 5	[7]
7440500	Copper			100	1 2	3 4
	* Copper compounds	06/90	o	100	1 2 3 4	[7]
1070	Creosotes		o	100	1 2 3 4	[7]
120710	p-Cresidine		o	100	1 2 3 4 5	

Substances For Which Emissions Must Be Quantified (cont.)

Emitter ID (Note 1)	Substance Name (Note 2)	Add Date (Note 3)	Carcinogen (Note 4)	Applicable Degree of Accuracy (Note 5)	Source List(s) (Note 6)	Other Notes(s)
1310773	Cresols (mixtures of) (Cresylic acid) including:			100	1 2	
108394	o-Cresol	05/91		100	1 2	
05467	m-Cresol	05/91		100	1 2	
106445	p-Cresol	05/91		100	1 2	
08028	Cumene	05/91		100	1 2	
09159	Cumene hydroperoxide	05/91		100	1	
135286	Cupferron	05/91		100	4 5	[a]
1073	Cyanide compounds including but not limited to:			100	1 2	
74008	hydrocyanic acid	05/91		10	2	
110827	Cyclohexene	05/91		100	1	
66810	Cycloheximide	05/91		100	1	
1103105	Decabromodiphenyl oxide (POM)	05/91		100	1 2	6
1075	Dialkylnitrosamines including but not limited to:			100	1	
024103	N-Nitrosodi-n-butylamine		c	1	1 3 4 5	
1110547	N-Nitrosodimethanamine		c	100	1 3 4 5	
05185	N-Nitrosodipropylamine		c	1	1 3 4 5	
02750	N-Nitrosodimethylamine		c	1	1 3 4 5	
021647	N-Nitrosodi-n-propylamine		c	100	1 3 4 5	
1050550	N-Nitrosamethylthylamine		c	100	1 3 4	
010054	2,4-Diaminotoluene	05/00	c	100	1 4	
1070	Diaminotoluenes (mixed isomers) including but not limited to:			100	1 2 3 4 5	
05007	2,4-Diaminotoluene (2,4-toluenediamine)	05/91	c	100	1 2	
334083	Diazomethane	05/91	c	100	1 2 3 4 5	
220360	Dibenz[a,h]acridine (POM)		c	100	1 2 3 4 5	
224420	Dibenz[a,h]acridine (POM)		c	100	1 2 3 4 5	
104592	Dibenz[a,h]anthracene (PAH, POM), (see PAH)		c	100	1 2 3 4 5	
-	7H-Dibenz[a,g]carbazole					
-	Dibenzo[a,e]pyrene (PAH, POM): (see PAH)					
-	Dibenzo[a,h]pyrene (PAH, POM): (see PAH)					
-	Dibenzo[a,i]pyrene (PAH, POM): (see PAH)					
-	Dibenzo[a,l]pyrene (PAH, POM): (see PAH)					
132040	Dibenzofuran (POM)	05/91	c	100	1 2 3 4 5	
-	Dibenzofurans (chlorinated) (see Polychlorinated dibenzofurans) (POM)					
00120	1,2-Dibromo-3-chloropropane (DBCP)	05/91	c	100	1 2 3 4 5	
04742	Dibutyl phthalate	05/91		100	1 2	
-	p-Dichlorobenzene (1,4-Dichlorobenzene) (see Chlorobenzenes)					
01041	3,3'-Dichlorobenzidine (POM)	05/00	c	10	1 2 3 4 5	
72550	Dichlorodiphenyldichloroethylene (DDE) (POM)	05/00	c	100	1 2 4	
70343	1,1-Dichloroethane (Ethylidene dichloride)	05/00	c	100	1 2 4	

Substances For Which Exemptions Must Be Quantified (cont.)

Exempt ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (Note [5]) (lbs/yr)	Source List (6)	Other Notes (e)
94757	Dichlorophenoxyacetic acid, salts and esters	06/01		100	1 2	
78875	1,2-Dichloropropane [Propylene dichloride]	09/06	c	100	1 2 3 4 5	
842766	1,3-Dichloropropane	09/06	c	100	1 2 3 4 5	
62737	Dichlorvos [DDVP]	06/01	c	100	1 2 3 4	
115322	Dicofol [PCM]	06/01	c	100	1 2 3 4	
9881	Diesel engine exhaust	06/01	c	100	1 3 4	[9]
9882	Diesel engine exhaust, particulate matter	06/01	c	100	1 3 4	[9]
9883	Diesel engine exhaust, total organic gas	06/01	c	100	1 3 4	[9]
111422	Diesel fuel (marine)	06/01	c	100	3	
117817	Diethanolamine	06/01	c	100	1 2 3 4 5	
64675	Di(2-ethylhexyl) phthalate [DEHP]	06/01	c	100	1 2 3 4 5	
119864	Diethyl sulfate	06/01	c	100	1 2 3 4 5	
68117	3,3'-Dimethoxybenzidine [PCM]	06/01	c	100	1 2 3 4 5	
121697	4-Dimethylaminoazobenzene [PCM]	06/01	c	100	1 2 3 4 5	
57978	N,N-Dimethylaniline	06/01	c	100	1 2 3 4 5	
119637	7,12-Dimethylbenz[<i>a</i>]anthracene [PAH-Derivative, PCM]	06/01	c	1	1 2 4	
78447	3,3'-Dimethylbenzidine [o-Tolidine] [PCM]	06/01	c	10	1 2 3 4 5	
68122	Dimethyl carbonyl chloride	06/01	c	100	1 2 3 4 5	
57147	Dimethyl formamide	06/01	c	100	1 2 3 4 5	
131113	1,1-Dimethylhydrazine	06/01	c	100	1 2 3 4 5	
77781	Dimethyl phthalate	06/01	c	100	1 2 3 4 5	
534521	Dimethyl sulfate	06/01	c	100	1 2 3 4 5	
51285	4,6-Dinitro- <i>o</i> -cresol (and salts)	06/01	c	100	1 2 3 4 5	
42397648	2,4-Dinitrophenol	06/01	c	100	1 2 3 4	
42397650	1,6-Dinitropyrene [PAH-Derivative, PCM]	06/01	c	100	1 2 3 4	
25321148	1,8-Dinitropyrene [PAH-Derivative, PCM]	06/01	c	100	1 2 3 4	
121142	Dinitrotoluenes (mixed isomers) including but not limited to:	06/01	c	100	7	
686282	2,4-Dinitrotoluene	06/01	c	100	1 2 4	
123911	2,6-Dinitrotoluene	06/01	c	100	1 2 3 4 5	
638933	1,4-Dioxane	06/01	c	100	1 2 3 4 5	
122687	Dioxins (Chlorinated dibenzodioxins) (see Polychlorinated dibenzo-p-dioxins) [PCM]	06/01	c	100	1 2 4 5	
1096	Diphenylhydantoin [PCM]	06/01	c	100	1 2 4 5	
106898	1,2-Diphenylhydrazine [Hydrobenzotriazole] [PCM]	06/01	c	100	1 3 4	
106887	Environmental Tobacco Smoke	06/01	c	100	1 2 3 4 5	
1081	Epichlorohydrin	06/01	c	100	1 2	
148885	1,2-Epoxybutane	06/01	c	100	1 2 3 4 5	
100414	Epoxy resins	06/01	c	100	1 2 3 4 5	
75003	Ethyl acrylate	06/01	c	100	1 2 3 4 5	
74851	Ethyl benzene	06/01	c	100	1 2 3 4 5	
	Ethyl chloride [Chloroethane]	06/01	c	100	1 2 4	
	Ethyl-4,4'-dichlorobenzilate (see Chlorobenzilate)	06/01	c	100	7	
	Ethylene	06/01	c	100	1 2 4	

Substances For Which Emissions Must Be Quantified (cont.)

Emitter ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (Note [5])	Source List(s) (Note [6])	Other Notes(s)
166034	Ethylene dibromide (1,2-Dibromoethane)		c	1	1	
167662	Ethylene dichloride (1,2-Dichloroethane)		c	10	3 4 5 6	
187211	Ethylene glycol	06/91		100	1 2 3 4 5	
151564	Ethylendiamine (Aziridine)	06/91	c	100	1 2 3 4 5 6	
75216	Ethylene oxide		c	10	1 2 3 4 5	
96457	Ethylene thiourea		c	100	1 2 3 4 5	
1161	Fluorides and compounds including but not limited to:	09/99		100	2	
7664393	Hydrogen fluoride			10	1 2	7
1163	Fluorecarbons (brominated)			100	6	[16]
1164	Fluorecarbons (chlorinated) including but not limited to:			100	1	[16]
78131	Chlorinated fluorocarbon (CFC-113)			100	2 3 4 5 6	
86066	Formaldehyde		c	100	1 2 3	
-	Gasoline engine exhaust	09/99	c	100		[9]
-	Including but not limited to:					[9]
9910	Gasoline engine exhaust (condensates & extract)	06/91	c	100	4	[9]
9911	Gasoline engine exhaust, particulate matter	09/99	c	100	3 4	[9]
1110	Gasoline engine exhaust, total organic gas	09/99	c	100	3 4	[9]
111308	Glutaraldehyde		c	100	1 2 3 4	[11]
1115	Glycol ethers and their acetates including but not limited to:			100	1 2	
111466	Diethylene glycol	09/99		100	1	
111966	Diethylene glycol dimethyl ether	09/99		100	1 2	
112345	Diethylene glycol monobutyl ether	09/99		100	1 2	
111808	Diethylene glycol monomethyl ether	09/99		100	1 2	
111773	Diethylene glycol monomethyl ether	09/99		100	1 2	
25265718	Dipropylene glycol	09/99		100	1	
34598948	Dipropylene glycol monomethyl ether	09/99		100	1	
628141	Ethylene glycol diethyl ether	09/99		100	1 2	
116714	Ethylene glycol dimethyl ether	09/99		100	1 2	
111762	Ethylene glycol monobutyl ether	09/99		100	1 2	
116865	Ethylene glycol monomethyl ether	09/99		100	1 2	
111159	Ethylene glycol monomethyl ether acetate	09/99		100	1 2	
109864	Ethylene glycol monomethyl ether	09/99		100	1 2	
116496	Ethylene glycol monomethyl ether acetate	09/99		100	1 2	
2887389	Ethylene glycol monopropyl ether	09/99		100	1 2	
187982	Propylene glycol monomethyl ether	09/99		100	1 2	
188656	Propylene glycol monomethyl ether acetate	09/99		100	1 2	
112492	Triethylene glycol dimethyl ether	09/99		100	1 2	
128678	Griseofulvin		c	100	1 2 3 4	
78448	Heptachlor	09/99	c	100	1 2 4	
118741	Hexachlorobenzene		c	100	1 2 3 5	
87683	Hexachlorobutadiene	09/91		100	1 2	

Substances For Which Emissions Must Be Quantified (cont.)

Existent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (Note [5])	Source List(s) (Note [6])	Other Notes(s)
1128	Hexachlorocyclohexanes including but not limited to: Lindane	08/00	c	1	1 3 4 8	
58888	Hexachlorocyclopentadiene	08/00	c	100	1 2 4	
67721	Hexachloroethane	08/00	c	100	1 2 4	
688318	Hexamethylphosphoramide	08/01	c	100	1 2 3 4 5	
118513	Hexane	08/01	c	100	1 2 3 4 8	
302812	Hydrazine	08/01	c	100	1 2 3 4 8	
7617818	Hydrochloric acid (see Cyanide compounds)	08/01		100	1 2	
7783864	Hydrocyanic acid (see Cyanide compounds)	08/01		100	1 2	
123318	Hydroquinone	08/01		100	1 2	
1125	Indeno[1,2,3-cd]pyrene [PAH, POM], (see PAH) isocyanates	08/01		100	1 2 4 8	
822868	including but not limited to:					
181888	Hexamethylene-1,6-dithiocyanate	08/01		100	1 2	
624838	Methylene diphenyl dithiocyanate [MDI] [POM] Methyl isocyanate	08/01		100	1 2	
-	Toluene-2,4-dithiocyanate (see Toluene dithiocyanates)					
-	Toluene-2,6-dithiocyanate (see Toluene dithiocyanates)					
78591	Teophorone	08/01		100	1 2	
87836	Isopropyl alcohol	08/01		100	1 2	
88857	4,4'-Isopropylidenediphenol [POM]	08/01		100	1 2	
7438021	Lead	08/01	c	10	1 3 4 8	[7]
1128	Lead compounds (inorganic) including but not limited to:					
381842	Lead acetate	08/01	c	10	1 2 4 5	[7] [12]
-	Lead chromate (see Chromium, hexavalent)					
7446277	Lead phosphate	08/01	c	10	1 4 5	[7] [12]
1335328	Lead subacetate	08/01	c	10	1 2 4	[7] [12]
1128	Lead compounds (other than inorganic)					
188318	Maleic anhydride	08/01		100	1 2	
7438065	Manganese	08/01		100	1 2 4 8	
7438076	Manganese compounds	08/01		10	1 2 4 8	[7] [12]
7438076	Mercury	08/01		10	1 2 4 8	[7] [12]
7438076	Mercury compounds including but not limited to:					
7487847	Mercuric chloride	08/01		10	2	[7]
883748	Methyl mercury [Dimethylmercury]	08/01		10	2	[7]
87581	Methanol	08/01		100	1 2	

Substances For Which Emissions Must Be Quantified (cont.)

Emitter ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (Note [5])	Source List(s) (Note [6])	Other Notes(s)
72435	Methoxychlor (POM)	08/91		100	1	
75558	2-Methylaziridine [1,2-Propyleneimine]			100	1	
74839	Methyl bromide (Bromomethane)			100	2 3 4	
74873	Methyl chloride (Chloromethane)	08/91		100	1 2	6
66495	Methyl chloroform (1,1,1-Trichloroethane)			100	1 2	8
3097243	3-Methylanthrene [PAH-Derivative, POM]	09/90		1	1 2	4
101144	5-Methylchrycene [PAH-Derivative, POM]			100	1 2 3 4 5	5
76002	4,4'-Methylene bis(2-chloroaniline) [MOCA] (POM)			100	1 2 3 4 5 6	6
101770	Methylene chloride (Dichloromethane)			100	1 2 3 4 5	
78033	4,4'-Methylenedianiline (and its dichloride) (POM)	08/91		100	1 2	
74844	Methyl hydroxide	08/91		100	1 2	
108101	Methyl iodide (Iodomethane)			100	1 2	4 5
88626	Methyl isobutyl ketone (Hexene)	08/91		100	1 2	
1034044	Methyl methacrylate			100	1 2	
443481	Methoxyacetone	08/91		100	1 2	6
90948	Mineral oil			100	1 2	3 4 5
1138	Mineral fibers (fine, manmade) (fine mineral fibers which are manmade and are airborne particles of a respirable size greater than 5 microns in length, less than or equal to 3.5 microns in diameter, with a length to diameter ratio of 3:1) Including but not limited to: Ceramic fibers Glasswool fibers Rockwool fibers Stegwool fibers Mineral fibers (other than manmade) Including but not limited to: Asbestos Eriolite Talc containing asbestosiform fibers Molybdenum trioxide Naphthalene [PAH, POM], (see PAH)	08/91		100	1 2 3 4 5	7
1050		09/89		100	1 2 3 4	
1111		08/89		100	1 2 3 4	
1166		08/89		100	1 2 3	
1181		08/89		100	1 2 3	
1135		08/89		100	2	7
1332214				100	1 2 3 4 5	
12510428				100	2 3 4	
1313275		08/91		100	1	
7440028	Nickel compounds Including but not limited to: Nickel acetate Nickel carbonate Nickel carbonyl Nickel hydroxide Nickelocene	08/91 08/91 08/91 08/91		1 1 1 1	1 2 3 4 5 1 2 3 4 5 1 2 5 1 2 5	[7] [7] [7] [7]
373024		08/91		1	1 2 5	[7]
3333303		08/91		1	1 2 5	[7]
13463303		08/91		1	1 2 4 5	[7]
12854487		08/91		1	1 2 5	[7]
1271289		08/91		1	1 2 5	[7]

Substances For Which Emissions Must Be Quantified (cont.)

Effluent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s) (Note [7])
131301	Nickel oxide	06/01	0	1	1 2 5	[7]
12035722	Nickel subsulfide	06/01	0	1	1 2 4 5	
1146	Nickel refinery dust from the pyrometallurgical process	06/01	0	1	4	
01574	Nitric acid	06/01	0	100	3 4	
7607372	Nitric acid	06/01	0	100	1	
139130	Nitrotriacetic acid	06/01	0	100	1 4 5	
98053	Nitrobenzene	06/01	0	100	1 2	
92033	4-Nitrophenyl [PCM]	06/01	0	100	1 2 4	
7495028	6-Nitrochrysene [PAH-Derivative, PCM]	06/01	0	100	1 2 3 4	
687578	2-Nitrofluorene [PAH-Derivative, PCM]	06/01	0	100	1 2 3 4	
302705	Nitrogen mustard N-oxide	06/01	0	100	3 4	
100027	4-Nitrophenol	06/01	0	100	1 2 3 4 5	
70469	2-Nitropropane	06/01	0	100	1 2 3 4	
522430	1-Nitropropane [PAH-Derivative, PCM]	06/01	0	100	1 2 3 4	
158105	β-Nitrosodiphenylamine [PCM]	06/01	0	100	1 2 4 5	
684035	N-Nitroso-N-methylurea	06/01	0	100	1 2 4 5	
58092	N-Nitrosomorpholine	06/01	0	100	1 2 3 4 5	
100754	N-Nitrosopyridine	06/01	0	100	3 4 5	
930552	N-Nitrosopyrrolidine	06/01	0	100	3 4 5	
-	PAHs (Polycyclic aromatic hydrocarbons) [PCM] including but not limited to:					[13]
1151	PAHs, total, w/o indivld. components reported			100	1 2	
1150	PAHs, total, with indivld. components also reported			100	1 2	
120127	Anthracene	06/01	0	100	1 2 3 4 5 7	
50553	Benz[a]anthracene	06/01	0	100	1 2 3 4 5	
50328	Benzo[a]pyrene	06/01	0	100	1 2 3 4 5	
205992	Benzo[b]fluoranthene	06/01	0	100	1 2 3 4 5	
205023	Benzo[k]fluoranthene	06/01	0	100	1 2 3 4 5	
207000	Benzo[e]fluoranthene	06/01	0	100	1 2 3 4 5	
210010	Chrysene	06/01	0	100	1 2 3 4 5	
53703	Dibenz[a,h]anthracene	06/01	0	100	1 2 3 4 5	
102054	Dibenzo[e,h]pyrene	06/01	0	100	1 2 3 4 5	
100040	Dibenzo[a,h]pyrene	06/01	0	100	1 2 3 4 5	
100559	Dibenzo[g,i]pyrene	06/01	0	100	1 2 3 4 5	
101300	Dibenzo[a,i]pyrene	06/01	0	100	1 2 3 4 5	
103395	Indeno[1,2,3-cd]pyrene	06/01	0	100	1 2 3 4 5	
01203	Naphthalene	06/01	0	100	1 2	
PAH-Derivatives (Polycyclic aromatic hydrocarbon derivatives) [PCM] (including but not limited to those substances listed in Appendix A with the bracketed designation [PAH-Derivative, PCM])						[14]
50302	Parathion	06/01	0	100	1 2 3 4 5 6	
1330363	PCBs (Polychlorinated biphenyls) [PCM]	06/01	0	1	1 2 3 4 5 6	

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
82688	Pentachlorotribenzene (Quintobenzene)	00/01		100	1 2	
79210	Paracetic acid	00/01		100	1	
127104	Perchloroethylene (Tetrachloroethene)	00/01	o	100	1 2 3 4 5 6	
50086	Phenobarbital		o	100	3 4	
108952	Phenol			100	1 2	
106503	p-Phenylenediamine	00/01		100	1 2	
08437	2-Phenylphenol (POW)	00/01		100	1 2	
75445	Phosgene			100	1 2	
7723148	Phosphorus			100	1 2	
-	Phosphorus compounds:					
7803512	Phosphine	00/00		10	1 2	7
7664382	Phosphoric acid	00/00		100	1 2	
10025873	Phosphorus oxychloride	00/00		100	1 2	
10026130	Phosphorus pentachloride	00/00		100	2	
1314563	Phosphorus pentoxide	00/00		100	2	
7710122	Phosphorus trichloride	00/00		100	2	
126738	Tributyl phosphate	00/00		100	2	
78400	Triethyl phosphate	00/00		100	2	
512561	Triisobutyl phosphate	00/00		100	2	
78308	Triorthocresyl phosphate (POW)	00/00		100	2	
115868	Triphenyl phosphate (POW)	00/00		100	1 2	
101020	Triphenyl phosphite (POW)	00/00		100	1 2	
85449	Phthalic anhydride	00/00		100	1 2	
-	Polychlorinated dibenzo-p-dioxins (PCDDs or Dioxins) (POW)		o			
1000	Including but not limited to:					
1005	Dioxins, total, w/o individ. isomers reported (PCDDs)		o	.1	1 2	
1746010	Dioxins, total, with individ. isomers also reported (PCDDs)		o	.1	1 2	
40321764	2,3,7,8-Tetrachlorodibenzo-p-dioxin (TCDD) (POW)		o	.1	1 2 3 4 5	
30227206	1,2,3,7,8-Pentachlorodibenzo-p-dioxin (POW)		o	.1	1 2	
67653857	1,2,3,4,7,8-Hexachlorodibenzo-p-dioxin (POW)		o	.1	1 2 4	
10488743	1,2,3,6,7,8-Hexachlorodibenzo-p-dioxin (POW)		o	.1	1 2	
35022400	1,2,3,4,6,7,8-Heptachlorodibenzo-p-dioxin (POW)		o	.1	1 2	
-	Polychlorinated dibenzofurans (PCDFs or Dibenzofurans) (POW)		o			
1000	Including but not limited to:					
51207310	Dibenzofurans (Polychlorinated dibenzofurans) (PCDFs) (POW)		o	.1	1 2	
57117410	2,3,7,8-Tetrachlorodibenzofuran (POW)		o	.1	1 2	
57117314	1,2,3,7,8-Pentachlorodibenzofuran (POW)		o	.1	1 2	
70640200	2,3,4,7,8-Pentachlorodibenzofuran (POW)		o	.1	1 2	
57117440	1,2,3,4,7,8-Hexachlorodibenzofuran (POW)		o	.1	1 2	
	1,2,3,6,7,8-Hexachlorodibenzofuran (POW)		o	.1	1 2	

Substances For Which Emissions Must Be Quantified (cont.)

Existent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (Note [5])	Source List(s) (Note [6])	Other Notes(s)
72918219	1,2,3,7,8,9-Hexachlorodibenzofuran [POM]		0	.1	1 2	
68851345	2,3,4,6,7,8-Hexachlorodibenzofuran [POM]		0	.1	1 2	
67562394	1,2,3,4,6,7,8-Heptachlorodibenzofuran [POM]		0	.1	1 2 3 4 5	
55673897	1,2,3,4,7,8,9-Heptachlorodibenzofuran [POM]		0	.1	1 2	[15]
	POM (Polycyclic organic matter) (including but not limited to those substances listed in Appendix A with the bracketed designation of [POM], [PM], [PM], or [PAT-Derivative, POM])	09/89	0		1 2 3 4 5	
67639	Progesterone		0	100	3 4 5	
1120714	1,3-Propane sultone		0	100	1 2 3 4 5	
67578	beta-Propiolactone		0	10	1 2 3 4 5	
123386	Propionaldehyde	06/91	0	100	1 2	
114261	Propoxur [Boyon]	05/91	0	100	1 2	
115971	Propylene		0	100	1 2 3 4 5	
75560	Propylene oxide		0	100	1 2 3 4 5	
	1,2-Propylenimine (see 2-Methylaziridine)					7
118861	Pyridine	05/91	0	100	1 2	
91225	Quinoline	06/91	0	100	1 2	
186514	Quinone	05/91	0	100	1 2 4	[16]
1165	Radonulides		0	100	1 2 4	
	including but not limited to:					
24267568	Radon-131	09/89	0	100	1 2 4	
1186	Radon and its decay products	09/89	0	100	1 2 4	
60555	Reserpine [POM]	05/91	0	100	1 2 4 5	
	Residual (heavy) fuel oils		0		3 4	
7782492	Selenium	05/91	0	100	2	[7]
	Selenium compounds		0	100	1 2	
	including but not limited to:					
7446346	Selenium sulfide	09/90	0	100	2 4 5	[7]
1175	Silica, crystalline	06/91	0	100	1 3 4	
7440224	Silver	06/91	0	100	1 3 4	[7]
	Silver compounds		0	100	1 3 4	
1318732	Sodium hydroxide		0	100	1 2 3 4	6
106425	Styrene		0	100	1 2 3 4	
66893	Styrene oxide	06/91	0	100	1 2 4	7
7664038	Sulfuric acid	06/91	0	100	3 4 5	
100216	Terephthalic acid	09/90	0	100	1 2 4	7
79345	1,1,2,2-Tetrachloroethane	06/91	0	100	1 2 4	7
7440288	Thallium	06/91	0	100	1 2 4	7
	Thallium compounds		0	100	1 2 4	7
82555	Thioacetamide		0	100	3 4 5	
82566	Thiourea		0	100	1 3 4 5	
7556458	Titanium tetrachloride	06/91	0	100	1 2 4 5	
188883	Toluene		0	100	1 2 4 5	
	2,4-Toluenediamine (see 2,4-Diaminotoluene)					6

Substances For Which Emissions Must Be Quantified (cont.)

Emitting ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (Note [5])	Source List(s) (Note [6])	Other Notes(s)
1204	Toluene dithiocyanates including but not limited to:	06/01	c	10	1 3	
084848	Toluene-2,4-dithiocyanate		c	10	1 2 3 5	
91087	Toluene-2,6-dithiocyanate		c	10	1 2 3 5	
95534	o-Toluidine		c	10	1 2 3 4 5	
0801352	Toxophene [Polychlorinated camphenes]	06/01	c	100	1 2 3 4 5	
78085	1,1,2-Trichloroethane [Vinyl trichloride]		c	100	1 2 4	
78016	1,1,1-Trichloroethane (see Methyl chloroform)		c	100	1 2 4	
121448	2,4,6-Trichlorophenol (see Chlorophenols)		c	100	1 2	
1582008	Triethylamine	06/01		100	1 2	
95638	Trifluoroin	06/01		100	1 2	
848841	1,2,4-Trimethylbenzene	06/01		100	1 2	
61796	2,2,4-Trimethylpentane	06/01		100	1 2	
7446622	Urethane [Ethyl carbamate]		c	100	1 2 3 4 5 7	[17]
188054	Vanadium (fume or dust)	06/01		100	1 2 3 4 5	
593602	Vinyl acetate	06/01		100	1 2 3 4	
75014	Vinyl bromide	06/01	c	10	1 2 3 4 5	
75354	Vinyl chloride		c	100	1 2 3 4 5	
1286	Vinylidene chloride (containing arsenic and chromate)	06/00		100	1 2	
1210	Wood preservatives (containing arsenic and chromate)			100	1 2	
108383	Xylenes (mixed xylenes) including:	06/01		100	1 2	
95476	m-Xylene	06/01		100	1 2	
108423	o-Xylene	06/01		100	1 2	
7446668	p-Xylene	06/01		100	1 2	
	Zinc			100	1 2	[7]
	Zinc compounds including but not limited to:	06/00		100	1 2	[7]
1314132	Zinc oxide			100	2	[7]

APPENDIX A-II

Substances For Which Production, Use, Or Other Presence Must Be Reported

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [6])	Other Notes(s) [10]
26148495	A-alpha-C [2-Amino-8H-pyrro[2,3-b]indole]	09/89	0	3 4	
3426621	Acetochlor	09/89	0	4	
546883	Acetylhexoic acid	09/89	0	4	
62476500	Acilfluorfen [POM]	09/89	0	1 2 4	
58760	Actinomycin D	09/89	0	4	
23214928	Adriamycin [PAM-Derivative, POM]	09/89	0	1 2 3 4 5	
3686537	AF-2	09/89	0	3 4	
1000	Aflatoxins	09/89	0	4	
15972608	Alechlor	09/89	0	4	
369882	Aldrin	09/91	0	4	
107186	Allyl alcohol	09/89	0	7	
28981977	Alprazolam [POM]	09/89	0	1 2 4	
39831856	Amikacin sulfate	09/89	0	4	
60893	p-Aminoazobenzene [4-Aminoazobenzene] [POM]	09/89	0	1 2 3 4	
97663	o-Aminozotoluene [POM]	09/89	0	1 2 3 4 5	
6189973	3-Amino-9-ethylcarbazole hydrochloride [POM]	09/89	0	1 2 4 5	
125848	Aminoglutethimide	09/89	0	4 5	
82288	1-Amino-2-methylanthraquinone [PAM-Derivative, POM]	09/89	0	1 2 4 5	
6806637	2-Amino-3-methyl-8H-pyrro[2,3-b]indole [MeA- alpha-C]	09/89	0	3 4	
712605	2-Amino-5-(6-nitro-2-furyl)-1,3,4-thiadiazole	09/89	0	3 4	
64628	Aminopterin	09/89	0	4	
1005	2-Amino-8H-pyrro[2,3-b]indole (see A-alpha-C)	09/89	0	3 4 5	
1010	Analgesic mixtures containing phenacetin Androgenic (anabolic) steroids including but not limited to:	09/89	0	3 4	
58184	Methyltestosterone	09/89	0	4	
434071	Oxymetholone	09/89	0	4 5	
58220	Testosterone and its esters including but not limited to:	09/89	0	4	
315377	Testosterone enanthate	09/89	0	4 5	
134292	o-Anilalidine hydrochloride	06/91	0	4 5	
164948	p-Anilalidine	06/91	0	7	
140578	Aramite	06/91	0	3 4	
69782	Aspirin	06/91	0	4	
492888	Aureamine [POM]	06/91	0	1 2 3 4 6	
115826	Azaserine	06/91	0	3 4	
446866	Azathioprine	06/91	0	3 4 5	
103333	Azobenzene [POM]	06/91	0	4	
98873	Benzal chloride	06/91	0	1 2 4	
5216	Benzamide	06/91	0	7	
641123	Benzphetamine hydrochloride [POM]	06/91	0	1 2 4	
164403	Benzyl violet 4B [POM]	06/91	0	1 2 3 4	
1025	Betal quid with tobacco	06/91	0	3 4	

Substances For Which Production, Use, Or Other Presence Must Be Reported (cont.)

Existent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List (e) (Note [5])	Other Notes (e)
494031	H-N-Bis(2-chloroethyl)-2-naphthylamine (Chloronaphazine) [PM-Derivative, POM]		0	1 2 3 4 5	
154938	Blechnoethyl nitrosourea		0	3 4	
180681	Bis(2-chloro-1-methylethyl) ether	05/91	0	3 4	7
1630	Bitumens, extracts of steam-refined and air-refined bitumens		0	3	
1035	Bleocaine	05/90	0	4	
75274	Bromochloromethane	05/91	0	3 4 5	
168945	Bromoxynil		0	3 4	
55981	1,4-Butanediol dimethanesulfonate (Butanifon Myleron)		0	3 4	
29013165	Butylated hydroxyanisole (BHA)	05/91	0	3 4	7
123726	Butyraldehyde		0	3 4	
3068080	beta-Butyrolactone	05/89	0	4	
630888	Carbon monoxide	05/90	0	4	
41575944	Carboplatin	05/90	0	4	
474250	Chenadial		0	4	
305033	Chlorambucil		0	3 4 5	
1620219	Chlorocyclizine hydrochloride [POM]		0	1 2 3 4	
143508	Chloroform		0	3 4	
0164983	Chloroform [Kepone]	05/89	0	4	
115280	Chloroformic acid	05/88	0	3 4 5	
124481	Chlorodibromomethane	05/88	0	4	
13010174	1-(2-Chloroethyl)-3-cyclohexyl-1-nitrosourea (CCNU)	05/88	0	3 4 5	
563473	3-Chloro-2-methylpropene	05/89	0	4 5	
1065	Chlorophenoxy herbicides		0	3	
1097450	Chloroethanol	05/89	0	3 4	
1659	p-Chloro-o-toluidine (strong acid salt)	05/91	0	3	
4880788	C. I. Acid Green 3 [POM]	05/91	0	1 2	7
569642	C. I. Basic Green 4 [POM]	05/91	0	1 2	7
080388	C. I. Basic Red 1 [POM]	05/91	0	1 2	7
569610	C. I. Basic Red 6 monohydrochloride [POM]	05/89	0	1 2 4 5	
2832408	C. I. Disperse Yellow 3 [POM] (NOTE: "C. I." means "color index")	05/91	0	1 2	7
87290	Cinnamyl anthranilate [POM]	05/89	0	1 2 4 5	
18663271	Cleptatol		0	3 4	
6358530	Citrus Red No. 2 [POM]		0	1 2 3 4	
50410	Cisplatin	05/90	0	1 2 4	
8067452	Coal tars	05/90	0	1 2 3 4 5	
21725482	Cocaine		0	3 4	
14081087	Cyanazine	05/89	0	3 4	
58189	Cyclophosphamide		0	3 4	
13121705	Cyhexatin	05/89	0	3 4	
147044	Cytarabine	05/89	0	4	

Substances for Which Production, Use, or Other Presence Must Be Reported (cont.)

Emitting ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List (Note [5])	Other Notes (6)
3468631	D and C Orange No. 17 [PAH-Derivative, POM]	99/99	0	1 2 4	
81889	D and C Red No. 19 [POM]	99/99	0	1 2 4	
2892560	D and C Red No. 6 [PAH-Derivative, POM]	99/99	0	1 2 4	
5168021	D and C Red No. 9 [PAH-Derivative, POM]	99/99	0	1 2 4	
4342834	Dacarbazine	99/99	0	3 4 5	
1596845	Daminozide	99/99	0	4	
17239885	Dantrolene	99/99	0	4	
28638813	Dauomeyin [PAH-Derivative, POM]	99/99	0	1 2 3 4	
23541586	Daunorubicin hydrochloride [PAH-Derivative, POM]	99/99	0	1 2 4	
58293	DDT [1,1,1-Trichloro-2,2-bis(p-chlorophenyl)ethane] [POM]	99/99	0	1 2 3 4 5	
61354	N,N'-Diacetylbenzidine [POM]	99/99	0	1 2 3 4	7
2383184	Diallate	99/99	0	4 5	
39156417	2,4-Diaminonitrobenzene sulfate	99/99	0	1 2 3 4 5	
181804	4,4'-Diaminodiphenyl ether [POM]	99/99	0	1 2 3 4	
764416	1,4-Dichloro-2-butene	99/99	0	1 2 3 4	
28434868	3,3'-Dichloro-4,4'-diaminodiphenyl ether [POM]	99/99	0	1 2 4	
72548	Dichlorodiphenyldichloroethane [DD] [POM]	99/99	0	1 2 4	
549590	1,2-Dichloroethylene	99/99	0	4	7
78886	2,3-Dichloropropene	99/99	0	4	7
80571	Dieldrin	99/99	0	1 2 3 4 5	
84173	Dienestrol [POM]	99/99	0	3 4	
1464535	Diepoxybutane	99/99	0	3 4 5	
1815801	1,2-Diethylhydrazine	99/99	0	3 4	
84562	Diethyl phthalate	99/99	0	3 4	
181906	Diglycidyl resorcinol ether [DGRE]	99/99	0	3 4 5	
84588	Dihydroacrolein	99/99	0	3 4	
28325488	3,3'-Dimethoxybenzidine dihydrochloride [POM]	99/99	0	1 2 4	
55738540	trans-2-[(Dimethylamino)methylimino]-5-[2-(5-nitro-2-furyl)vinyl]-1,3,4-oxadiazol	99/99	0	3 4	
540738	1,2-Dimethylhydrazine	99/99	0	3 4	
185679	2,4-Dimethylphenol [2,4-Xylenol]	99/99	0	4 5	
513371	Dimethylvinylchloride [DMC]	99/99	0	4	
25184545	Dinitrobenzene (mixture of) Including: m-Dinitrobenzene o-Dinitrobenzene p-Dinitrobenzene	99/99	0	4	
98650	Dinoseb	99/99	0	4	
528290	Diphenyl ether	99/99	0	4	
189254	Diphenyl ether	99/99	0	4	
39300453	Dinoseb	99/99	0	4	
88857	Dinoseb	99/99	0	4	
117846	n-Dioctyl phthalate	99/99	0	1 2 3 4	7
2475458	Dioctyl phthalate	99/99	0	1 2 3 4	
584258	Doxycycline	99/99	0	1 2 4	
379793	Ergotamine tartrate [POM]	99/99	0	1 2 4	

Substances For Which Production, Use, Or Other Presence Must Be Reported (cont.)

Emitting ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [5])	Other Notes(e)
1895	Estrogens, non-steroidal including but not limited to: Diethylstilbestrol [POM]		0	3 5	
58531	Estrogens, steroidal including but not limited to: Conjugated estrogens	09/90	0	1 2 3 4 5	
60282	Estradiol 17 beta		0	3 5	
63187	Estrone		0	4 5	
67438	Ethinyl estradiol		0	4 5	
72333	Mestranol		0	3 4 5 7	
541413	Ethyl chloroformate	09/91	0	3 4	
62588	Ethyl methanesulfonate	09/90	0	2	
33410420	Etoposide [POM]	09/91	0	4	
54350480	Etretinate	09/90	0	4	
2164472	Fluometuron	09/90	0	4	
51218	Fluoreuracil	09/90	0	4	
76437	Fluoxymesterone	09/90	0	4	
1331847	Flutamide	09/90	0	4	
133873	Folpet	09/90	0	3 4	
3570750	2-(2-Formylhydrazino)-4-(5-nitro-2-furyl)thiazole	09/90	0	4	
67458	Furazolidone	09/90	0	4	
6858050	Furmecyclohex	09/90	0	4	
67750114	Glu-P-1 [2-Amino-6-methylpyridido[1,2-a:3',2'-d]imidazole]	09/90	0	3 4	
67730103	Glu-P-2 [2-Aminopyridido[1,2-a:3',2'-d]imidazole]	09/90	0	3 4	
765344	Glycidaldehyde	09/90	0	3 4	
556525	Glycidol	09/90	0	3 4	
16568028	Gyromitrin [Acetaldehyde methylformylhydrazones]	09/90	0	3 4	
2764943	HC Blue 1	09/90	0	4 5	
23082173	Halazepam [POM]	09/90	0	1 2 4	
1624573	Heptachlor epoxide	09/90	0	4	
1335871	Hexachlorocyclopentadiene [PAH-Derivative, POM]	09/90	0	1 2 4	
10834932	Hydrazine sulfate	09/91	0	1 2 4 6 7	
3778732	Isofosfide	09/90	0	4 5	
76180066	IQ [2-Amino-3-methylimidazo[4,5-f]quinoline]	09/90	0	3 4	
6084684	Iron dextran complex	09/91	0	3 4 5	
78842	Isobutyraldehyde	09/90	0	3 4 5 7	
120581	Isoeufrole	09/90	0	4	
4758482	Isotretinoin	09/90	0	4	
77501634	Lactofen [POM]	09/90	0	1 2 4	
303344	Laslocarpine	09/90	0	3 4	
554132	Lithium carbonate	09/91	0	4	
919164	Lithium citrate	09/91	0	4	
848491	Lorazepam [POM]	09/90	0	1 2 4	

Substances For Which Production, Use, Or Other Presence Must Be Reported (cont.)

Emitting ID (Note [1])	Substance Name (Note [2])	Add. Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [5])	Other Notes(s)
1131	Lubricant base oils and derived products specifically vacuum distillates, acid treated oils, aromatic oils, mildly solvent-refined oils, mildly hydrotreated-oils and used engine oils.	09/80	C	3 4 5	
8018817	Mancosab	09/80	C	4	
12427362	Maneb	09/80	C	4	
805335	Megestrol acetate	09/81	C	4	
148823	Melphalan		C	3 4 5	
9082688	Mentropine	09/80	C	4	
6112781	Mercaptopurine	09/80	C	4	
531760	Mesphalan	06/81	C	4	
3963859	Methacycline hydrochloride	09/80	C	4	
60568	Methimazole	09/80	C	4	
58852	Methotrexate	09/80	C	4	
15475568	Methotrexate sodium	09/80	C	3	
484208	5-Methoxypropenol	06/91	C	7	
96333	Methyl acrylate	09/80	C	4	
590865	Methylazoxymethanol acetate	09/80	C	3 4	
582621	4,4'-Methylene bis (N,N-dimethyl) benzeneamine [POM]	09/80	C	1 2 4 5	
101611	4,4'-Methylene bis(2-methylantiline) [POM]	09/80	C	1 2 3 4	
838880	Methylene bromide	06/81	C	7	
74853	Methyl methanesulfonate		C	3 4	
66273	2-Methyl-1-nitroanthraquinone (uncertain purity) [PMT-Derivative, POM]		C	1 2 3 4	
128157	N-Methyl-N-nitrosourethane [see N-Nitroso-N-methylurethane]		C	3 4	
70257	N-Methyl-N'-nitro-N-nitrosoguanidine	09/80	C	3 4	
924426	N-Methylacrylamide	09/80	C	3 4	
58842	Methylthiouracil	09/80	C	3 4	
9066422	Melirac	09/80	C	1 2 4 4	
59487958	Midozolan hydrochloride [POM]	09/80	C	1 2 3 4 5	
1148	Mineral oils (untreated and mildly treated oils) and those used in occupations such as mulespinning, metal machining, and jute processing).		C	3 4 5	
2305855	Mirex	09/80	C	3 4 5	
82015398	Misoprostol		C	4	
58877	Mitomycin C		C	3 4	
78476823	Mitoxantrone hydrochloride [PMT-Derivative, POM]	09/80	C	1 2 4	
315220	Monocrotaline		C	3 4	
139813	5-(Morpholinomethyl)-3-[(6-nitrofururylidene)amino]-2-oxazolindione mustard gas [Sulfur mustard]		C	3 4	
885682	Nafarolin acetate [PMT-Derivative, POM]	09/80	C	1 2 4 5	
86228420	Nafarolin acetate [PMT-Derivative, POM]		C	1 2 3 4	
3771195	Nafaropin [POM]		C	1 2 3 4	

Substances For Which Production, Use, Or Other Presence Must Be Reported (cont.)

Exempt ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [5])	Other Notes(s)
134327	1-Naphthylamine [PAH-Derivative, POM]	00/00	0	1 2 4	
91508	2-Naphthylamine [PAH-Derivative, POM]	00/00	0	1 2 3 4 5	
1485183	Neomycin sulfate	00/00	0	4	
66391672	Netilmicin sulfate	00/00	0	4	
54115	Nicotine	00/01	0	3	
1146	Nitrotrifluoroacetic acid (salt) including but not limited to:	00/01	0	4	
18662538	Nitrotrifluoroacetic acid, triethylammonium salt monohydrate	00/01	0	4	
692878	5-Nitroacenaphthene [PAH-Derivative, POM]	00/00	0	1 2 3 4 5	
98592	5-Nitro-o-anisidine	00/00	0	4 5	
1836755	Nitrofan (technical grade)	00/00	0	3 4 5	
67200	Nitrofurantoin	00/01	0	4	
58878	Nitrofurazone	00/00	0	4	
655846	1-[(5-Nitro-2-furylidene)amino]-2-imidazolethione	00/00	0	3 4	
531828	N-[4-(5-Nitro-2-furyl)-2-thiazolyl]acetamide	00/00	0	3 4 5	
51762	Nitrogen mustard [Mechloroethamine]	00/00	0	3 4 5	
55887	Nitrogen mustard hydrochloride	00/00	0	4 5	
55638	Nitroglycerin	00/01	0	7	
88755	2-Nitrophenol	00/01	0	7	
57835824	4-Nitropyrene [PAH-Derivative, POM]	00/01	0	1 2 3 4	
86368	N-Nitrosodiphenylamine [POM]	00/01	0	1 2 4	
759739	N-Nitroso-N-ethylurea	00/00	0	4 5	
68153493	3-(N-Nitrosomethylamino)propionitrile	00/00	0	3 4	
64691614	4-(N-Nitrosomethylamino)-1-(3-pyridyl)-1-butanone [NKK]	00/00	0	3 4	
618532	N-Nitroso-N-methylurethane (N-Methyl-N-nitrosourethane)	00/00	0	3 4	
4549468	N-Nitrosomethylvinylamine	00/00	0	3 4 5	
16543556	N-Nitrosomorpholine	00/00	0	3 4 5	
13258220	N-Nitrososarcosine	00/00	0	3 4 5	
6533862	Norgestrel	00/00	0	4	
383478	Ochratoxin A [POM]	00/01	0	1 2 4	
2234131	Octachloronaphthalene [PAH-Derivative, POM]	00/01	0	1 2 3 4	7
2848175	OII Orange SS [PAH-Derivative, POM]	00/01	0	1 2 3 4	7
28818129	Omalum tetroxide	00/01	0	4	
78572	Oxytetracycline	00/01	0	4	
794934	Panfuran S [Dihydroxymethylfuratrizine]	00/00	0	3 4	
115673	Paramethione	00/00	0	4	
52675	Penicillamine	00/01	0	4	
67338	Pentobarbital sodium	00/00	0	4	
63888	Phenacetin	00/00	0	4	
62442	Phenacetin	00/00	0	3 4 5	
94788	Phenazopyridine hydrochloride	00/00	0	3 4 5	
3548189	Phenesterin	00/00	0	3 4 5	
59861	Phenoxybenzamine [POM]	00/00	0	1 2 4	

Substances For Which Production, Use, or Other Presence Must Be Reported (cont.)

Emitter ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [5])	Other Notes(s)
63923	Phenylethylamine hydrochloride [POM]	09/00	0	1 2 3 4 5	
122601	Phenyl glycidyl ether	09/00	0	3 4	
57410	Phenytoin [POM]		0	1 2 3 4 5	7
88801	Picric acid	09/91			
54911	Pipabroman	09/00			
1837807	Pifamycin [PAH-Derivative, POM]	09/00	0	1 2 3 4 5	
1155	Polybrominated biphenyls [PBBS] [POM]				
53973081	Polygeenan	09/89	0	1 2 3 4	
3701533	Ponceau MX [PAH-Derivative, POM]		0	1 2 3 4	
3564000	Ponceau 3R [PAH-Derivative, POM]		0	1 2 3 4	
366701	Procaine hydrochloride		0	3 4 5	
1100	Progesterone		0	3	
71500	Including but not limited to: Medroxyprogesterone acetate		0	3 4	
68224	Norethisterone		0	4 5	
51525	Propylthiouracil		0	3 4 5	
302704	all-trans-Retinol acid	09/00	0	4	
1167	Retinol/retinyl esters	09/00	0	4	
36701045	Ribavirin	09/00	0	3 4 5	
81072	Saccharin		0	3 4 5	
94507	Safrole		0	3 4 5	
1180	Shale oils		0	3 4	
132274	Sodium o-phenylphenate [POM]	09/00	0	1 2 3 4	
128440	Sodium saccharin		0	1 2 3 4	
1185	Soots		0	3 4	
10046132	Sterigmatocystin [POM]	06/91	0	1 2 3 4	
3810740	Streptomycin sulfate		0	3 4 5	
1803004	Streptozotocin		0	3 4 5	
85007	Sulfalate		0	3 4 5	
54005241	Tamoxifen citrate [POM]	09/00	0	1 2 4	
846504	Tamazepam [POM]	09/00	0	1 2 4	
5210251	p-alpha,alpha,alpha-Tetrachlorotoluene	09/00	0	4	
001115	Tetrachlorvinphos	06/91	0	4	
64755	Tetracycline hydrochloride	09/00	0	4	
600148	Tetranitromethane	09/00	0	4	
58351	Thalidomide		0	4	
139051	4,4'-thiodianiline [POM]		0	4	
154427	Thioquinone	09/00	0	1 2 3 4	
1314201	Thorium dioxide		0	4 5	
1200	Tobacco products, smokeless	09/00	0	3 4	
40042071	Tobramycin sulfate		0	3 4	
1205	alpha-chlorinated Toluenes		0	3	
036215	o-Toluidine hydrochloride	09/00	0	4 5	
100400	p-Toluidine		0	4	
209752	Trosulfan		0	3 4	

Substances For Which Production, Use, Or Other Presence Must Be Reported (cont.)

Existent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [6])	Other Notes(s)
28911615	Triazolam [FOM]	88/88		1 2 4	
52586	Trichlorfon	88/81		4	7
13647353	Trilostane	88/88		4	
127488	Trimethadione	88/81		4	
68768	Trifluoromethyl-p-benzoquinone [Triaziquone]	88/88	c	4	
52244	Tris(1-aziridinyl) phosphine sulfide [thiotepa]	88/88	c	3 4 8	
128727	Tris(2,3-dibromopropyl)phosphate	88/88	c	4	
62458868	Trp-p-1 [3-Amino-1,4-dimethyl-5H-pyrido[4,3-b]indole]	88/88	c	3 4	
82458871	Trp-p-2 [3-Amino-1-methyl-5H-pyrido[4,3-b]indole]	88/88	c	3 4	
72571	Trypan blue [PAB-Derivative, FOM]	88/88	c	1 2 3 4	
68751	Uracil mustard	88/88	c	3 4	
28985915	Urofollitropin	88/88		4	
88881	Valproate	88/88		4	
143678	Vinblastine sulfate [FOM]	88/88		1 2 4	
2888782	Vinorelbine sulfate [FOM]	88/88		1 2 4	
188878	4-Vinyl-1-cyclohexene dioxide [Vinyl cyclohexene dioxide]	88/88	c	4	
81812	Warfarin [FOM]	88/81		1 2 4	
87827	2,8-Xylidene	88/88		4	
12122877	Zincb	88/88	c	4	

NOTES TO APPENDIX A:

Note Text of Note

[1] Emittent ID (the emittent identification number) is the Chemical Abstract Service (CAS) number where available, or an ABB-assigned 4-digit emittent ID code.

A dash ("-") is shown for the Emittent ID for substances which are alphabetized under a group header or synonym elsewhere on the list. Refer to the cross reference indicated in parenthesis, "()".

A double dash ("--") is shown for the Emittent ID to indicate that the entry is a non-reportable group header for the substances immediately following it.

An asterisk ("*") is shown for the Emittent ID to indicate that the emissions of unspecified metal compounds shall be reported as the metal atom equivalent. See Note [7].

A pound sign ("#") is shown for the Emittent ID to indicate that the individual, component listed substances must be reported for this mixture or group.

[2] Individual substances listed under a group heading must be reported individually. Other, unspecified substances in the group must be summed and reported using the emittent ID of the group heading.

The square bracket designation, "[]", indicates that the substance is a component of the chemical group heading(s) within the brackets.

The brace designation, "{ }", indicates a synonym for the substance listed.

[3] The date the Board approved addition of the substance to the original list. The original list was approved by the Board in July 1986.

[4] The letter "c" indicates that for purposes of this section the substance shall be treated as a human carcinogen or potential human carcinogen.

[5] Applicable degree of accuracy (in lbz/year except where noted). Radionuclides must be reported in Curie units, and the accuracy must be considered accordingly. Refer to Section 93334.

[6] Substances are required to be included on the AB 2588 list based on the following lists cited in Health & Safety Code Section 44321:

- 1-California Air Resources Board; 2-Environmental Protection Agency;
- 3-International Agency for Research on Cancer; 4-Governor's List of Carcinogens and Reproductive Toxicants (HSC Section 25249.8);
- 5-National Toxicology Program; 6-Hazard Evaluation System and Information Service;
- 7-Added pursuant to HSC Section 44321 (f).

Substances from lists 1, 2, 6, or 7 may not be removed from the AB 2588 list. Refer to HSC Section 44321.

Note Text of Note

- [7] Emissions of unspecified metal compounds shall be reported as the amount of the metal atom equivalent, using the metal emitent identification number for the metal itself (or the emitent identification number indicated on the table, such as for reporting inorganic versus other-than-inorganic arsenic compounds).
For unspecified metal compounds which contain two or more listed metals (e.g., zinc chromate), each component metal shall be reported as the amount of the appropriate metal atom equivalent (i.e., the zinc portion of the weight as zinc equivalent and the chromate portion as hexavalent chromium equivalent).
For specific, individually listed metal compounds (e.g., Lead chromate), emissions shall be reported for the compound (as pounds of whole compound), using the emitent identification number for that compound.
- [8] Compounds of the form "X-CN", where formal dissociation can occur. Report as the amount of Cyanide equivalent in the compound using an emitent identification code of 1073.
- [9] Emissions of these mixtures shall be reported as emissions of total particulate matter and total organic gas, using the following emitent identification numbers:
8981 Diesel exhaust, particulate matter 9910 Gasoline exhaust, particulate matter
8982 Diesel exhaust, total organic gas 9911 Gasoline exhaust, total organic gas
Individually listed substances from diesel and gasoline exhaust must also be reported.
- [10] The emitent identification number 1105 has been discontinued for all facilities reporting for the first time and for all biennial updates. Use the listed replacement emitent identification codes 1103 and 1104.
- [11] Emissions of the individual, component listed substances must be reported in addition to the total gasoline vapors emissions.
- [12] These lead compounds are listed here so that the inorganic lead fraction will be quantified and reported if these individual compounds cannot be quantified.
- [13] PAH: (Polycyclic Aromatic Hydrocarbon) - An organic compound consisting of a fused ring structure containing at least two (2) benzene rings, and which may also contain additional fused rings not restricted exclusively to hexagonal rings. The structure does not include any heteroatoms or substituent groups. The structure includes only carbon and hydrogen. PAHs are a subgroup of POM and have a boiling point of greater than or equal to 100°C.
- [14] PAH-DERIVATIVE: (Polycyclic Aromatic Hydrocarbon Derivative) - An organic compound consisting of a fused ring structure containing at least two (2) benzene rings, and which may also contain additional fused rings not restricted exclusively to hexagonal rings. The fused ring structure does not contain heteroatoms. The structure does contain one or more substituent groups. PAH-Derivatives are a subgroup of POM and have a boiling point of greater than or equal to 100°C.
- [15] POM: (Polycyclic Organic Matter) - Includes organic compounds with more than one benzene ring, and which have a boiling point of greater than or equal to 100°C.

Note Text of Note

[16] Radionuclides and other radioactive substances shall be reported in units of Curies per year (for annual average emissions) and in units of millicuries per hour (for maximum hourly emissions).

[17] Emissions of Vanadium (fume or dust) shall be reported as the amount of the vanadium atom equivalent, using the identification number 7418622.

[18] The emission identification number 1881 has been replaced with the CAS number 2814885.

APPENDIX E

**REQUIREMENTS FOR CLASSES OF FACILITIES EMITTING
LESS THAN 10 TPY OF CRITERIA POLLUTANTS**

E-I

**CLASSES OF FACILITIES EMITTING LESS THAN 10 TPY
FOR WHICH THE FACILITY OPERATORS MUST
PREPARE COMPLETE PLANS AND REPORTS**

E-II

**CLASSES OF FACILITIES EMITTING LESS THAN 10 TPY
FOR WHICH THE FACILITY OPERATORS MUST
COMPLETE A SURVEY OF PRODUCTION, USE, OR OTHER PRESENCE**

NOTES TO APPENDIX E

- a Except facilities using less than four pounds of ethylene oxide per year.
- b Except facilities using solvents for cold cleaning and vapor degreasing in the following quantities:
- (1) less than 55-gallon (drum) quantities per year of a listed substance which is designated as a human carcinogen or potential human carcinogen; and
 - (2) less than 55-gallon (drum) quantities per month of a listed substance which is not designated as a human carcinogen or potential human carcinogen.
- c Any facility at which asbestos removal occurs on a routine and predictable basis for a period of at least one year.
- d Any treatment, storage, disposal, and recycling facility (as defined by "hazardous waste facility" in Health and Safety Code, Section 25117.1 and in Title 22, California Code of Regulations (CCR), Section 66096) except:
- (1) transfer stations (as defined in Title 22, CCR, Section 66212) that do not pump or package hazardous waste; and
 - (2) storage facilities (as defined in Health and Safety Code, Section 25123.3) that store only containerized waste.
- e Only the described portions of the SIC are included.
- f [] Indicates an SIC formerly used by the Executive Office of the President, Office of Management and Budget, which has been reassigned.

APPENDIX E-I

Classes of Facilities Emitting Less Than 10 tons of
Criteria Pollutants for Which the Facility Operators Must
Prepare Complete Emission Inventory Plans and Reports

<u>Standard Industrial Classification Code (SIC)</u>	<u>Description of Class</u>
Any SIC	Metal platers using cadmium or chromium
Any SIC	Facilities using ethylene oxide for sterilization ^a
Any SIC	Facilities with cooling towers using hexavalent chromium
Any SIC	Facilities that perform degreasing ^b
Any SIC	Facilities using incinerators that burn hazardous, municipal, or biomedical waste, or burning tires
Any SIC	Long term asbestos removal (over one year) ^c
Any SIC	Treatment, storage, disposal, and recycling facilities (TSDFs; TSDR facilities) ^d
2221, 3229 ^e	Fiberglass and various fiberglass materials and products manufacturing facilities within SICs 2221 and 3229
2611, 2621, [2631] ^f	Pulp and paper mills
2711-2771, 2782	Printing and publishing including printshops and miscellaneous commercial printing
2812-2899	Chemicals and allied products manufacturing
2911-2999	Petroleum refining and related industries
3011-3089, [3293] ^f , [3555] ^f	Rubber and miscellaneous plastics products manufacturing
3471-3479	Miscellaneous plating, polishing, coating, engraving, and allied services
3674	Semiconductors and related devices manufacturing
3731-3732	Boat and ship building and repair
4952	Wastewater treatment facilities (including publicly owned treatment works, POTWs)
5171-5172	Petroleum bulk stations and terminals and related
5511-5521, [7531] ^f , 7532, [7535] ^f	Auto body shops (including new and used car dealers where body work occurs)
5541	Gasoline stations
7216	Dry cleaners
7261 ^e	Funeral services with crematories

APPENDIX E-II

Classes of Facilities Emitting Less Than 10 tpy of Criteria
Pollutants for Which the Facility Operators Must Complete a
Survey of Production, Use, or Other Presence of Listed Substances

<u>Standard Industrial Classification Code (SIC)</u>	<u>Description of Class</u>
0723,[0729] ^f	Crop preparation services for market
0724,[0729] ^f	Cotton ginning
1311	Crude petroleum and natural gas extraction
1321	Natural gas liquids plants
1381	Drilling oil and gas wells
1422-1429	Miscellaneous crushed and broken stone mining
1442-1446	Construction sand and gravel mining
2033-2034	Canned and dehydrated fruits and vegetables
2041,2044,2046, 4221	Grain mill products manufacturing and warehousing
2434-2439	Veneer, plywood, structural wood members, and related manufacturing
2441-2499	Miscellaneous wood containers, buildings, and products manufacturing
2511-2599,7641	Furniture or cabinet manufacturing and repair
3241	Hydraulic cement manufacturing
3292-3296	Asbestos and miscellaneous nonmetallic mineral products manufacturing
3312-3325	Blast furnaces and steel mills
3341-3369	Primary metal industries and secondary smelting
3411-3469, 3482-3499	Miscellaneous fabricated metal products manufacturing
3511-3537	Various industrial machinery manufacturing
3612-3672, [3673] ^f , 3675-3699	Electronic and other electrical equipment and components, except computer equipment
3721-3728	Aircraft and parts
3761-3769	Guided missile and space vehicle propulsion units and propulsion unit parts
7218	Industrial launderers
7533-7534, 7537-7539	General automotive repair shops and related
8062	General medical and surgical hospitals
8731,8733-8734, [7391] ^f ,[7397] ^f , [8922] ^f	Research, development, and testing services

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This not only helps in tracking expenses but also ensures compliance with tax regulations.

In the second section, the author outlines the various methods used for data collection and analysis. These include surveys, interviews, and focus groups. Each method has its own strengths and weaknesses, and the choice depends on the specific research objectives.

The third section delves into the statistical analysis of the collected data. It covers topics such as descriptive statistics, inferential statistics, and regression analysis. The goal is to identify patterns and trends in the data that can inform business decisions.

Finally, the document concludes with a summary of the findings and recommendations. It highlights the key insights gained from the research and provides practical advice for implementing these findings in a business context.

Appendix IV

**Fiscal Year 1995-96 Proposed Cost for
the Air Toxics Hot Spots Program**

**STATE'S HOT SPOTS PROGRAM FOR FISCAL YEAR 1995-96
AS A RESULT OF REDUCED REVENUE**

		PYs*	Staff Cost	Contract Cost	Total
Methods Development/Emission Inventory/Regulation Development and Implementation					
ARB	Regulation Development and Implementation	2.5	190,000	0	190,000
ARB	Methods Development and Review (a)	0.0	0	0	0
ARB	Air Toxics Emission Database Maintenance (a,b)	2.0	152,000	126,000	278,000
ARB	Emission Data Collection and Validation (b)	3.5	266,000	59,000	325,000
Subtotal		8.0	608,000	185,000	793,000
Development of Risk Evaluation Methods					
OEHHA	Health Effects Evaluation (a,b)	2.0	170,000	0	170,000
OEHHA	Risk Assessment Guideline Development	4.0	340,000	192,000	532,000
OEHHA	Exposure Assessment/Uncertainty Methods Development	5.0	425,000	217,000	642,000
Subtotal		11.0	935,000	409,000	1,344,000
Health Risk Assessment					
OEHHA	Health Risk Assessment Review (a,b)	1.0	85,000	88,000	173,000
ARB	Public Notification Assistance/ Software Development (a)	1.0	76,000	0	76,000
ARB	Risk Assessment Assistance	1.0	76,000	0	76,000
Subtotal		3.0	237,000	88,000	325,000
Risk Reduction					
ARB	Develop Risk Reduction Guidelines and Checklists	4.5	342,000	0	342,000
Subtotal		4.5	342,000	0	342,000
ARB Subtotal		14.5	1,102,000	185,000	1,287,000
OEHHA Subtotal		12.0 (c)	1,020,000	497,000	1,517,000 (d)
State Total		26.5	2,122,000	682,000	2,804,000

A 5% contingency brings the cost to \$2,944,200.

* PY is equal to a position.

a) includes original 5 year plan reduction

b) includes additional, accelerated reduction

c) Does not include three positions incorrectly reflected in prior staff report chart; two positions permanently transferred to another funding source; one position temporarily transferred to another funding source for FY 95-96.

d) Does not include \$265,000 carryover from FY 94-95 from Hot Spots and other funding sources.

THE UNIVERSITY OF CHICAGO

PHILOSOPHY DEPARTMENT

PHILOSOPHY 101

LECTURE NOTES

LECTURE 1

THE PHILOSOPHY OF

PLATO

PLATO'S THEORY OF

FORMS

THE DIVISION OF

LABOR

THE POLITICAL

PHILOSOPHY

OF PLATO

THE THEORY OF

THE IDEAL

STATE

THE THEORY OF

THE IDEAL

Appendix V

Fee Basis and Calculations

1918

1918

Fee Basis and Calculations

This Appendix contains descriptions of the facility Program categories and resource indexes used as the fee basis. The method and equations for calculating the distribution of the State's costs and facility fees are also described.

A. Proposed Fee Basis

1. Current Hot Spots Facility Program Category Method

In the June, 1995 staff report the Air Resources Board (ARB) staff proposed to use the same basic fee basis for fiscal year 1995-96 as was used for fiscal year 1994-95. This facility Program category method uses the number of facilities in each of the various Hot Spots Program categories. Facilities are classified into a Program category according to the Air Toxics Hot Spots Program requirements and Source Classification Codes (SCCs). The basic Program categories are Survey, Industrywide, Plan and Report, Risk Assessment, Notification, and Audit and Plan. Resource indexes (ratios) are used to distribute State Core and risk assessment costs, and local air pollution control and air quality management district (districts) costs among the Program categories.

The fee basis has a relationship to the resources expended by the State and districts on a facility, and the health risk priority of that facility. Based on the districts' and State's experience, the range of complexity and the time required to accomplish the Hot Spots Program (Program) requirements varies, even among facilities in the same Program category. There is a significant range of effort required based primarily on the complexity of the facility. For example, the time and resources required by the district to carry out Program requirements and review documents for a facility submitting a plan and report for a small number of emission points is much less than the effort required to carry out the Program requirements and to review documents for a facility submitting a plan and report for multiple processes and multiple emission points. The same relationship holds true for facilities completing health risk assessment requirements. To account for this range of complexity, we divide the Plan and Report, Risk Assessment, Notification, and Audit and Plan Categories into subcategories. Source Classification Codes are used to identify facilities as simple, intermediate, or complex.

There is a specific workload associated with each facility subject to Program requirements. This specific workload is generally when a facility submits updated emission data or when a risk assessment requires review. However, there are many other programmatic functions which are ongoing and affect all facilities. Examples of this type of work are emission

inventory quality assurance, development of the Fee Regulation, source test method development and review, risk reduction guideline development, and risk assessment guidelines development. These are ongoing costs incurred by the State. State law also mandates that fees be based on toxic emissions. In years when facilities in the Program are not submitting emission data updates or risk assessments, they continue to emit toxics. For these reasons, facilities are assessed an annual fee.

For fiscal year 1995-96, the definitions to subdivide the fee categories to account for complexity remain the same. We define a facility with one or two processes (SCCs) as simple; a facility with three, four, or five processes as intermediate; and a facility with more than five processes as complex. To count the number of unique processes at a facility only the first six digits of the eight digit SCC are used. Information regarding how a facility should be categorized was supplied by the districts. The definitions of the facility Program categories are found in section 90701 of the Fee Regulation (Title 17, California Code of Regulations).

Risk assessment facilities are further subdivided into Risk Assessment-District and Risk Assessment-State. During the initial risk assessment review, resources are expended at the district as the air dispersion modeling is reviewed. Much of the State's resource effort occurs when the Office of Environmental Health Hazard Assessment (OEHHA) reviews the health risk assessment. Following the OEHHA's review, the resource effort is again concentrated at the district, until the health risk assessment is approved. For the Risk Assessment-State category, a one year period is specified to ensure that a facility is only assessed a fee for this category once. For the Risk Assessment-District category, we include facilities that have been notified by the district by April 1, prior to the applicable fiscal year that they must prepare a risk assessment.

The use of Program categories as the basis for distributing the State's cost and assigning facility fees is in accordance with both the direction of the ARB and Health and Safety Code section 44380(a)(3) because the Program categories are determined by toxics releases and health risk priority.

2. Changes to Fee Basis

We propose to exempt facilities from the Fee Regulation in three ways. The proposed exemptions are listed in new section 90702(b) of the Fee Regulation. A facility would be exempt from the distribution of the State's cost if:

- a) its prioritization score is less than 0.1 for cancer and non-cancer risk;
- b) its risk assessment result shows a potential cancer risk of less than one case per one million persons and a total hazard index of less than 0.1.
- c) it is a printing shop, wastewater treatment plant, crematorium, or boat or ship building and repair facility and meets an established de minimis throughput.

For facilities located in air districts whose fees schedules are included in the State's Fee Regulation, these same exemptions would be applied, and facilities that meet at least one of the criteria would not pay a fee in fiscal year 1995-96.

Because of our proposal to exempt facilities, we are proposing a further modification to the method to distribute the State's cost. In the June, 1995 Staff Report we calculated a cost per facility and distributed the State's cost based on updated facility counts received from the air districts in May, 1995. We now propose that each calculated cost per facility remain unchanged from this distribution. This proposal reduces the State's cost per facility by about 19 percent compared to fiscal year 1994-95. For each exempted facility we would subtract the State's cost previously assessed that facility from its air district's cost total in the June, 1995 Staff Report. We are not recovering any costs associated with the exemptions by increasing the State's cost to facilities remaining subject to the Fee Regulation. This proposal ensures that all air districts costs are reduced or unchanged from what was proposed in the June Staff Report. On average, as a result of the exemptions, air district shares of the State's cost are reduced by about 13.5 percent compared to our June proposal.

The proposed exemptions and the modification to the method will reduce the State's cost. The cost to be recovered through fees for fiscal year 1994-95 was \$4,237,000. The June, 1995 Staff Report contained a proposed State cost of \$3,650,000, already a 14 percent reduction compared to last year. This cost reflected an accelerated Program plan reduction of \$587,000. Now, with our exemption proposals, the State's cost is reduced by an additional \$846,000. As a result of the accelerated Program plan cut and the cost reductions resulting from the exemptions we now project the State's cost for fiscal year 1995-96 will be reduced to \$2,804,000. This reduction of over \$1.4 million dollars reduces our cost by over 34 percent. We are continuing to receive updated facility counts from the air districts that reflect the proposed exemptions. These changes will be presented at the ARB hearing in January and the State's cost will be adjusted accordingly. With an adjustment factor of five percent added to this amount, the State's cost to be recovered through the Fee Regulation is \$2,944,200 (this amount may differ slightly from the amount shown in Table 1. of the Fee Regulation due to rounding).

Because of these proposed modifications, the descriptions in Section C of this appendix that discuss how we distribute the State's cost will describe how we calculated a State cost per category for the June, 1995 Staff Report. Each cost per facility calculated for the June, 1995 Staff Report would not change based on our current proposal.

For fiscal year 1995-96 we are proposing to create a State Industrywide Program category. Last year a nominal cost of \$15 was assessed the districts for each industrywide facility. There is a level of effort expended at the State to assist and ensure that these types of facilities comply with State law. Examples of specific tasks on behalf of industrywide facilities are review of emissions data, development of risk assessment procedures, and development of risk reduction guidelines to assist industrywide facilities reduce toxics emissions. For these

reasons, a small resource index is assigned to these facilities for both Core and Risk Assessment Program costs.

The State Industrywide category is proposed to make consistent the counting of facilities that qualify to be included in an industrywide inventory prepared by the district. We received numerous comments that the manner in which industrywide facilities were assigned among the districts created inequities in the distribution of the State's cost. We are proposing that four categories of industrywide facilities, gasoline service stations, dry cleaners, autobody repair shops, and printing shops qualify as State Industrywide facilities. These four categories of facilities account for over 90 percent of industrywide facilities state-wide. Districts could add other facility categories to this State Industrywide category if the criteria outlined in section 90701(af) are met. These four categories would continue to be assessed the State's cost of \$15. For distribution of the State's cost only, other facility categories not meeting the criteria for the State Industrywide category would be placed into the appropriate Plan and Report Program category.

B. Resource Indexes

1. Current Indexes

The three types of per facility costs (Core Program, Risk Assessment, and District) are based on unit costs which are calculated using resource indexes. These indexes account for the differing resource requirements and varying complexity of facilities in the various categories. The resource indexes are a method of balancing workload, toxicity of emissions, health risk priority, and complexity among categories. A different set of indexes is used for each type of unit cost. Table V-1 shows the resource indexes for these three types of costs.

The resource index is used as a weighting factor or ratio in the fee calculations. To obtain each of the three divisions of unit costs, the numbers of facilities in the appropriate Program categories are multiplied by the appropriate indexes. The sum of these products is divided into the total cost associated with that division to arrive at a unit cost. The unit cost is multiplied again by each index to arrive at the per facility cost.

The resource indexes for the State's cost reflect the resource requirements of both the ARB and OEHHA. Chapter III of this report contains a detailed description of the State's activities. Indexes were established based on the State's experience with the Program since 1988. We also considered the relative toxicity of emissions and the health risk priority of facilities in the Program as indicated by the category. The resource indexes used for districts' costs are based on information received from the districts.

2. Proposed Index Changes

For fiscal year 1995-96, we are proposing to modify the resource index for both Core and risk assessment Program costs for State Industrywide facilities to keep the cost per facility at \$15.

a. Core Program Indexes

In developing resource indexes to distribute State Core Program costs, we considered facility complexity, workload, and economic impact. In general, the resources required to review emissions data and other documents increase with the number of emission points. State Core Program costs are generally programmatic in nature and affect all facilities. The Core Program indexes reflect this.

To account for differences in workload for facilities other than State Industrywide facilities, we assigned an index of one to the Plan and Report (Simple) and Risk Assessment (Simple) categories. For the Plan and Report (Intermediate) and Risk Assessment (Intermediate) categories, we assigned a Core Program index of one and a half. These facilities require more of the State's resources based on complexity than do simple facilities.

The Core Program indexes for Plan and Report (Complex), Risk Assessment-District (Complex), Notification and Audit and Plan facilities remain at two. In general, facilities in these categories are the most complex and require more of the State's resources for review of their data. All of these Core Program resource indexes are unchanged from fiscal year 1994-95 and are shown in Table V-1.

b. Proposed Core Program Index Changes

The proposed Core Program index for State Industrywide facilities is 0.016. Although this low index is related to workload, relative to the other simple categories, the main consideration was to limit the amount of cost allotted to these smaller facilities.

4. State Risk Assessment Indexes

a. Current Risk Assessment Indexes

In developing the resource indexes for State risk assessment related work, we considered the following: complexity, workload, facility risk priority, and economic impact. We assigned a score to each of these categories, ranging from zero to 20. The scores were summed to arrive at a facility category total score. We solicited input from the Fee Regulation Committee, the OEHHA, and the districts in developing these factors. Facilities in the State Industrywide, Risk Assessment-State, Notification, and Audit and Plan categories receive indexes for State risk assessment related work.

Table V-1
Resource Indexes

<u>Program Category</u>	<u>State Core Program Index</u>	<u>State Risk Assessment Index</u>	<u>District Index</u>
Survey			Flat
State Industrywide	0.016	0.024	Flat
Plan and Report			
Simple	1		1
Intermediate	1.5		3
Complex	2		10
Risk Assessment			
Under Review by the District*			
Simple	1		2
Intermediate	1.5		3
Complex	2		10
Risk Assessment			
Under Review by the State**			
Simple	1	1	2
Intermediate	1.5	10	3
Intermediate (Prepared by District)+	1.5	\$800	3
Complex	2	25	10
Complex (Prepared by District)+	2	\$800	10
Notification			
Simple	2	15	20
Intermediate	2	22	20
Complex	2	25	20
Audit and Plan			
Simple	2	20	25
Intermediate	2	27	25
Complex	2	30	25

* Risk Assessment-District. The facility was notified by the district by April 1, 1995 to prepare a risk assessment.

** Risk Assessment-State. Risk assessment submitted to OEHHA for review between April 1, 1994 and March 31, 1995.

+ The facility had its risk assessment prepared by the district using an automated computer program approved by the ARB.

3. State Core Program Indexes

A simple risk assessment facility is a facility having one or two different processes. This type of risk assessment, because of the small number of processes, requires considerably less of the State's resources. Because many of these facilities have only a single process, the review of the risk assessment is generally straight forward. In light of these considerations, these facilities were assigned scores for complexity and workload of one each. These facilities received a priority score of one because of the small number of processes. We assumed that most of these simple risk assessment facilities are small businesses. In light of this, a score of zero was assigned for economic impact. This brings the total score for Risk Assessment-State (Simple) facilities to three.

An intermediate risk assessment facility is defined as having three to five different processes. These risk assessments require a significant amount of the State's resources. Each process may emit different toxic pollutants and must be reviewed individually. The facility's total risk from the aggregate emissions of all processes must also be reviewed. These facilities received scores for complexity and workload of three and four, respectively. Because these facilities have been required to prepare a health risk assessment, they are high priority facilities. With fewer processes, however, we have assigned them a risk priority score of two. We assumed that many of these facilities may be small or medium-sized businesses. For economic impact, these facilities received a score of one. The total aggregate score is ten for Risk Assessment-State (Intermediate) facilities.

A facility with more than five processes is defined as complex. Therefore, these facilities were assigned a score of eight for complexity. In ranking workload, the greatest cost incurred by the State is in reviewing a complex risk assessment. For workload, these complex facilities received a score of nine. These facilities have more than five different processes, each of which may emit different toxic air pollutants and cause different or cumulative adverse impacts on human health. The calculations for each individual process are reviewed to verify the overall potential to cause acute and chronic health effects. For health risk priority, complex risk assessment facilities received a score of three. Due to complexity it is assumed that these facilities may pose a greater potential health risk than other risk assessment facilities in other categories, and are therefore, higher health risk priority. It is also assumed that these complex facilities will be least burdened by paying this cost. Therefore, a score of three was assigned for economic impact. The total aggregate score for Risk Assessment-State (Complex) facilities is 23.

In finalizing these indexes, we gave further consideration to the economic impact on small businesses. The cost to be assessed to small, simple facilities required to prepare a risk assessment may be an economic burden. In consideration of this, the Risk Assessment-State (Simple) score was reduced from three to one and the index for Risk Assessment-State (Complex) facilities was increased from 23 to 25. The resource indexes for distribution of the State's risk assessment costs are shown in Table V-1.

The Risk Assessment-State (Intermediate) or Risk Assessment-State (Complex) facilities within the Santa Barbara County APCD that had their risk assessments prepared for them by the district, using an automated computer program approved by the ARB, will continue to be assessed a fixed cost for review of their risk assessments. This cost will remain at \$800. The cost of \$800 was calculated by taking a weighted average of the estimated time it takes OEHHA to review the Santa Barbara risk assessments (8 hours) times a cost of \$100 per hour. The hourly rate of \$100 was based on the rates charged by consultants with appropriate qualifications.

All three Notification categories are assigned risk priority indexes of ten and workload indexes of three. This risk priority index was assigned because they are potentially higher priority facilities than are risk assessment facilities. The State's workload for these facilities is not as great as with most risk assessment facilities. Therefore a workload index of three is appropriate. Although we are subdividing these categories by SCCs, to account for complexity, this is partially done in consideration of smaller facilities that could suffer an economic burden from being assessed this higher cost. Therefore, complexity scores of one for simple facilities, four for intermediate, and five for complex were assigned. In further consideration of possible economic impacts, simple, intermediate, and complex facilities were assigned economic impact scores of one, five, and seven, respectively. Summing these scores yields indexes of 15 for simple, 22 for intermediate, and 25 for complex Notification facilities.

The highest priority facilities are required to audit their emissions and prepare plans to lower their emissions below a level of significance. These are the highest priority facilities in the State and are assigned a risk priority score of seventeen. Workload and complexity scores for these facilities were combined into a single score. The scores are related to the number of processes at a facility and the varying levels of effort to review their emission audits and plans. The combined workload and complexity scores for these facilities are two for simple, five for intermediate, and six for complex facilities. The more processes there are at a facility the more review time required to verify that the emission reduction plan will achieve the required emission reductions. The potential economic impact scores are the same as for Notification facilities, one for simple, five for intermediate, and seven for complex. Summing these scores yields indexes of 20 for simple, 27 for intermediate, and 30 for complex Audit and Plan facilities.

The ten categories of facilities that were assigned a resource index for risk assessment cost and facilities that are assessed a flat cost for risk assessment review because their district prepared the risk assessment for them also receive a Core Program cost resource index. Therefore, the resulting unit costs from applying the two indexes are summed to determine the State's total cost for these facilities.

b. Proposed Risk Assessment Index Changes

We are proposing to modify the risk assessment index for State Industrywide facilities. The proposed index is 0.024. This index is not assigned based on facility complexity or risk priority. It is related to workload and economic impact. We are now working on industrywide risk assessment procedures. Therefore, this small index will help defray the cost of the State's effort in this area, without causing an economic burden on these facilities.

5. District Indexes

Results from a survey of districts were used to assign an index for each category of facility based on workload, complexity, toxicity, and risk priority. The district indexes for all categories are unchanged for fiscal year 1995-96. The district resource indexes are shown in Table V-1.

6. Fee Caps

Some small businesses may be found in categories assigned higher indexes. To minimize the potential economic impact, these facilities may qualify to have their fees reduced if they meet the definition for small business contained in section 90701 of the Fee Regulation. The regulation caps fees for small businesses at \$300.

Another fee cap is available in the regulation for the Plan and Report (Simple) facilities. At the district's option, the Plan and Report (Simple) fee is capped at \$800, provided this does not result in a shortfall. This will ease the economic burden on smaller businesses that may not qualify for the small business fee cap.

In consideration of the possible economic burden for smaller businesses required to prepare risk assessments, fees for Risk Assessment-District (Simple) are capped at \$2,000. This cap is applied at a district's option provided it results in no shortfall in revenue.

C. Fee Calculation Method

As described in Section A of this appendix, because of our proposal to exempt facilities, we are proposing a further modification to the method to distribute the State's cost. In the June, 1995 Staff Report we calculated a cost per facility and distributed the State's cost based on updated facility counts received from the air districts in May, 1995. This cost distribution is described in this Section. However, we now propose that each calculated cost per facility remain unchanged from this distribution.

The method used to distribute the State's costs for the Air Toxics Hot Spots Program and calculate facility fees for the June, 1995 Staff Report is described below with equations. This basic method is the same as was used for calculating the distribution of the State's costs and

calculating facility fees in fiscal years 1993-94 and 1994-95. The proposed modifications to this method have been described in the earlier sections. The State's costs are distributed based on the number of facilities a district has in each Hot Spots Program category. For districts requesting ARB adoption of facility fees, the Hot Spots Program category of each facility will also be used. Employing the same method for allocation of the State's costs and for facility fees allows for greater consistency and equity.

The facility numbers used to distribute the State's costs and calculate facility fees are based on information the districts have supplied to the ARB staff. The equations used are numbered (in parentheses) for easy reference. The facility Program categories used for calculating fees in the equations below are defined in section 90701 of the Fee Regulation.

1. Distribution of State and District Costs

The State's costs to be recovered are the total amount reasonably anticipated by the ARB and the OEHHA to implement and administer the Air Toxics Hot Spots Program for the specified fiscal year. The districts' costs are used only in calculating facility fees for the districts requesting ARB adoption of fee schedules. The Health and Safety Code requires that the Fee Regulation provide for the recovery of these costs.

For districts requesting the ARB to adopt fee schedules for them, flat fees are established for facilities in the 19 Program categories. Districts specify and provide justification for the fee amounts for the facilities in two of the categories, Survey and Industrywide. Fees for facilities in the other 17 categories are calculated by adding the appropriate State cost per facility for the category to the district cost per facility. The districts' Program costs to be recovered by the regulation are distributed among facilities in all 17 categories by means of a flat district cost per facility for each of the Program categories.

Districts may waive the fee for Survey and Industrywide facilities if certain criteria have been met. For districts requesting ARB adoption of fee schedules, if the fee for industrywide facilities is waived this cost is added to the fees of the other facilities in the district. The proposal to create a State Industrywide category shifts some facilities formerly categorized as industrywide to Plan and Report for distribution of the State's cost. A district with fees adopted in the State's Fee Regulation can choose to continue to assess the flat cost shown in Table 4 or waive the fee for facilities it designates as industrywide, including the State Industrywide facilities. If either of these options is chosen, the resulting difference will be assessed to other larger facilities in the district.

The total State's cost is separated into two portions proportionate to the State's resource effort. The two portions are: (1) Core Program related costs and (2) Risk Assessment costs. The total State cost per facility is the sum of the Core Program cost per facility and the risk assessment cost per facility if applicable. The district's portion of the State's costs is the sum of the individual State cost per facility for all the facilities in the district.

The Core Program portion includes costs associated with method development, emission inventory, and regulatory development; health effects evaluation; uncertainty methods and exposure assessment parameters; risk assessment guideline development; and risk reduction guidance to small businesses. These tasks are generally programmatic in nature and affect all facilities. In 18 of the 19 Program categories the Core Program cost is distributed among all facilities by means of a flat Core Program cost per facility for each category. The State's costs are not distributed among facilities in the Survey category.

The State risk assessment portion includes costs associated with health risk assessment review, risk assessment assistance and public notification. These tasks are more directly related to the individual facilities required to prepare risk assessments, so the associated costs are allocated only among those facilities. Facilities in the State Industrywide, Notification and Audit and Plan categories are included as "risk assessment" facilities. The State's risk assessment costs are distributed among the following 12 Program categories: State Industrywide, Risk Assessment-State (Simple), Risk Assessment-State (Intermediate), Risk Assessment-State (Intermediate) with risk assessment prepared by the district, Risk Assessment-State (Complex), Risk Assessment-State (Complex) with risk assessment prepared by the district, Notification (Simple), Notification (Intermediate), Notification (Complex), Audit and Plan (Simple), Audit and Plan (Intermediate), and Audit and Plan (Complex). The risk assessment costs are distributed among these categories by means of a flat risk assessment cost per facility for each of the 12 categories.

2. Table 1 of the Fee Regulation: Revenues to be Remitted to Cover the State's Costs

As discussed in Section A of this appendix, the proposed exemptions and the modification to the method will reduce the State's cost. The cost to be recovered through fees for fiscal year 1994-95 was \$4,237,000. The June, 1995 Staff Report contained a proposed State cost of \$3,650,000, already a 14 percent reduction compared to last year. This cost reflected an accelerated Program plan reduction of \$587,000. Now, with our exemption proposals, the State's cost is reduced by an additional \$846,000. As a result of the accelerated Program plan cut and the cost reductions resulting from the exemptions we now project the State's cost for fiscal year 1995-96 will be reduced to \$2,804,000. This reduction of over \$1.4 million dollars reduces our cost by over 34 percent. We are continuing to receive updated facility counts from the air districts that reflect the proposed exemptions. These changes will be presented at the ARB hearing in January and the State's cost will be adjusted accordingly. With an adjustment factor of five percent added to this amount, the State's cost to be recovered through the Fee Regulation is \$2,944,200 (this amount may differ slightly from the amount shown in Table 1 of the Fee Regulation due to rounding).

Because of these proposed modifications, the descriptions in this Section discuss how we distributed the State's cost and calculated a State cost per category for the June, 1995 Staff Report. Each cost per facility calculated for the June, 1995 Staff Report would not change based on our current proposal.

The State's costs to be recovered are the total amount reasonably anticipated by the ARB and the OEHHA to administer the Air Toxics "Hot Spots" Information and Assessment Act for the specified fiscal year. The State's proposed cost for fiscal year 1995-96 is \$3,650,000. With a five percent contingency added, the total cost to be recovered is \$3,832,500. For the June, 1995 Staff Report the State's costs are divided into two categories: 1) \$3,448,200 for Core Program related work, and, 2) \$384,300 for risk assessment related work (adjustment factor included).

a. Core Program State Costs

The cost for Core Program related work is divided among the total number of facilities (includes risk assessment facilities but not Survey facilities) to arrive at a State cost per facility in each Program category. For fiscal year 1995-96, the number of facilities categorized as State Industrywide, Plan and Report, Risk Assessment-District, Risk Assessment-State, Notification, and Audit and Plan is 28,843. The number of facilities in each Program category is multiplied by the appropriate index. The sum of these products is divided into the State's Core Program costs to arrive at a Core Program unit cost. This unit cost is multiplied by each index to arrive at a flat State cost for each facility in a Program category. The following equations demonstrate the calculations to arrive at a Core Program cost per facility.

In the following equations, these abbreviations will be used to describe the Program categories, and costs:

- | | |
|--|--------------------------------------|
| SIW = Industrywide | PRs = Plan and Report (Simple) |
| PRi = Plan and Report (Intermediate) | PRc = Plan and Report (Complex) |
| RAs = Risk Assessment (Simple) | RAi = Risk Assessment (Intermediate) |
| RAc = Risk Assessment (Complex) | NOTs = Notification (Simple) |
| NOTi = Notification (Intermediate) | NOTc = Notification (Complex) |
| APs = Audit and Plan (Simple) | API = Audit and Plan (Intermediate) |
| APc = Audit and Plan (Complex) | |
| D = District | S = State |
| DP = Risk Assessment Prepared by District with ARB Approved Software | |
| # = Number | uc = unit cost |

(1) Calculation of the Core Program Unit Cost:

- a) # Facilities in Program Category X Index = Product

Using the Core Program indexes in Table V-I and the total number of facilities reported in each Program category by the districts:

b) Weighted Sum =

(# SIW X SIW Index) + (# PRs X PRs Index) + (# PRi X PRi Index) + (# PRc X PRc Index) + (# RAs D X RAs D Index) + (# RAi D X RAi D Index) + (# RAc D X RAc D Index) + (# RAs S X RAs S Index) + (# RAi S X RAi S Index) + (# RAc S X RAc S Index) + (# NOTs X NOTs Index) + (# NOTi X NOTi Index) + (# NOTc X NOTc Index) + (# APs X APs Index) + (# APi X APi Index) + (# APc X APc Index)

c) Core Program Cost / Weighted Sum from equation (1b) = Core Program Unit Cost

d) Core Program Unit Cost from equation (1c) X Core Program Index =
Core Program Cost per Facility

The calculation shown in equation (1d) is done for each facility Program category to attain the Core Program cost for that category.

b. Risk Assessment State Cost

The cost for risk assessment related work is divided among State Industrywide facilities, Notification facilities, Audit and Plan facilities and by the total number of facilities whose risk assessment was submitted to the OEHHA between April 1, 1994 and March 31, 1995. During this time period a total of 17 simple, intermediate, and complex risk assessments was submitted to the OEHHA. There are 18 Notification and no Audit and Plan facilities divided among the simple, intermediate, and complex categories. To obtain a flat State cost for ten of the risk assessment facility categories, an index was developed that accounts for facility complexity, workload, health risk priority, and economic impact. Each index is multiplied by the number of facilities in the corresponding category. These ten products are summed and are divided into the State's cost for risk assessment to arrive at a risk assessment unit cost. This unit cost is then multiplied by each index to arrive at a State risk assessment cost for each facility in a Program category. The risk assessment Program categories, the indexes, and the calculations to arrive at a risk assessment cost per facility are shown below.

Any Risk Assessment-State (Intermediate) or Risk Assessment-State (Complex) facility that had its risk assessment prepared for them by its district, using an automated computer program approved by the ARB, will be assessed a fixed cost for review of its risk assessment.

We propose to keep this cost at \$800. The cost to be recovered from them is subtracted from the total risk assessment cost prior to calculating the unit cost.

(2) Calculation of State Risk Assessment Unit Cost and a State Risk Assessment Cost per Facility:

a) # Facilities in Risk Assessment Program Category X Index = Product

Using the Risk Assessment Indexes in Table V-I and the total number of facilities reported as State Industrywide, Risk Assessment State, Notification, and Audit & Plan, then:

b) Weighted Sum =

(# SIW X SIW Index) + (# RAs S X RAs S Index) + (# RAi S X RAi S Index) +
(# RAc S X RAc S Index) + (# NOTs X NOTs Index) + (# NOTi X NOTi Index)
+ (# NOTc X NOTc Index) + (# APs X APs Index) + (# APi X APi Index) +
(# APc X APc Index)

c) Risk Assessment Cost - Amount to be Collected from District Prepared Risk Assessments / Weighted Sum from equation (2b) =
Risk Assessment Unit Cost

d) Risk Assessment Unit Cost from equation (2c) X Risk Assessment Index =
Risk Assessment Cost per Facility

The calculation shown in equation (2d) is done for each Risk Assessment facility Program Category to attain the Risk Assessment cost for that Program Category.

A risk assessment submitted by a facility may be under review at the district only and therefore incurs no State risk assessment cost. For purposes of distributing the State's costs, these facilities are assessed the same cost as Plan and Report facilities. Only those risk assessments submitted to the OEHHA by a district within the previously mentioned time period, as well as State Industrywide, Notification and Audit and Plan facilities, will incur State risk assessment costs.

For the 12 risk assessment facility categories, the State cost per facility is obtained by adding the risk assessment facility cost to the Core Program facility cost.

c. Calculation of Total State Cost per Risk Assessment Facility

(3) Core Program Cost per Facility from equation (1d) + Risk Assessment Cost per Facility from equation (2d) =
Total State Cost for Risk Assessment Facility

d. Total District Share of State's Costs

The total share of the State's costs for a district is obtained by multiplying the number of facilities in each Program category by the State cost per facility. These products are summed to arrive at a district's portion of the State's costs.

(4) Calculation of a District's Total Share of the State's Cost:

a) Total District Portion of State's Costs =
(# SIW X SIW uc) + (# PRs X PRs uc) + (# PRi X PRi uc) + (# PRc X PRc uc) +
(# RAs D X RAs D uc) + (# RAi D X RAi D uc) + (# RAc D X RAc D uc) +
(# RAs S X RAs S uc) + (# RAi S X RAi S uc) + (# RAc S X RAc S uc) +
(# NOTs X NOTs uc) + (# NOTi X NOTi uc) + (# NOTc X NOTc uc) +
(# APs X APs uc) + (# APi X APi uc) + (# APc X APc uc).

OR:

If the district prepared the risk assessments for the facilities, and those risk assessments are being reviewed by the State:

b) Total District Portion of State's Costs =
(# SIW X SIW uc) + (# PRs X PRs uc) + (# PRi X PRi uc) + (# PRc X PRc uc) +
(# RAs D X RAs D uc) + (# RAi D X RAi D uc) + (# RAc D X RAc D uc) +
(# RAs S X RAs S uc) + (# RAi S DP X RAi S DP uc) + (# RAc S DP X
RAc S DP uc) + (# NOTs X NOTs uc) + (# NOTi X NOTi uc) + (# NOTc X
NOTc uc) + (# APs X APs uc) + (# APi X APi uc) + (# APc X APc uc).

3. Table 2 of the Fee Regulation: District Costs to be Recovered Through the Fee Regulation

The districts' Program costs shown in Table 2 of the Fee Regulation are provided by each district. The amounts shown in Table 2 do not include the portion of the districts' costs that are to be recovered from Survey and/or Industrywide facilities. A five percent adjustment factor is added by the ARB to the districts' costs shown in Table 2 of the Fee Regulation.

4. Table 3 of the Fee Regulation: Facility Fees

For districts requesting the ARB to adopt its fee schedule, a fee is assigned based on the Program category of a facility. All facilities in a district in the same Program category will pay the same flat fee. The following calculations are based on numbers each district supplied to the ARB.

Before calculating a district cost per facility, the costs a district will recover by assessing fees to Industrywide facilities are subtracted from the district's total cost. If a district decides to

waive the fee for Industrywide facilities, other facilities in the district will be recovering the State's cost assessed to the district for its Industrywide facilities.

In determining the flat fee schedule, indexes were developed from information received from the districts which account for workload, priority, complexity, and toxicity. From the information received from districts, the State developed a resource index for each Program category. No changes are proposed for the resource indexes used for distributing the districts' costs. These indexes are shown in Table V-I.

The number of facilities in each Program category is multiplied by the corresponding district index. These products are summed and the district cost shown in Table 2 of the Fee Regulation is divided by this sum to arrive at a unit cost. The unit cost is the district cost for a Plan and Report (Simple) facility. The Plan and Report (Simple) unit cost is multiplied by each index to arrive at a cost per facility in the other Program categories.

(5) Calculation of District Cost per Facility:

a) # Facilities in Program Category X Index = Product

Using the District indexes in Table V-I and the total number of facilities reported in each Program category by the district:

b) Weighted Sum =

$$\begin{aligned} & (\# \text{ PRs X PRs Index}) + (\# \text{ PRi X PRi Index}) + (\# \text{ PRc X PRc Index}) + (\# \text{ RAs D} \\ & \text{ X RAs D Index}) + (\# \text{ RAi D X RAi D Index}) + (\# \text{ RAc D X RAc D Index}) + (\# \\ & \text{ RAs S X RAs S Index}) + (\# \text{ RAi S X RAi S Index}) + (\# \text{ RAc S X RAc S Index}) + \\ & (\# \text{ NOT X NOT Index}) + (\# \text{ AP X AP Index}) \end{aligned}$$

c) District Cost / Weighted Sum from equation (5b) = District Unit Cost

d) District Unit Cost from equation (5c) X District Index =
District Cost per Facility

The calculation shown in equation (5d) is done for each facility Program category to attain the District cost for that category.

For the districts whose fee schedules are included in the Fee Regulation, the total cost per facility is the sum of the flat district Program category cost added to the flat State Program category cost.

- e) Facility Fee =
 District Cost per Facility calculated from equation (5d) +
 State Cost Calculated in equation (1d) or (3)

To calculate the total cost a district is to recover for both State and district costs, the total number of facilities in a Program category is multiplied by the fee obtained from equation (5e). These products from each facility Program category are summed to obtain the total cost recovered. Facility fees are shown in Table 3 of the Fee Regulation.

5. Small Business Fee Cap Calculation

The Fee Regulation includes a provision to cap the fee of any business meeting the small business definition contained in section 90701(ab) at \$300. This definition only applies to districts requesting ARB adoption of fee schedules. Districts have provided us with the number of facilities in each category that would qualify for this fee cap.

To provide this exemption, other facilities in the district are assessed the difference between the actual Program category fee and the \$300 fee cap. The number of small businesses in a district multiplied by the difference between the fee and \$300 is added to the district cost. The district fee calculation is redone after subtracting these facilities.

(6) Calculation of the District Cost per Facility Including the Small Business Fee Cap:

Unit Cost =

$$\text{District Cost} + \text{Small Business Exemption Cost} / (\# \text{ PRs X PRs Index}) + (\# \text{ PRi X PRi Index}) + (\# \text{ PRc X PRc Index}) + (\# \text{ RAs D X RAs D Index}) + (\# \text{ RAi D X RAi D Index}) + (\# \text{ RAc D X RAc D Index}) + (\# \text{ RAs S X RAs S Index}) + (\# \text{ RAi S X RAi S Index}) + (\# \text{ RAc S X RAc S Index}) + (\# \text{ NOT X NOT Index}) + (\# \text{ AP X AP Index})$$

The resulting unit cost from this calculation replaces the unit cost calculated in equation (5c). This new district unit cost and the other newly calculated costs per facility are added to the State cost per category to arrive at new facility fees.

6. Plan and Report Fee Cap of \$800

Districts having their fee schedules calculated by the ARB may also request to cap their Plan and Report (Simple) fee at \$800. The state cost for a Plan and Report (Simple) facility is subtracted from \$800. This is the amount of district cost that can be recovered from Plan and Report (Simple) facilities. This amount multiplied by the number of Plan and Report (Simple) facilities becomes a fixed cost to be subtracted from the total district cost to be recovered. The district cost equation is rerun without the Plan and Report (Simple) facilities.

(7) Calculation of the District Cost per Facility Including the Plan and Report (Simple) Fee Cap:

- a) \$800 - State PRs Cost
= Amount of District Cost to be Collected from each PRs.
- b) # PRs X Amount from equation (7a) = Amount to Subtract from District Cost Total.
- c) Unit Cost =
District Cost - Amount from equation (7b) / (# PRi X PRi Index) + (# PRc X PRc Index) + (# RAs D X RAs D Index) + (# RAi D X RAi D Index) + (# RAc D X RAc D Index) + (# RAs S X RAs S Index) + (# RAi S X RAi S Index) + (# RAc S X RAc S Index) + (# NOT X NOT Index) + (# AP X AP Index)

The district unit cost per facility calculated by the above equation (7c) replaces the district unit cost calculated in equation (6) or equation (5c). This new district unit cost and the other newly calculated costs per facility are added to the State cost per category to arrive at new facility fees and a Plan and Report (Simple) fee of \$800.

7. Risk Assessment-District (Simple) Fee Cap of \$2,000

Districts having their fee schedules calculated by the ARB may also request to cap their Risk Assessment-District (Simple) fee at \$2,000. The state cost for a Risk Assessment-District (Simple) facility is subtracted from \$2,000. This is the amount of district cost that can be recovered from Risk Assessment-District (Simple) facilities. This amount multiplied by the number of Risk Assessment-District (Simple) facilities becomes a fixed cost to be subtracted from the total district cost to be recovered. The district cost equation is rerun without the Risk Assessment-District (Simple) facilities.

(8) Calculation of the District Cost per Facility Including the Risk Assessment-District (Simple) Fee Cap:

- a) \$2,000 - State RAs D cost =
Amount of District Cost to be Collected from each RAs D.
- b) # RAs D X Amount from equation (8a) =
Amount to Subtract from District Cost Total.
- c) Unit Cost =
District Cost - Amount from equation (8b) / (# PRs X PRs Index) + (# PRi X PRi Index) + (# PRc X PRc Index) + (# RAi D X RAi D Index) + (# RAc D X RAc D Index) + (# RAs S X RAs S Index) + (# RAi S X RAi S Index) + (# RAc S X RAc S Index) + (# NOT X NOT Index) + (# AP X AP Index)

The district cost per facility calculated by the above equation (8c) replaces the district cost calculated in equation (7c), (6) or (5c). This new district unit cost and the other newly calculated costs per facility are added to the State cost per category to arrive at new facility fees and a Risk Assessment-District (Simple) facility fee of \$2,000.

8. Combining the Fee Caps for Plan and Report (Simple) and Risk Assessment-District (Simple)

If a district chooses to cap both the Plan and Report (Simple) and the Risk Assessment-District (Simple) fees, the equation is:

(9) Calculation of the Plan and Report (Simple) and Risk Assessment-District (Simple) Fee Caps:

a) Amount from equation (7b) + Amount from equation (8b) =
Amount to Subtract from District Cost Total.

b) Unit Cost =

$$\frac{\text{District Cost} - \text{Amount from equation (9a)}}{(\# \text{ PRi X PRi Index}) + (\# \text{ PRc X PRc Index}) + (\# \text{ RAi D X RAi D Index}) + (\# \text{ RAc D X RAc D Index}) + (\# \text{ RAs S X RAs S Index}) + (\# \text{ RAi S X RAi S Index}) + (\# \text{ RAc S X RAc S Index}) + (\# \text{ NOT X NOT Index}) + (\# \text{ AP X AP Index})}$$

The district cost per facility calculated by the above equation (9b) replaces the district cost calculated in equation (8c) (7c), (6), or (5c). This new district unit cost and the other newly calculated costs per facility are added to the State cost per category to arrive at new facility fees, a Plan and Report (Simple) facility fee of \$800, and a Risk Assessment-District (Simple) facility fee of \$2,000.

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud.

2. The second part of the document outlines the various methods used to collect and analyze data. It describes the use of statistical techniques to identify trends and anomalies in the data, and the importance of using reliable sources of information.

3. The third part of the document discusses the role of the auditor in the process. It explains that the auditor's primary responsibility is to provide an independent and objective assessment of the financial statements, and to report on the results of their audit.

4. The fourth part of the document discusses the importance of communication in the audit process. It explains that the auditor must communicate effectively with management and the board of directors, and must also provide clear and concise reports to the stakeholders.

5. The fifth part of the document discusses the importance of ethics in the audit process. It explains that the auditor must adhere to a strict code of ethics, and must be able to resist pressure from management or other stakeholders to compromise the integrity of the audit.

6. The sixth part of the document discusses the importance of the audit process in the overall financial system. It explains that the audit process is a key component of the system, and that it helps to ensure the accuracy and reliability of the financial statements.

7. The seventh part of the document discusses the importance of the audit process in the context of the global financial system. It explains that the audit process is a key component of the system, and that it helps to ensure the accuracy and reliability of the financial statements.

8. The eighth part of the document discusses the importance of the audit process in the context of the future of the financial system. It explains that the audit process is a key component of the system, and that it helps to ensure the accuracy and reliability of the financial statements.

9. The ninth part of the document discusses the importance of the audit process in the context of the current financial system. It explains that the audit process is a key component of the system, and that it helps to ensure the accuracy and reliability of the financial statements.

10. The tenth part of the document discusses the importance of the audit process in the context of the overall financial system. It explains that the audit process is a key component of the system, and that it helps to ensure the accuracy and reliability of the financial statements.

Appendix VI

Announcement of Public Consultation Meetings

**(Enclosures to the Public Workshop Announcements are available upon
request from ARB Staff)**

1918

Department of the Interior

Washington, D. C.

AIR RESOURCES BOARD2020 L STREET
P.O. BOX 2815
SACRAMENTO, CA 95814-2815

October 11, 1994

Public Workshop Notice

Dear Sir or Madam:

The Air Resources Board (ARB/Board) staff will be holding a public workshop on November 16, 1994 to discuss alternative methods for calculating fees for the State's fiscal year 1995-96 Air Toxics Hot Spots Fee Regulation. The public workshop will be held at the time and place listed below:

DATE: November 16, 1994
TIME: 10:00 am — 1:00 pm
LOCATION: Air Resources Board
2020 L Street
Board Hearing Room, Lower Level
Sacramento, California
CONTACT: Ms. Janette Brooks, Manager
Special Projects Section
Stationary Source Division

Background

The Air Toxics Hot Spots Fee Regulation is required by the Air Toxics "Hot Spots" Information and Assessment Act of 1987 (AB 2588; Health and Safety Code sections 44300-44394). The Assessment Act requires the ARB to provide for collecting fees to recover costs incurred by State and local agencies that must implement the Air Toxics Hot Spots Program. These agencies are the ARB, the Office of Environmental Health Hazard Assessment (OEHHA), and the local air pollution control districts.

When the fee regulation was first implemented in 1988, fees were based on the amount of criteria pollutants facilities emitted. In 1993, the fee basis was changed to comply with Senate Bill 1378, McCorquodale, which became effective in January 1993. Senate Bill 1378 requires districts with approved toxics emissions inventories to base fees on toxics emissions and health risk priority to the extent practical.

The new method adopted by the ARB in 1993 and 1994 bases fees on air toxics emissions and workload. Distribution of the State's costs among districts and facility fees are determined by the number of facilities in various program categories. Examples of the program category method are whether a facility was required to complete an inventory report, or whether a facility's risk assessment is being reviewed by the OEHHA or the air district.

Sir or Madam

October 11, 1994
Page Two

Purpose

We are conducting this workshop to discuss alternatives to the current "program category" basis for the Air Toxics Hot Spots Fee Regulation, which also comply with Senate Bill 1378, McCorquodale.

At the workshop, we will present a brief summary of possible options identified thus far. We intend to summarize many ideas that were suggested to us by industry representatives, districts, and members of our Board at our July 1994 meeting. We welcome your ideas and recommendations on all potential modifications to the regulation for fiscal year 1995-96.

Future Public Workshops

We will be continuing to work closely with the Air Toxics Hot Spots Fee Regulation Committee and interested parties to prepare draft modifications to the regulation for fiscal year 1995-96. A second group of public workshops will be held in early 1995 to elicit comments on any draft modifications.

If you have any questions about this notice, or if you wish to make a presentation at the workshop, please contact Ms. Janette Brooks, Manager, Special Projects Section, at (916) 322-9148, or Mr. Roger Korenberg, Special Projects Section, Stationary Source Division, at (916) 327-5634.

Sincerely,



Peter D. Venturini, Chief
Stationary Source Division

cc: Air Pollution Control Officers

Ms. Janette Brooks
Manager, Special Projects Section
Toxic Air Contaminant Identification Branch
Stationary Source Division

Mr. Roger Korenberg
Toxic Air Contaminant Identification Branch
Stationary Source Division

AIR RESOURCES BOARD

2020 L STREET
 P.O. BOX 2815
 SACRAMENTO, CA 95814-2815



April 13, 1995

Public Workshops Notice: Hot Spots Fees

Dear Sir/Madam:

The Air Resources Board (ARB) staff will be holding three public workshops to discuss proposed changes to the Air Toxics Hot Spots Fee Regulation (Fee Regulation) for fiscal year 1995-96. The Fee Regulation is required by the Air Toxics Hot Spots Information and Assessment Act (Act) of 1987. The regulation provides for recovery of State and local agencies' costs to comply with the Act's requirements. Based on comments we have received to date from representatives of industry, the air districts, and the public, we are proposing to use the same method to calculate fees for fiscal year 1995-96 as was used in fiscal year 1994-95. However, at the workshops we will also be discussing the merits of alternative refinements to the current fee method, such as eliminating the Source Classification Code (SCC) categories, redefining the SSC categories to use only the first three digits of the code instead of the six currently used, or further refining the Complex sub-category. We will also be discussing two additional proposals. One, to base the fee for small businesses on the number of SCCs at the facility, and the other to establish a fee for service for the Office of Environmental Health Hazard Assessment's (OEHHA) risk assessment review.

The public workshops will be held at the following times and locations:

May 4, 1995	May 9, 1995	May 11, 1995
1:30 pm	10:30 am	10:00 am
Auditorium	Room 1036	Board Hearing Room, Lower Level
Junipero Serra State Building	Fresno State Building	Air Resources Board Building
107 South Broadway	2550 Mariposa Mall	2020 L Street
Los Angeles, California	Fresno, California	Sacramento, California

Why am I Getting This Notice?

You are receiving this notice because you requested to be on our mailing list for information on the Air Toxics Hot Spots Program.

What Sections of This Notice Apply to me?

- ▶ For a complete copy of the draft Fee Regulation, including proposed changes, see Enclosure 1.
- ▶ If your facility is located in one of the following air districts: Calaveras, Great Basin, Imperial, Lassen, Mariposa, Mendocino, Mojave Desert, Placer, San Joaquin Valley, Santa Barbara, Tuolumne, or Yolo-Solano, see Enclosure 1, Table 3 and Table 4, for your draft fees.

Sir/Madam

April 13, 1995

Page Two

- ▶ If your facility is located in one of the following air districts: Amador, Bay Area, Butte, Colusa, El Dorado, Feather River, Glenn, Kern, Lake, Modoc, Monterey Bay, North Coast, Northern Sierra, Northern Sonoma, Sacramento, San Diego, San Luis Obispo, Shasta, Siskiyou, South Coast, Tehama, or Ventura, the fee schedules in Tables 2, 3, and 4 of the Fee Regulation do not apply to you because your district is adopting its own Hot Spots fee rule. See Enclosure 1, Table 1, for your district's share of the State's cost.
- ▶ For a summary of the proposed changes, including a summary of the range of fees, see Enclosure 2.
- ▶ For background information on the Program, including a summary of the State costs, see Enclosure 3.

What Are Some Features Of The Proposed Draft Regulation?

- ▶ Low fees for facilities in Survey and Industrywide categories.
 - Fees range from \$15 to \$125 depending on the air district (see Enclosure 1, Table 4). The State's share of fees are \$15 for industrywide and \$0 for Survey facilities.
 - Provision for waiver of fees for Survey and Industrywide facilities (see Enclosure 1, Section 90704(f)).
- ▶ \$300 cap on fees for small businesses (see Enclosure 1, Section 90704(g)(2)).
- ▶ Flat fees for various program categories (see Enclosure 1, Table 3).
 - Program categories defined (see Enclosure 1, Section 90701).
- ▶ The ARB and OEHHA propose to reduce Program costs beyond the planned 8 percent reduction for FY 1995-96. Proposed State costs for FY 1995-96 are \$3,650,00. This is a reduction of 14 percent, from FY 1994-95.

What Are The Proposed Changes To The Regulation?

Enclosure 2 provides a summary and discussion of the proposed changes to the Fee Regulation for fiscal year 1995-96. Enclosure 1 contains the Fee Regulation with the proposed changes underlined, and the text to be removed shown struck. The fees contained in the Fee Regulation are draft fees based on preliminary reports from the air districts. The fees may either increase or decrease as updated information is received from the air districts.

Sir/Madam

April 13, 1995

Page Three

How Can We Comment On The Proposed Changes?

You may provide written or oral comments or both. You may present oral comments at the staff workshops listed in this announcement. If you wish to submit written comments, please address them to Ms. Genevieve A. Shiroma, Chief, Air Quality Measures Branch, Stationary Source Division, P.O. Box 2815, Sacramento, California 95812.

After considering comments received at the workshops, the proposed changes to the Fee Regulation may be revised further before the Fee Regulation is considered by the ARB at a noticed public hearing.

How May I Obtain Further Information?

If you want to be notified of when the Public Hearing will be held to consider these proposed amendments, and receive an updated version of the Fee Regulation that will be presented at the hearing, please check the appropriate line on Enclosure 4 and return the enclosure. If you want to receive the complete staff report on the proposed amendments, and be notified of when the Public Hearing will be held to consider these proposed amendments, please check the appropriate line on Enclosure 4, and return the enclosure. The notice, updated Fee Regulation, and staff report will be available at least 45-days prior to the Public Hearing. If you do not return Enclosure 4, we will keep you on our mailing list for future workshop notices, however, we will not send you the Notice of Public Hearing, updated Fee Regulation, or staff report.

If you have questions regarding our Fee Regulation workshops or the proposed changes to the Fee Regulation, please call Mr. Roger Korenberg or Ms. Carla Takemoto, Implementation Section, at (916) 327-5634 or (916) 327-0647. You may also contact your local air district. See Enclosure 5 for a list of the phone numbers for local air districts whose fee schedules are included in this regulation.

Sincerely,



Genevieve A. Shiroma, Chief
Air Quality Measures Branch

Enclosures

cc: Air Pollution Control Officers (w/Enclosures)

1947

1. The first part of the report deals with the general situation of the country and the progress of the work during the year. It is followed by a detailed account of the work done in each of the various departments.

2. The second part of the report deals with the work done in each of the various departments. It is followed by a detailed account of the work done in each of the various departments.

3. The third part of the report deals with the work done in each of the various departments. It is followed by a detailed account of the work done in each of the various departments.

4. The fourth part of the report deals with the work done in each of the various departments. It is followed by a detailed account of the work done in each of the various departments.

5. The fifth part of the report deals with the work done in each of the various departments. It is followed by a detailed account of the work done in each of the various departments.

6. The sixth part of the report deals with the work done in each of the various departments. It is followed by a detailed account of the work done in each of the various departments.

7. The seventh part of the report deals with the work done in each of the various departments. It is followed by a detailed account of the work done in each of the various departments.

8. The eighth part of the report deals with the work done in each of the various departments. It is followed by a detailed account of the work done in each of the various departments.

9. The ninth part of the report deals with the work done in each of the various departments. It is followed by a detailed account of the work done in each of the various departments.

10. The tenth part of the report deals with the work done in each of the various departments. It is followed by a detailed account of the work done in each of the various departments.

AIR RESOURCES BOARD2020 L STREET
P.O. BOX 2815
SACRAMENTO, CA 95814-2815

November 20, 1995

Public Workshops: Two-Phased Proposal to Reduce State Costs and Further Streamline the Air Toxics Hot Spots Program

Dear Sir or Madam:

The Air Resources Board (ARB) staff will be holding workshops to discuss a proposal to further streamline the Air Toxics Hot Spots Program (Program). The staff will be discussing a two-phased approach to revise the Program. The first part of each workshop will be to discuss the Phase I proposal which addresses the State's fiscal year 1995-96 Air Toxics Hot Spots Fee Regulation (Fee Regulation). Phase I of the proposal is to provide further exemptions from fees for many lower risk facilities and will be considered by the ARB at its January 25, 1996 hearing.

The second half of each workshop will be to discuss Phase II of the proposal, effective in fiscal year 1996-97. In Phase II, ARB staff will review further streamlining of the emission inventory requirements and further fee exemptions in the Fee Regulation. Any additional exemptions made to the inventory requirements would be reflected in the fiscal year 1996-97 Fee Regulation. Phase II of the proposal will be taken to the ARB at a hearing in early summer 1996.

The Program was established to protect the public's health and to ensure that the public is informed of potential health risks associated with near source exposures to air toxic emissions. Under the Program, facilities are required to inventory air toxic emissions, assess the potential health risks from exposure to the emissions, and if necessary, notify the public and reduce significant risks.

The public workshops will be held at the following times and locations:

December 11, 1995
1:30 p.m.
Auditorium
Ronald Reagan Building
300 South Spring Street
Suite 1726
Los Angeles, California

December 12, 1995
1:30 p.m.
Auditorium
Consumer Affairs Building*
400 R Street
Sacramento, California
* City parking is available across the street.



Sir or Madam

November 20, 1995

Page Two

PHASE I: FISCAL YEAR 1995-96 AIR TOXICS HOT SPOTS FEE REGULATION.

During the first part of the workshop we will be describing proposed changes to the Fee Regulation for fiscal year 1995-96. The Fee Regulation funds both the ARB's and the Office of Environmental Health Hazard Assessment's (OEHHA) costs to fulfill the requirements of the Air Toxics Hot Spots Information and Assessment Act (Act) of 1987 by assessing fees on facilities that emit toxic air pollutants. Through the Fee Regulation, all air districts are assessed a portion of the State's cost based on the number of facilities in each air district. An air district may also request the ARB to adopt fee schedules for it in the Fee Regulation to recover its cost as well as its State cost. For fiscal year 1995-96, 12 air districts chose this option while the other 22 air districts will adopt their own fee rules.

A similar workshop notice was sent to you in April for workshops that were held in May, 1995 to discuss the fiscal year 1995-96 proposed amendments. At that time, we were planning to have an ARB public hearing on the amendments in July. However, that hearing was subsequently cancelled. We are now restarting the process. Although we are still proposing to use the same method to calculate fees for fiscal year 1995-96 that we discussed at the earlier workshops, we have additional proposals to discuss that would exempt facilities from paying Hot Spots fees and further reduce the State's cost. For a complete copy of the draft Fee Regulation, including proposed changes, see Enclosure 1.

1. What sections of Enclosure 1 apply to me?

- ▶ Fees for facilities in the following air districts are included in this Fee Regulation: Calaveras, Great Basin, Imperial, Lassen, Mariposa, Mendocino, Mojave Desert, Placer, San Joaquin Valley, Santa Barbara, Tuolumne, and Yolo-Solano. Refer to Enclosure 1, Table 3 and Table 4, for your draft fees.
- ▶ If your facility is located in any other air district, this Fee Regulation includes your air district's portion of the State's cost only. Your air district will adopt its own fee rule to recover the cost shown in Enclosure 1, Table 1.

2. What are some features of the draft Fee Regulation?

- ▶ Exemptions for facilities based on prioritization scores, risk assessment results, and de minimis levels. The State is reducing its cost commensurate with the number of facilities that qualify for an exemption.

Sir or Madam

November 20, 1995
Page Three

- ▶ A reduction of the State's cost for fiscal year 1995-96 to \$2,804,000. This is a reduction of over \$1,400,000 or 34 percent compared to fiscal year 1994-95.
- ▶ Low fees for facilities in Survey and Industrywide categories.
 - Fees range from \$15 to \$125 depending on the air district (see Enclosure 1, Table 4). The State's share of fees are \$15 for State industrywide. There is no State cost for Survey facilities.
 - Provision for waiver of fees for Survey and Industrywide facilities (see Enclosure 1, Section 90704(f)).
- ▶ \$300 cap on fees for small businesses (see Enclosure 1, Section 90704(g)(2)).
- ▶ Flat fees for various program categories (see Enclosure 1, Table 3).
 - Program categories defined (see Enclosure 1, Section 90701).

3. What are the proposed changes to the Fee Regulation?

Enclosure 2 provides a summary of the proposed changes to the Fee Regulation for fiscal year 1995-96. Enclosure 1 contains the Fee Regulation with the proposed changes underlined, and the text to be removed shown struck out. The fees contained in the Fee Regulation are draft fees based on preliminary reports from the air districts. The fees may either increase or decrease as updated information is received from the air districts.

4. How can we comment on the proposed changes?

You may provide written or oral comments or both. You may present oral comments at the public workshops listed in this announcement. If you wish to submit written comments on the Phase 1 proposal, please address them to Ms. Genevieve A. Shiroma, Chief, Air Quality Measures Branch, Stationary Source Division, P.O. Box 2815, Sacramento, CA 95812. These workshops concern the revised proposal for the Fee Regulation for fiscal year 1995-96. Written comments relating to the revised proposal received after December 8, 1995, and written comments presented at these workshops will be considered by the ARB in connection with the revised proposal and will be included in the rulemaking record.

After considering comments received at the workshops, the proposed changes to the fiscal year 1995-96 Fee Regulation may be revised further before it is considered by the ARB at its January 25, 1996 hearing.

Sir or Madam

November 20, 1995

Page Four

5. How may I obtain further information?

If you want to be notified of when the public hearing will be held to consider the Phase I, Fee Regulation changes, and receive an updated version of the Fee Regulation that will be presented at the hearing, please check the appropriate line on Enclosure 3 and return the enclosure. If you want to receive the complete staff report on the proposed amendments, and be notified of when the Public Hearing will be held to consider these proposed amendments, please check the appropriate line on Enclosure 3, and return the enclosure. The notice, updated Fee Regulation, and staff report will be available at least 45 days prior to the public hearing (December 8, 1995). If you do not return Enclosure 3, we will keep you on our mailing list for future workshop notices, however, we will not send you the Notice of Public Hearing, updated Fee Regulation, or staff report for the January, 1996 hearing.

PHASE II: FURTHER STREAMLINING OF THE EMISSION INVENTORY CRITERIA AND GUIDELINES REGULATION AND THE FEE REGULATION FOR FISCAL YEAR 1996-97.

During the second part of the workshop we will be describing potential changes being considered to further streamline the Emission Inventory Criteria and Guidelines Regulation (Guidelines Regulation) and begin discussions on the development of a Fee Regulation for fiscal year 1996-97. Possible changes to the Guidelines Regulation include:

- ▶ Removing low risk facilities from reporting requirements,
- ▶ Exploring the use of de minimis levels for exempting facilities from reporting requirements,
- ▶ Exploring the removal of facility source categories without significant California emissions from Appendices E-I and II,
- ▶ Exploring removing certain substances from reporting requirements.

Further, the following tasks will be discussed in the process of developing the 1996-97 Fee Regulation:

- ▶ Review basis of fee regulation exemptions,

Sir or Madam

November 20, 1995

Page Five

- ▶ Determine if additional categories for de minimis levels exist,
- ▶ Determine appropriateness of calculation methodology.

Additional public workshops on proposed amendments to the Guidelines Regulation and the 1996-97 Fee Regulation are expected to be held in January and February, 1996. We expect the public hearing on these amendments to be held in June or July, 1996.

Who to contact if you have questions on either Phase I or Phase II:

If you have questions regarding the Phase I proposal for the fiscal year 1995-96 Fee Regulation, please call Ms. Carla Takemoto, Implementation Section, at (916) 327-0647. If you have questions about Phase II, please call Mr. Richard Bode, Manager, Emission Inventory Methods Section, at (916) 322-3807.

Sincerely,


Genevieve A. Shiroma, Chief
Air Quality Measures Branch

Enclosures

cc: Air Pollution Control Officers (w/Enclosures)

Ms. Carla Takemoto
Implementation Section
Stationary Source Division

Mr. Richard Bode
Manager, Emission Inventory Methods Section
Technical Support Division

Appendix VII

Economic Impact Analysis

Economic Impact Analysis

Introduction

Section 44380(a)(2) of the Health and Safety Code allows the districts either to adopt district Air Toxics Hot Spots fee rules or request the ARB to adopt a fee schedule for them. Twenty-two of the 34 districts have elected to adopt district fee rules. For the 22 districts adopting their own fee schedules, fees were estimated using their draft or adopted fee rules. For the 12 districts for which the ARB is calculating fees, the fees are based on the proposed program category in which the facilities are included and on the draft fees.

This Appendix evaluates the potential economic impact on California businesses of the proposed amendments to the Fee Regulation. An amendment to Section 11346.3 of the Government Code requires that, in proposing to adopt or amend any administrative regulation, state agencies shall assess not only the potential for adverse economic impacts on California business enterprises and individuals, but also the ability of California businesses to compete with businesses in other states. Also, a section to the Government Code (Section 11346.3) requires state agencies to assess the potential impact of their regulations on California jobs and on business expansion, elimination, or creation.

This economic impact analysis is based on a comparison of the return on owners' equity (ROE) for affected businesses before and after the inclusion of the amended fees. The analysis also uses publicly available information to assess the impact on competitiveness, jobs, and business expansion, elimination, or creation. The results are intended to provide an indication of the potential economic impact of the amended fees on businesses and individuals in California.

Affected Business

Any business which manufactures, formulates, uses, or releases any listed substance or any other substance which reacts to form a listed substance and emits ten or more tons per year of criteria pollutants (total organic gases, particulate matter, nitrogen oxides, or sulfur oxides) is affected by the amended regulation. Also affected are businesses listed on a district toxic inventory, report, or survey as referenced in Appendix A to the Fee Regulation or any business which releases less than ten tons per year of criteria pollutants and falls within a class listed in Appendix E to the Emission Inventory Criteria and Guidelines Regulation (Appendix III to this report). Table 1 provides a list of industries with affected businesses.

Table 1

List of Industries with Affected Businesses

<u>SIC Code</u>	<u>Industry</u>
0723	Crop Preparation Services for Market, Except Cotton Ginning
0742	Veterinary Services for Animal Specialties
1311	Crude Petroleum and Natural Gas
1321	Natural Gas Liquids
1381	Drilling Oil and Gas Wells
1382	Oil and Gas Field Exploration Services
1389	Oil and Gas Field Services, Not Elsewhere Classified
1422	Crushed and Broken Limestone
1423	Crushed and Broken Granite
1429	Crushed and Broken Stone, Not Elsewhere Classified
1442	Construction Sand and Gravel
1446	Industrial Sand
1474	Potash, Soda, and Borate Minerals
1499	Miscellaneous Nonmetallic Minerals, Except Fuels
1541	General Contractors-Industrial Buildings and Warehouses
1611	Highway and Street Construction, Except Elevated Highways
1629	Heavy Construction, Not Elsewhere Classified
1721	Painting and Paper Hanging
1796	Installation or Erection of Building Equipment, Not Elsewhere Classified
1799	Special Trade Contractors, Not Elsewhere Classified
2011	Meat Packing Plants
2023	Dry, Condensed, and Evaporated Dairy Products
2026	Fluid Milk
2032	Canned Specialties
2033	Canned Fruits, Vegetables, Preserves, Jams, & Jellies
2034	Dried and Dehydrated Fruits, Vegetables, and Soup Mixes
2037	Frozen Fruits, Fruit Juices and Vegetables
2043	Cereal Breakfast Foods
2044	Rice Milling
2046	Wet Corn Milling
2051	Bread and Other Bakery Products, Except Cookies and Crackers
2052	Cookies and Crackers
2061	Cane Sugar, Except Refining
2062	Cane Sugar Refining
2063	Beet Sugar
2077	Animal and Marine Fats and Oils

2082 Malt Beverages
2085 Distilled and Blended Liquors
2091 Canned and Cured Fish and Sea Foods
2095 Roasted Coffee
2096 Potato Chips, Corn Chips and Similar Snacks
2098 Macaroni, Spaghetti, Vermicelli, and Noodles
2099 Food Preparations, Not Elsewhere Classified
2221 Broadwoven Fabric Mills, Manmade Fiber and Silk
2257 Weft Knit Fabric Mills
2262 Finishers of Broadwoven Fabrics of Manmade Fiber and Silk
2273 Carpets and Rugs
2295 Coated Fabrics, Not Rubberized
2297 Nonwoven Fabrics
2299 Textile Goods, Not Elsewhere Classified
2396 Automotive Trimmings, Apparel Findings, and Related Products
2399 Fabricated Textile Products, Not Elsewhere Classified
2421 Sawmills and Planing Mills, General
2426 Hardwood Dimension and Flooring Mills
2431 Millwork
2434 Wood Kitchen Cabinets
2451 Mobile Homes
2491 Wood Preserving
2499 Wood Products, Not Elsewhere Classified
2511 Wood Household Furniture, Except Upholstered
2512 Wood Household Furniture, Upholstered
2514 Metal Household Furniture
2517 Wood Television, Radio, Phonograph, and Sewing Machine Cabinets
2519 Household Furniture, Not Elsewhere Classified
2521 Wood Office Furniture
2522 Office Furniture, Except Wood
2531 Public Office Building and Related Furniture
2541 Wood Office and Store Fixtures, Partitions, Shelving, and Lockers
2542 Office and Store Fixtures, Partitions, Shelving, and Lockers, Except Wood
2591 Drapery Hardware and Window Blinds and Shades
2599 Furniture and Fixtures, Not Elsewhere Classified
2611 Pulp Mills
2621 Paper Mills
2631 Paperboard Mills
2653 Corrugated and Solid Fiber Boxes
2657 Folding Paperboard Boxes, Including Sanitary
2671 Packaging Paper and Plastics Film, Coated and Laminated
2672 Coated and Laminated Paper, Not Elsewhere Classified
2673 Plastics, Foil, and Coated Paper Bags

2677 Envelopes
 2679 Converted Paper and Paperboard Products, Not Elsewhere Classified
 2711 Newspapers: Publishing, or Publishing and Printing
 2721 Periodicals: Publishing, or Publishing and Printing
 2741 Miscellaneous Publishing
 2752 Commercial Printing, Lithographic
 2759 Commercial Printing, Not Elsewhere Classified
 2761 Manifold Business Forms
 2782 Blankbooks, Looseleaf Binders and Devices
 2789 Bookbinding and Related Work
 2791 Typesetting
 2796 Platemaking and Related Services
 2812 Alkalies and Chlorine
 2813 Industrial Gases
 2816 Inorganic Pigments
 2819 Industrial Inorganic Chemicals, Not Elsewhere Classified
 2821 Plastics Materials, Synthetic Resins, and Non-vulcanizable Elastomers
 2824 Manmade Organic Fibers, Except Cellulosic
 2834 Pharmaceutical Preparations
 2835 In Vitro and In Vivo Diagnostic Substances
 2841 Soap and Other Detergents, Except Specialty Cleaners
 2842 Specialty Cleaning, Polishing, and Sanitation Preparations
 2843 Surface Active Agents, Finishing Agents, Sulfonated Oils, and Assistants
 2844 Perfumes, Cosmetics, and Other Toilet Preparations
 2851 Paints, Varnishes, Lacquers, Enamels and Allied Products
 2861 Gum and Wood Chemicals
 2865 Cyclic Organic Crudes and Intermediates, and Organic Dyes and Pigments
 2869 Industrial Organic Chemicals, Not Elsewhere Classified
 2873 Nitrogenous Fertilizers
 2875 Fertilizers, Mixing Only
 2879 Pesticides and Agricultural Chemicals, Not Elsewhere Classified
 2891 Adhesives and Sealants
 2892 Explosives
 2893 Printing Ink
 2899 Chemicals and Chemical Preparations, Not Elsewhere Classified
 2951 Asphalt Paving Mixtures and Blocks
 2952 Asphalt Felts and Coatings
 2992 Lubricating Oils and Greases
 2999 Products of Petroleum and Coal, Not Elsewhere Classified
 3011 Tires and Inner Tubes
 3021 Rubber and Plastics Footwear
 3053 Gaskets, Packing, and Sealing Devices
 3061 Molded, Extruded, and Lathe-Cut Mechanical Rubber Goods

- 3069 Fabricated Rubber Products, Not Elsewhere Classified
- 3081 Unsupported Plastics Film and Sheet
- 3083 Laminated Plastics Plate, Sheet, and Profile Shapes
- 3086 Plastics Foam Products
- 3087 Custom Compounding of Purchased Plastics Resins
- 3088 Plastics Plumbing Fixtures
- 3089 Plastics Products, Not Elsewhere Classified
- 3211 Flat Glass
- 3221 Glass Containers
- 3229 Pressed and Blown Glass and Glassware, Not Elsewhere Classified
- 3231 Glass Products, Made of Purchased Glass
- 3241 Cement, Hydraulic
- 3251 Brick and Structural Clay Tile
- 3253 Ceramic Wall and Floor Tile
- 3255 Clay Refractories
- 3259 Structural Clay Products, Not Elsewhere Classified
- 3261 Vitreous China Plumbing Fixtures and China and Earthenware Fittings and
Bathroom Accessories
- 3269 Pottery Products, Not Elsewhere Classified
- 3271 Concrete Block and Brick
- 3272 Concrete Products, Except Block and Brick
- 3273 Ready-Mixed Concrete
- 3274 Lime
- 3275 Gypsum Products
- 3295 Minerals and Earths, Ground or Otherwise Treated
- 3296 Mineral Wool
- 3299 Nonmetallic Mineral Products, Not Elsewhere Classified
- 3316 Cold-Rolled Steel Sheet, Strip, and Bars
- 3317 Steel Pipe and Tubes
- 3321 Gray and Ductile Iron Foundries
- 3325 Steel Foundries, Not Elsewhere Classified
- 3339 Primary Smelting and Refining of Nonferrous Metals, Except Copper and Aluminum
- 3341 Secondary Smelting and Refining of Nonferrous Metals
- 3351 Rolling, Drawing, and Extruding of Copper
- 3354 Aluminum Extruded Products
- 3356 Rolling, Drawing, and Extruding of Nonferrous Metals, Except Copper and
Aluminum
- 3357 Drawing and Insulating of Nonferrous Wire
- 3363 Aluminum Die-Castings
- 3365 Aluminum Foundries
- 3369 Nonferrous Foundries, Except Aluminum and Copper
- 3398 Metal Heat Treating
- 3399 Primary Metal Products, Not Elsewhere Classified

- 3411 Metal Cans
- 3412 Metal Shipping Barrels, Drums, Kegs, and Pails
- 3421 Cutlery
- 3423 Hand and Edge Tools, Except Machine Tools and Handsaws
- 3425 Saw Blades and Handsaws
- 3429 Hardware, Not Elsewhere Classified
- 3431 Enameled Iron and Metal Sanitary Ware
- 3432 Plumbing Fixture Fittings and Trim
- 3433 Heating Equipment, Except Electric and Warm Air Furnaces
- 3441 Fabricated Structural Metal
- 3442 Metal Doors, Sash, Frames, Molding, and Trim
- 3443 Fabricated Plate Work (Boiler Shops)
- 3444 Sheet Metal Work
- 3446 Architectural and Ornamental Metal Work
- 3449 Miscellaneous Structural Metal Work
- 3451 Screw Machine Products
- 3452 Bolts, Nuts, Screws, Rivets, and Washers
- 3462 Iron and Steel Forgings
- 3463 Nonferrous Forgings
- 3469 Metal Stampings, Not Elsewhere Classified
- 3471 Electroplating, Plating, Polishing, Anodizing and Coloring
- 3479 Coating, Engraving, and Allied Services, Not Elsewhere Classified
- 3489 Ordnance and Accessories, Not Elsewhere Classified
- 3493 Steel Springs, Except Wire
- 3494 Valves and Pipe Fittings, Not Elsewhere Classified
- 3496 Miscellaneous Fabricated Wire Products
- 3497 Metal Foil and Leaf
- 3498 Fabricated Pipe and Pipe Fittings
- 3499 Fabricated Metal Products, Not Elsewhere Classified
- 3533 Oil and Gas Field Machinery and Equipment
- 3536 Overhead Traveling Cranes, Hoists, and Monorail Systems
- 3537 Industrial Trucks, Tractors, Trailers, and Stackers
- 3544 Special Dies and Tools, Die Sets, Jigs and Fixtures, and Industrial Molds
- 3548 Electric and Gas Welding and Soldering Equipment
- 3549 Metalworking Machinery, Not Elsewhere Classified
- 3556 Food Products Machinery
- 3559 Special Industry Machinery, Not Elsewhere Classified
- 3561 Pumps and Pumping Equipment
- 3564 Industrial and Commercial Fans and Blowers and Air Purification Equipment
- 3566 Speed Changers, Industrial High-Speed Drives, and Gears
- 3569 General Industrial Machinery and Equipment, Not Elsewhere Classified
- 3571 Electronic Computers
- 3572 Computer Storage Devices

- 3577 Computer Peripheral Equipment, Not Elsewhere Classified
- 3585 Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment
- 3589 Service Industry Machinery, Not Elsewhere Classified
- 3599 Industrial and Commercial Machinery and Equipment, Not Elsewhere Classified
- 3612 Power, Distribution, and Specialty Transformers
- 3613 Switchgear and Switchboard Apparatus
- 3621 Motors and Generators
- 3624 Carbon and Graphite Products
- 3625 Relays and Industrial Controls
- 3634 Electric Housewares and Fans
- 3643 Current-Carrying Wiring Devices
- 3645 Residential Electric Lighting Fixtures
- 3646 Commercial, Industrial, and Institutional Electric Lighting Fixtures
- 3648 Lighting Equipment, Not Elsewhere Classified
- 3651 Household Audio and Video Equipment
- 3661 Telephone and Telegraph Apparatus
- 3663 Radio and Television Broadcasting and Communications Equipment
- 3669 Communications Equipment, Not Elsewhere Classified
- 3671 Electron Tubes
- 3672 Printed Circuit Boards
- 3674 Semiconductors and Related Devices
- 3675 Electronic Capacitors
- 3678 Electronic Connectors
- 3679 Electronic Components, Not Elsewhere Classified
- 3691 Storage Batteries
- 3692 Primary Batteries, Dry and Wet
- 3695 Magnetic and Optical Recording Media
- 3711 Motor Vehicles and Passenger Car Bodies
- 3713 Truck and Bus Bodies
- 3714 Motor Vehicle Parts and Accessories
- 3715 Truck Trailers
- 3716 Motor Homes
- 3721 Aircraft
- 3724 Aircraft Engines and Engine Parts
- 3728 Aircraft Parts and Auxiliary Equipment, Not Elsewhere Classified
- 3732 Boat Building and Repairing
- 3761 Guided Missiles and Space Vehicles
- 3764 Guided Missile and Space Vehicle Propulsion Units and Propulsion Unit Parts
- 3769 Guided Missile and Space Vehicle Parts and Auxiliary Equipment, Not Elsewhere Classified
- 3792 Travel Trailers and Campers
- 3799 Transportation Equipment, Not Elsewhere Classified

- 3812 Search, Detection, Navigation, Guidance, Aeronautical, and Nautical Systems and Instruments
- 3822 Automatic Controls for Regulating Residential and Commercial Environments and Appliances
- 3823 Industrial Instruments for Measurement, Display, and Control of Process Variables; and Related Products
- 3825 Instruments for Measuring and Testing of Electricity and Electrical Signals
- 3827 Optical Instruments and Lenses
- 3829 Measuring and Controlling Devices, Not Elsewhere Classified
- 3841 Surgical and Medical Instruments and Apparatus
- 3843 Dental Equipment and Supplies
- 3845 Electromedical and Electrotherapeutic Apparatus
- 3861 Photographic Equipment and Supplies
- 3931 Musical Instruments
- 3944 Games, Toys, and Children's Vehicles, Except Dolls and Bicycles
- 3949 Sporting and Athletic Goods, Not Elsewhere Classified
- 3951 Pens, Mechanical Pencils, and Parts
- 3993 Signs and Advertising Specialties
- 3996 Linoleum, Asphalted-Felt-Base, and Other Hard Surface Floor Coverings, Not Elsewhere Classified
- 3999 Manufacturing Industries, Not Elsewhere Classified
- 4011 Railroads, Line-Haul Operating
- 4212 Local Trucking Without Storage
- 4221 Farm Product Warehousing and Storage
- 4225 General Warehousing and Storage
- 4226 Special Warehousing and Storage, Not Elsewhere Classified
- 4491 Marine Cargo Handling
- 4512 Air Transportation, Scheduled
- 4581 Airports, Flying Fields, and Airport Terminal Services
- 4612 Crude Petroleum Pipelines
- 4613 Refined Petroleum Pipelines
- 4619 Pipelines, Not Elsewhere Classified
- 4789 Transportation Services, Not Elsewhere Classified
- 4813 Telephone Communications, Except Radiotelephone
- 4833 Television Broadcasting Stations
- 4911 Electric Services
- 4922 Natural Gas Transmission
- 4923 Natural Gas Transmission and Distribution
- 4924 Natural Gas Distribution
- 4925 Mixed, Manufactured or Liquefied Petroleum Gas Production and/or Distribution
- 4931 Electric and Other Services Combined
- 4961 Steam and Air-Conditioning Supply
- 5031 Lumber, Plywood, Millwork, and Wood Panels

5039 Construction Materials, Not Elsewhere Classified
 5051 Metals Service Centers and Offices
 5063 Electrical Apparatus and Equipment, Wiring Supplies, and Construction Materials
 5075 Warm Air Heating and Air-Conditioning Equipment and Supplies
 5082 Construction and Mining (Except Petroleum) Machinery and Equipment
 5084 Industrial Machinery and Equipment
 5085 Industrial Supplies
 5087 Service Establishment Equipment and Supplies
 5088 Transportation Equipment and Supplies, Except Motor Vehicles
 5093 Scrap and Waste Materials
 5099 Durable Goods, Not Elsewhere Classified
 5122 Drugs, Drug Proprietaries, and Druggists' Sundries
 5141 Groceries, General Line
 5145 Confectionery
 5148 Fresh Fruits and Vegetables
 5169 Chemicals and Allied Products, Not Elsewhere Classified
 5171 Petroleum Bulk Stations and Terminals
 5172 Petroleum and Petroleum Products Wholesalers, Except Bulk Stations and Terminals
 5191 Farm Supplies
 5261 Retail Nurseries, Lawn and Garden Supply Stores
 5411 Grocery Stores
 5511 Motor Vehicle Dealers (New and Used)
 5541 Gasoline Service Stations
 5571 Motorcycle Dealers
 5999 Automotive Dealers, Not Elsewhere Classified
 6035 Savings Institutions, Federally Chartered
 6512 Operators of Nonresidential Buildings
 7211 Power Laundries, Family and Commercial
 7216 Drycleaning Plants, Except Rug Cleaning
 7218 Industrial Launderers
 7261 Funeral Service and Crematories
 7312 Outdoor Advertising Services
 7335 Commercial Photography
 7336 Commercial Art and Graphic Design
 7359 Equipment Rental and Leasing, Not Elsewhere Classified
 7372 Prepackaged Software
 7384 Photofinishing Laboratories
 7389 Business Services, Not Elsewhere Classified
 7532 Top, Body, and Upholstery Repair Shops and Paint Shops
 7533 Automotive Exhaust System Repair Shops
 7534 Tire Retreading and Repair Shops
 7538 General Automotive Repair Shops
 7539 Automotive Repair Shops, Not Elsewhere Classified

7692	Welding Repair
7694	Armature Rewinding Shops
7699	Repair Shops and Related Services, Not Elsewhere Classified
7812	Motion Picture and Video Tape Production
7819	Services Allied to Motion Picture Production
7996	Amusement Parks
8051	Skilled Nursing Care Facilities
8062	General Medical and Surgical Hospitals
8069	Specialty Hospitals, Except Psychiatric
8711	Engineering Services
8731	Commercial Physical and Biological Research
8734	Testing Laboratories
8742	Management Consulting Services
8999	Services, Not Elsewhere Classified

Study Approach

This study covers a total of 309 industries with affected businesses. The approach used in evaluating the potential economic impact of the amended fees on these businesses is outlined as follows:

- (1) A sample of one to three businesses with the potential to have the highest fees from each affected industry was selected from the ARB's 1991 list of facilities reporting emissions of toxic pollutants.
- (2) Fees were estimated for each of these businesses.
- (3) The estimated fees were adjusted for taxes.
- (4) The Return on Owner's Equity (ROE) was calculated for each of these businesses by dividing the net profit by the net worth. The adjusted fees were then subtracted from net profit data. The results were used to calculate an adjusted ROE. The adjusted ROE was then compared with the ROE before the subtraction of the adjusted fees to determine the impact on the profitability of the businesses. A reduction of more than 10 percent in profitability is considered to indicate a potential for significant adverse economic impacts.

The threshold value of 10 percent has been used consistently by the ARB staff to determine impact severity. This threshold is consistent with the thresholds used by the United States Environmental Protection Agency and others.

The same basic approach was used to estimate the impact of the proposed fee-for-service for OEHHA review of risk assessments submitted to the State after March 31, 1995. At the time of the analysis, only two risk assessments had been submitted subsequent to March 31, 1995. To obtain a larger database, the risk assessments submitted since April 1, 1994 were also included in the analysis. The fees these facilities would pay under the new proposal were estimated based on OEHHA's previous experience in reviewing risk assessments. The average cost per hour for a qualified reviewer and the average number of hours to review a risk assessment were used to obtain an estimated fee. The estimated fee was then used to calculate a change in ROE.

Assumptions

Since financial data for individual businesses were not available, this study used 1993-94 Dun and Bradstreet financial data for a nationwide typical business in each industry. Using the 1993-94 nationwide financial data, the ROEs before and after the subtraction of the adjusted fees were calculated for industries listed in Table 1. The calculations were based on the following assumptions:

- (1) A typical business on a nationwide basis in each industry is representative of a typical California business in that industry.
- (2) All affected businesses are subject to federal and state tax rates of 35 percent and 9.3 percent respectively.
- (3) Affected businesses neither increase the prices of their products nor lower their costs of doing business through short run cost-cutting measures.

Given the limitation of available data, staff believes these assumptions are reasonable for most businesses; however, they will not be applicable to all businesses.

Potential Impact On Businesses

Typical California businesses are affected by the amended fees to the extent that the implementation of the amended fees would change their profitability. Using ROE to measure profitability, we found that the average ROE of sample businesses in the industries listed in Table 1 changed by less than 2 percent from an average of 18.6 percent to 18.4 percent. This represents a minor change in the average profitability of typical businesses in California.

The change in profitability of individual industries with affected businesses, however, varied widely from the industry averages. For the 309 industries listed in Table 1, for example, the change in profitability ranged from a high of 8.31 percent to a low of minus 3.27 percent. This variation in the impact of the amended fees can be attributed mainly to two factors. First, some businesses are subject to higher fees due to the type of industry in which they are involved, the type, amount of emissions, potency of emissions, number of their devices and emitting

processes, and the location of the business. For instance, the estimated fees for sample businesses in the industries listed in Table 1 ranged from a high of \$26,741 to a low of \$57. Second, the performance of businesses may differ from year to year. Hence, the 1993-94 nationwide financial data used may not be representative of a typical-year performance for some businesses.

The potential impacts estimated here may be high for the following reasons. First, the Hot Spots Program fees are not new to affected businesses. The impact of the fee as estimated here tends to be more severe than what it would be if we had used the incremental changes in fees rather than the total fees. Second, affected businesses probably would not absorb all of the increase in their costs of doing business. They might be able to either pass some of the cost on to consumers in the form of higher prices, reduce their costs, or both.

Potential Impact on Consumers

No noticeable change in consumer prices is expected from the amended fees because the fees would have only a minor impact on the profitability of affected business. We project the maximum increase in product prices would be about one-tenth of one percent if affected businesses are able to pass the fees on fully to consumers. Price increases, however, would vary widely from business to business. They would range from a low of almost zero to a high of about three quarters of one percent.

Potential Impact on Employment

Since the amended fees impose no noticeable impact on the profitability of businesses, we expect no significant change in employment due to the imposition of the fees. However, the amended fees may impose hardship on some businesses operating with little or no margin of profitability, affecting the creation or elimination of jobs in California.

Impact on Business Creation, Elimination, or Expansion

No change is expected to occur in the status of California businesses as a result of the amended fees. This is because the fees have no significant impact on the profitability of businesses in California. However, should the amended fees impose significant hardship on California businesses operating with little or no margin of profitability, some small businesses may be forced out of the market or decide not to expand in California. Also, some businesses may decide against coming to California.

Impact on Business Competitiveness

The amended fees would have little or no impact on the ability of California businesses to compete with businesses in other states. This is because the amended fees do not impose a noticeable impact on the profitability of California businesses. However, the amended fees may

have an adverse impact on the ability of some California businesses, operating with little or no margin of profitability, to compete with businesses in other states.

Conclusion

Overall, California businesses would seem to be able to absorb the costs of the amended fees without significant adverse impacts on their profitability. Although some businesses would potentially experience a greater reduction in their profitability than others, the fee impact still seems to be absorbable. In addition, the actual impacts of the amended fees the profitability of California businesses is most likely to be less than estimated in this analysis for the reasons described above.

Since the amended fees impose no noticeable impact on the profitability of California businesses, we expect no significant change in employment, business creation, elimination, or expansion, and business competitiveness. However, the amended fees could impose a significant economic hardship on some California businesses operating with little or no margin of profitability.

