

relations, Ozone, Volatile organic compounds.

**Authority:** 42 U.S.C. 7401 *et seq.*

Dated: September 1, 2000.

**William J. Muszynski,**

*Acting Regional Administrator, Region 2.*

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## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 63

[FRL-6877-6]

**RIN 2060-AH17**

### National Emission Standards for Hazardous Air Pollutants for Leather Finishing Operations

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** This action proposes national emission standards for hazardous air pollutants (NESHAP) for leather finishing operations. The EPA has identified these facilities as major sources of hazardous air pollutant (HAP) emissions such as glycol ethers, toluene, and xylene. These HAP are associated with a variety of adverse health effects. These adverse health effects include chronic health disorders (e.g., effects on the central nervous system, blood, and heart) and acute health disorders (e.g., irritation of eyes, throat, and mucous membranes and damage to the liver and kidneys). These proposed NESHAP will implement section 112(d) of the Clean Air Act (CAA) by requiring all leather finishing facilities that are major sources to meet HAP emission standards reflecting the application of the maximum achievable control technology (MACT). The EPA estimates that these proposed NESHAP will reduce nationwide emissions of HAP from leather finishing operations by approximately 375 tons per year (tpy). In addition, the proposed NESHAP would reduce non-HAP emissions of volatile organic compounds (VOC) by 750 tpy. The emissions reductions achieved by these proposed NESHAP, when combined with the emission reductions achieved by other similar standards, will provide protection to the public and achieve a primary goal of the CAA.

**DATES:** *Comments.* Submit comments on or before December 1, 2000.

*Public Hearing.* If anyone contacts the EPA requesting to speak at a public hearing by October 23, 2000, a public

hearing will be held on November 1, 2000.

**ADDRESSES:** *Comments.* Submit written comments (in duplicate if possible) to: Air and Radiation Docket and Information Center (6102), Attention Docket Number A-99-38, Room M-1500, U.S. Environmental Protection Agency, 1200 Pennsylvania Avenue, NW, Washington, DC 20460. The EPA requests a separate copy also be sent to the contact person listed in **FOR FURTHER INFORMATION CONTACT**.

*Public Hearing.* If a public hearing is held, it will be held at 10:00 a.m. in the EPA's Office of Administration Auditorium, Research Triangle Park, North Carolina, or at an alternate site nearby.

*Docket.* Docket No. A-99-38 contains supporting information used in developing the standards. The docket is located at the U.S. Environmental Protection Agency, 401 M Street, SW, Washington, DC 20460 in room M-1500, Waterside Mall (ground floor), and may be inspected from 8:30 a.m. to 5:30 p.m., Monday through Friday, excluding legal holidays.

**FOR FURTHER INFORMATION CONTACT:** For information about the proposed NESHAP, contact Mr. William Schrock, Organic Chemicals Group, Emission Standards Division, (MD-13), U.S. Environmental Protection Agency, Research Triangle Park, North Carolina 27711; telephone number (919) 541-5032; facsimile number (919) 541-3470; electronic mail address "schrock.bill@epa.gov."

#### **SUPPLEMENTARY INFORMATION:**

*Comments.* Comments and data may be submitted by electronic mail (e-mail) to: a-and-r-docket@epa.gov. Comments submitted by e-mail must be submitted as an ASCII file to avoid the use of special characters and encryption problems. Comments will also be accepted on disks in WordPerfect<sub>(R)</sub> version 5.1, 6.1, or 8 file format. All comments and data submitted in electronic form must note the docket number: A-99-38. No confidential business information (CBI) should be submitted by e-mail. Electronic comments may be filed online at many Federal Depository Libraries.

Commenters wishing to submit proprietary information for consideration must clearly distinguish such information from other comments and clearly label it as CBI. Send submissions containing such proprietary information directly to the following address, and not to the public docket, to ensure that proprietary information is not inadvertently placed in the docket: Attention: Mr. William

Schrock, c/o OAQPS Document Control Officer (Room 740B), U.S.

Environmental Protection Agency, 411 W. Chapel Hill Street, Durham, NC 27701. The EPA will disclose information identified as CBI only to the extent allowed by the procedures set forth in 40 CFR part 2. If no claim of confidentiality accompanies a submission when it is received by the EPA, the information may be made available to the public without further notice to the commenter.

*Public Hearing.* A request for a public hearing must be made by the date specified under the **DATES** section. Persons interested in presenting oral testimony or inquiring as to whether a hearing is to be held should contact: Ms. Maria Noell, Organic Chemicals Group, Emission Standards Division, (MD-13), U.S. Environmental Protection Agency, Research Triangle Park, North Carolina 27711; telephone number (919) 541-5607 at least 2 days in advance of the public hearing. Persons interested in attending the public hearing must also call Ms. Maria Noell to verify the time, date, and location of the hearing. The public hearing will provide interested parties the opportunity to present data, views, or arguments concerning these proposed emission standards.

*Docket.* The docket is an organized and complete file of all the information considered in the development of this rulemaking. The docket is a dynamic file because material is added throughout the rulemaking process. The docketing system is intended to allow members of the public and industries involved to readily identify and locate documents so that they can effectively participate in the rulemaking process. Along with the proposed and promulgated standards and their preambles, the contents of the docket will serve as the record in the case of judicial review. (See section 307(d)(7)(A) of the CAA.) The regulatory text and other materials related to this rulemaking are available for review in the docket or copies may be mailed on request from the Air Docket by calling (202) 260-7548. A reasonable fee may be charged for copying docket materials.

*World Wide Web (WWW).* In addition to being available in the docket, an electronic copy of today's proposed rule will also be available on the WWW through the Technology Transfer Network (TTN). Following the Administrator's signature, a copy of the rule will be posted on the TTN's policy and guidance page for newly proposed or promulgated rules http://www.epa.gov/ttn/oarpg. The TTN provides information and technology exchange in various areas of air

pollution control. If more information regarding the TTN is needed, call the TTN HELP line at (919) 541-5384.

*Regulated Entities.* Categories and entities potentially regulated by this

action include those listed in Table 1 of this preamble.

TABLE 1.—REGULATED CATEGORIES AND ENTITIES

Category	SIC	NAICS	Examples of regulated entities
Industry .....	3111	3161	Leather finishing operations.
Federal government .....	.....	.....	Not affected.
State/local/tribal government .....	.....	.....	Not affected.

This table is not intended to be exhaustive, but rather a guide regarding entities likely to be regulated by this action. To determine whether your facility is regulated by this action, you should examine the applicability criteria in section § 63.5285 of the proposed NESHAP. If you have any questions regarding the applicability of this action to a particular entity, consult the person listed in the preceding **FOR FURTHER INFORMATION CONTACT** section.

*Outline.* The information presented in this preamble is organized as follows:

I. Background

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- B. What criteria are used in the development of NESHAP?
- C. What are the health effects associated with the pollutants emitted from leather finishing operations?
- D. How were the proposed NESHAP developed?

II. Summary of the Proposed NESHAP

- A. What source categories and subcategories are affected by these proposed NESHAP?
- B. What are the primary sources of emissions and what are the baseline emissions?
- C. What is the affected source?
- D. What are the emission limits, operating limits and other standards?
- E. When must I comply with these proposed NESHAP?
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- A. How did we select the source category?
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- C. How did we select the affected source?
- D. How did we determine the basis and level of the proposed standards for existing and new sources?
- E. Did we consider control options more stringent than the MACT floor?
- F. How did we select the form of the standards?
- G. How did we select the test methods for determining compliance with these proposed NESHAP?
- H. How did we select the notification, recordkeeping and reporting requirements?
- I. What is the relationship of these proposed NESHAP to other rules?

IV. Summary of Environmental, Energy and Economic Impacts

- A. What are the secondary and energy impacts associated with these standards?
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- V. Administrative Requirements
- A. Executive Order 12866, Regulatory Planning and Review
  - B. Executive Order 13132, Federalism
  - C. Executive Order 13084, Consultation and Coordination with Indian Tribal Governments
  - D. Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks
  - E. Unfunded Mandates Reform Act of 1995
  - F. Regulatory Flexibility Act (RFA), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), 5 U.S.C. 601 *et seq.*
  - G. Paperwork Reduction Act
  - H. National Technology Transfer and Advancement Act of 1995

I. Background

*A. What Is the Source of Authority for Development of NESHAP?*

Section 112 of the CAA requires us to list categories and subcategories of major sources and area sources of HAP and to establish NESHAP for the listed source categories and subcategories. As specified in section 112(a) of the CAA, major sources of HAP are those that have the potential to emit greater than 10 tpy of any one HAP or 25 tpy of any combination of HAP. On July 16, 1992, we published an initial list of source categories to be regulated (57 FR 31576). The Leather Tanning and Finishing Operations source category was not included on the initial list but was added by an update to the list on June 4, 1996 (61 FR 28207). Today's proposed rule modifies the listing of this source category by deleting tanning facilities from the definition and renaming the source category Leather Finishing Operations. We propose this change because our data indicate there are no stand-alone tanning facilities that are major sources of HAP, and that tanneries collocated at finishing facilities do not constitute a significant emission point for HAP that requires control. This proposal to delete tanning facilities does not preclude us from

relisting tanning facilities in the future should a situation arise that tanning facilities become a major source of HAP emissions.

*B. What Criteria Are Used in the Development of NESHAP?*

Section 112 of the CAA requires that we establish NESHAP for the control of HAP from both new and existing major sources. The CAA requires the NESHAP to reflect the maximum degree of reduction in emissions of HAP that is achievable, taking into consideration the cost of achieving the emissions reductions, any nonair quality health and environmental impacts, and energy requirements. This level of control is commonly referred to as the MACT.

The MACT floor is the minimum control level allowed for NESHAP and is defined under section 112(d)(3) of the CAA. The MACT floor is established at a level to assure that all major sources achieve a level of control at least as stringent as that already achieved by the better-controlled and lower-emitting sources in each source category or subcategory. For new sources, the MACT floor cannot be less stringent than the emission control that is achieved in practice by the best-controlled similar source. The MACT standards for existing sources can be less stringent than standards for new sources, but they cannot be less stringent than the average emission limitation achieved by the best-performing 12 percent of existing sources in the category or subcategory (or the best-performing 5 sources for categories or subcategories with fewer than 30 sources).

In developing MACT, we also consider control options that are more stringent than the floor. We may establish standards more stringent than the floor based on the consideration of cost, nonair quality health and environmental impacts, and energy requirements.

### *C. What Are the Health Effects Associated With the Pollutants Emitted From Leather Finishing Operations?*

These proposed NESHAP protect air quality and promote the public health by reducing emissions of HAP listed in section 112(b)(1) of the CAA. The predominate HAP emitted by leather finishing operations include glycol ethers, toluene, and xylene. Exposure to these compounds has been demonstrated to cause a variety of adverse health effects. Acute (short-term) exposure in humans to high levels of glycol ethers results in narcosis, pulmonary edema, and severe liver and kidney damage. Chronic (long-term) exposure to glycol ethers may result in neurological and blood effects, including fatigue, nausea, tremor, and anemia. No information is available on the reproductive, developmental, or carcinogenic effects of glycol ethers in humans. Animal studies have reported reproductive and developmental effects, including testicular damage, reduced fertility, maternal toxicity, early embryonic death, birth defects, and delayed development.

Acute inhalation of toluene by humans may cause effects to the central nervous system (CNS), such as fatigue, sleepiness, headache, and nausea, as well as irregular heartbeat. Humans that are chronic inhalation abusers of toluene have reported adverse CNS effects after exposure to high levels of toluene. Symptoms include tremors, decreased brain size, involuntary eye movements, and impaired speech, hearing, and vision. Chronic inhalation exposure of humans to lower levels of toluene also causes irritation of the upper respiratory tract, eye irritation, sore throat, nausea, dizziness, headaches, and difficulty with sleep. Studies of children exposed to toluene or to mixed solvents inhalation during their mother's pregnancy have reported CNS problems, facial and limb abnormalities, and delayed development. However, these effects may not be attributable to toluene alone.

Acute inhalation of mixed xylenes (a mixture of three closely-related compounds) in humans may cause irritation of the nose and throat, nausea, vomiting, gastric irritation, mild transient eye irritation, and neurological effects. Chronic inhalation of xylenes in humans may result in nervous system effects such as headache, dizziness, fatigue, tremors, and incoordination. Other reported effects include labored breathing, heart palpitation, severe chest pain, abnormal electrocardiograms, and possible effects on the blood and kidneys.

The EPA does not have the type of current detailed data on each leather finishing operation covered by the proposed rule, and the people living around the facilities, that would be necessary to conduct an analysis to determine the actual population exposures to the HAP emitted from these facilities and the potential for resultant health effects. Therefore, the EPA does not know the extent to which the adverse health effects described above occur in the populations surrounding these facilities. However, to the extent the adverse effects do occur, the proposed rule will reduce emissions and subsequent exposures.

### *D. How Were the Proposed NESHAP Developed?*

We consulted many representatives of the leather finishing industry, State and Federal representatives, and coating suppliers in developing the proposed NESHAP. We held a series of stakeholder meetings over a period of nearly 3 years. These meetings were held to keep stakeholders informed and to solicit data and information on issues relevant to the NESHAP development. Stakeholders helped in data gathering, arranged site visits, and reviewed questionnaires. Stakeholders also shared data, identified issues, and provided information to help resolve issues in the rulemaking process.

We identified the MACT floor control level with information obtained through questionnaire responses from 18 sources, of which 16 will be affected by this proposed subpart. We also conducted site visits, made telephone contacts, and reviewed operating permits.

## **II. Summary of the Proposed NESHAP**

### *A. What Source Categories and Subcategories Are Affected by These Proposed NESHAP?*

Today's proposed NESHAP apply only to the Leather Finishing Operations source category. Operations that finish leather through a solvent degreasing process, such as in the manufacture of leather chamois, are already subject to the Halogenated Solvent Cleaning NESHAP (40 CFR part 63, subpart T). Those degreasing operations are not subject to today's proposed NESHAP. There are no subcategories for the Leather Finishing Operations source category.

### *B. What Are the Primary Sources of Emissions and What Are the Baseline Emissions?*

The primary sources of HAP emissions at leather finishing operations

are process vents associated with spray booth operations and the drying of the leather following coating. Total baseline HAP emissions from all 16 affected sources are 731 tons/yr.

### *C. What Is the Affected Source?*

The affected source for leather finishing operations is the collection of all equipment and activities used for the application of film-forming materials to a leather substrate to provide desired material properties. The affected source includes, but is not limited to, all equipment that emits HAP, such as process vents, storage vessels, wastewater, and fugitive sources. The affected source also includes other auxiliary equipment that is necessary to make the operation run but may not emit HAP.

### *D. What Are the Emission Limits, Operating Limits and Other Standards?*

As provided under the authority of CAA section 112(d), we are proposing the requirements in this rule in the form of a mass emission limit standard. For this proposed rule, the MACT performance level is an emission limit for finishing operations expressed in terms of HAP emissions per quantity of leather processed over a rolling 12-month compliance period. All facilities currently involved in leather finishing operations limit their HAP emissions through the use of low-HAP content coatings. Depending upon the intended use of the final leather product, different coatings with different HAP contents must be used. Therefore, a different emission limit has been established for the four primary products produced: (1) Upholstery with finish add-on greater than or equal to 4 grams per square foot, (2) upholstery with finish add-on less than 4 grams per square foot, (3) water-resistant leather, and (4) nonwater-resistant leather.

### *E. When Must I Comply With These Proposed NESHAP?*

Leather finishing operations categorized as an existing affected source must comply with the emission standards for existing sources no later than 3 years from the effective date of the promulgated subpart. New or reconstructed affected sources that startup before the effective date of the promulgated subpart must comply with the emission standards for new and reconstructed sources no later than the effective date of the promulgated subpart. New or reconstructed affected sources that startup after the effective date of the promulgated subpart must comply with the emission standards for

new and reconstructed sources upon startup of your affected source.

#### *F. What Are the Continuous Compliance Provisions?*

To demonstrate compliance, you must perform the following: (1) Develop a plan for demonstrating compliance; (2) maintain monthly records of finish usage, HAP content of all finishes, and quantity of leather finished; (3) comply with the HAP emission limits, expressed as pounds of HAP emissions per 1,000 square feet of leather processed for each leather product process operation; (4) submit the necessary notifications; and (5) submit the necessary reports.

#### *G. What Are the Notification, Recordkeeping and Reporting Requirements?*

##### 1. What Notifications Must I Submit?

If you are an existing major source, you must submit an "initial notification" no later than 120 calendar days after the effective date of the promulgated subpart. You must provide a brief description of your source including the types of leather product process operations that are performed and the nominal operating capacity of your source. This initial submission notifies the Administrator that you have an affected source and must comply with the rule as promulgated. These NESHAP do not apply to area sources. If you are a new or reconstructed source, you must make several notifications during the process of construction and startup according to § 63.9 of the General Provisions.

You must also submit a notification of compliance status no later than 60 calendar days after determining your initial 12-month compliance ratio. The notification of compliance status identifies your affected source, lists the types of leather product process operations processed, and certifies the compliance status of your affected source.

You must submit a notification of intent to conduct an applicable performance test at least 60 calendar days before the performance test is scheduled to begin.

##### 2. What Is a Plan for Demonstrating Compliance?

Most leather finishing sources currently use reliable methods in determining the quantity of HAP emissions lost to the atmosphere and the quantity of leather processed. For example, the quantity of HAP emissions from an affected source may be based on direct volumetric or mass measurements

of the amounts of each solvent type applied to leather substrates and the HAP content of each solvent type provided on material safety data sheets (MSDS). Therefore, today's proposed NESHAP do not require you to change the method of measurement, but do require you to document each method of measurement and to consistently follow each documented method. You must develop a plan for demonstrating compliance which describes in detail how you will determine your finish usage, HAP content of each finish, and the quantity of leather processed in each product process operation. The plan for demonstrating compliance must be developed by the compliance date and must be kept on site and available for inspection.

##### 3. What Data Must I Record?

You must record all of the data necessary to determine your compliance ratio on a monthly basis. This includes all records used to determine the monthly and 12-month rolling sum of finish usage, HAP content of each finish applied, and quantity of leather processed. If you use an emission control device to comply with these proposed NESHAP, then you must also record all necessary data from monitoring the emission control device as specified at 40 CFR part 63, subpart SS. The frequency in which you measure and record necessary information must be specified in your plan for demonstrating compliance.

The proposed NESHAP require you to keep records in a form suitable and readily available for review. You must keep each record for 5 years following the date of each occurrence, measurement, maintenance, corrective action, report, or record. Records must remain on site for at least 2 years and then can be maintained offsite for the remaining 3 years.

##### 4. What Reports Must I Submit?

The proposed NESHAP require you to submit an annual report certifying the compliance status of your affected source. The first annual compliance status certification is due 1 year after the submittal of your notification of compliance status.

If your compliance ratio exceeds one, you must submit a deviation report by the fifteenth of the following month in which you determined the deviation.

### **III. Rationale for Selecting the Proposed Standards**

#### *A. How Did We Select the Source Category?*

As noted in section I.B, today's proposed NESHAP revise the definition

of the source category. Leather tanning operations have been deleted from the definition of the source category. We took this action after reviewing the data from the facilities engaged in leather tanning operations.

#### *B. How Did We Select Any Subcategories?*

We reviewed the available information on the leather finishing operations industry and determined that the industry did not warrant subcategorization. We found that, in general, the raw materials, emissions, and process steps are similar.

However, we observed differences in achievable emission levels between the types of leather products produced. Four product process operations were established for these NESHAP because of differences in finish properties and coating formulations which affect the achievable level of HAP emissions. The four leather product process operations established for the leather finishing source category are described in the following paragraphs.

1. Upholstery leather with finish add-on greater than or equal to 4 grams per square foot. The coatings used in this product process operation are typically aqueous-based acrylic resins with surfactants and aqueous-based polyurethane dispersions. These coatings produce a leather that exhibits good abrasion resistance, thermal stability, and ultraviolet light stability, as well as excellent adhesion properties.

2. Upholstery leather with finish add-on less than 4 grams per square foot. The typical coatings used to produce leather in this product process operation are nitrocellulose or cellulose acetate butyrate. The desired properties of this type of leather are primarily aesthetic, and only these types of coatings produce the desired effect.

3. Water-resistant leather (able to pass 5,000 or more American Society for Testing and Materials (ASTM) Maeser Flexes). Leather in this product process operation requires the use of solvent-based finishes to achieve the required water resistance. Due to the nature of this product being water resistant, substitution of a water-based coating is not an option.

4. Nonwater-resistant leather (unable to pass 5,000 ASTM Maeser Flexes). Finishes used in this product process operation can either be solvent-based or aqueous-based depending on the use of the leather. Most leather producers make a variety of products that require the use of both types of finishes.

For the prior mentioned reasons, we have not established subcategories, but rather we have established four different

performance standards for the various leather products produced. Thus, an affected source may consist of any combination of the four product process operations located at a major source site.

#### *C. How Did We Select the Affected Source?*

In selecting the affected source for the Leather Finishing Operations source category, we included all equipment that emits HAP, such as process vents, storage vessels, wastewater, and fugitive sources. In addition, because "reconstruction," as defined in § 63.2 of the General Provisions, is calculated based on the affected source, we also included other auxiliary equipment that is necessary to make the operation run, but which may not emit HAP. Thus, we are defining the affected source broadly to include the sum of all operations engaged in the finishing of the leather product.

A broadly-defined affected source provides owners and operators with more flexibility to comply using emissions averaging. In addition, we defined the affected source broadly because emissions from the sum of all operations are better documented than emissions from individual process lines or emission points.

#### *D. How Did We Determine the Basis and Level of the Proposed Standards for Existing and New Sources?*

For these proposed NESHAP, the MACT performance level is an emission limit for finishing operations expressed in terms of pounds of HAP emission per 1,000 square feet of leather processed over a rolling, 12-month compliance period. For each of the four product process operations, we determined an overall finishing operation performance level based on 1 year of monthly data relating HAP emissions to leather processing rates.

We used statistical procedures to address variability observed in monthly data used in the MACT floor determinations. Customer and consumer preferences for different types of leather finishing products vary from month-to-month, thus affecting finishing operations and HAP emissions. One year of emission and process information is not sufficient to characterize the long-term impacts of customer and consumer finishing preferences. The never-to-be-exceeded format of these proposed NESHAP required us to statistically examine variability and make adjustments to the HAP loss performance level of each product process operation in order to establish numerical limits that are achievable across the source category.

For existing sources, we determined the MACT floor for each product process operation based on the performance levels corresponding to the five top-performing operations since there are fewer than 30 sources in each product process operation. For new sources, we determined the MACT floor for each product process operation based on the performance level corresponding to the top ranking product process operation of each type. The new source MACT floor for each product process operation is more stringent than the corresponding existing source MACT floor.

#### *E. Did We Consider Control Options More Stringent Than the MACT Floor?*

We considered a regulatory alternative more stringent than the MACT floor, but rejected it because of a significantly higher cost per ton of emissions reductions. The more stringent option would require the installation of a thermal oxidizer to control HAP emissions in the combined exhaust streams from spray stations and finish dryers. At present, no leather finishing facility has installed such emission controls on spray station exhausts or finish dryers.

#### *F. How Did We Select the Form of the Standards?*

We evaluated two predominant possibilities for the form of the standards. In our data collection efforts, we requested State rules that apply to the types of leather finishing activities we are regulating by this proposal. The State standards are expressed either in the form of a limit on the HAP content in the coatings used or a HAP emissions limit per unit area of leather coated. One State uses a combination of the two forms. Most States limit the HAP content in the coatings. However, there is nearly an equal number of facilities covered by each form of the standards.

We decided to express the standards as a HAP emissions limit per unit area of leather finished for the following reasons: (1) This form of the standard simplified the data collection efforts necessary to determine the MACT floor, (2) facilities within the source category are already tracking HAP usage and amount of leathered processed, and (3) this form of the standard provides facilities more compliance flexibility.

#### *G. How Did We Select the Test Methods for Determining Compliance With These Proposed NESHAP?*

The reference test method for measuring the HAP content of leather surface coatings and wipe-down solvents subject to the proposed

NESHAP is EPA Method 311 (Analysis of Hazardous Air Pollutant Compounds in Paints and Coatings by Direct Injection Into a Gas Chromatograph). This is an established method that is appropriate for measuring the types of HAP used in these materials. You may use alternative methods for measuring HAP content that we approve.

The proposed NESHAP do not require a compliance test for HAP content, nor do they require you to test every shipment of materials that you receive. You are responsible for ensuring, by any means that you choose such as periodic testing, or manufacturers' certification, that the HAP content of your materials complies with the requirements of the proposed NESHAP. We may require you to conduct a test at any time using EPA Method 311 (or any approved alternative method) to confirm the HAP content in the compliance reports that you submit. If there is any inconsistency between the results of the EPA Method 311 test and any other means of determining HAP content, the Method 311 results will govern.

#### *H. How Did We Select the Notification, Recordkeeping and Reporting Requirements?*

The selection of notification requirements was based on the notification requirements listed in the General Provisions (40 CFR part 63, subpart A). These notification requirements provide the minimum necessary information to inform the EPA that a facility will be subject to the promulgated rule during normal operations and assure EPA that a facility will be subject to the promulgated rule during site-specific testing conditions and during construction/reconstruction conditions.

Recordkeeping is limited to information required for determining finish usage and resulting HAP emissions. An inventory log of finish applications is required to satisfy monitoring requirements of the proposed rule. The required information is as follows: finish usage, HAP content of the finish, date, time, operator, and leather product process operation. Additional information may be required depending on the nature of the facility. For example, density and volume determinations may have to be recorded so that an actual finish weight may be calculated.

After submitting initial notifications and developing a plan for demonstrating compliance, the source will be required to file an annual statement certifying compliance status. The annual compliance status certificate is due 12

months from the anniversary of the last compliance status certificate.

#### *I. What Is the Relationship of These Proposed NESHAP to Other Rules?*

##### **1. NESHAP for Halogenated Solvent Cleaning (40 CFR part 63, subpart T)**

Operations that finish leather through a solvent degreasing process, such as the manufacture of leather chamois, are already subject to the provisions in 40 CFR part 63, subpart T. Since leather finishing operations involving a degreasing process are already subject to the NESHAP for Halogenated Solvent Cleaning, those operations involving leather degreasing are, therefore, not subject to today's proposed NESHAP. At least one facility that is involved in the finishing of leather into chamois is subject to subpart T, which covers the same types of operations as this proposed rule.

##### **2. Relationship Between Operating Permit Program and the Proposed Standards**

Under the operating permit program codified at 40 CFR parts 70 and 71, a major source subject to standards under section 111 or 112 of the CAA must obtain an operating permit (§ 70.3(a)(1) and § 71.3(a)(1)). Therefore, every major source subject to these proposed NESHAP must obtain an operating permit. Area sources in this industry are not regulated by these proposed NESHAP, and, therefore, would not be required to obtain an operating permit because of these proposed NESHAP.

Some leather finishing facilities may be major sources based solely on their potential to emit, even though their actual emissions are below the major source level. These leather finishing facilities may choose to obtain a federally enforceable limit on their potential to emit so that they are no longer considered major sources and not subject to the proposed NESHAP. Sources that opt to limit their potential to emit by placing limits on operating hours or amount of material used are referred to by the EPA as "synthetic" area sources. To become a synthetic area source, you must contact your local permitting authority to obtain an operating permit with the appropriate operating limits prior to the compliance date of the promulgated rule. These operating limits will then be federally enforceable under 40 CFR 70.6(b).

#### **IV. Summary of Environmental, Energy and Economic Impacts**

##### *A. What Are the Secondary and Energy Impacts Associated With These Standards?*

We do not expect any significant secondary air emission, wastewater, solid waste, or energy impacts resulting from the proposed rule. The emissions reduction techniques that will be used to comply with the NESHAP are pollution-prevention techniques such as greater efficiency with finish transfer technologies and chemistry changes from solvent-based finishes to aqueous-based finishes. More details on the secondary and energy impacts can be found in the memorandum entitled "Environmental and Energy Impacts for Leather Tanning and Finishing MACT Floor Regulatory Option" (Docket A-99-38).

##### *B. What Are the Cost Impacts?*

We determined the total capital cost associated with the MACT floor level of control to be approximately \$5.6 million which corresponds to a total annualized cost of approximately \$440,000 per year. The total annualized costs also include the costs associated with compliance monitoring, recordkeeping, and reporting.

We determined the overall cost effectiveness associated with the MACT floor level of control to be \$1,300 per ton of HAP reduced. This level of control will reduce HAP emissions from existing sources by approximately 375 tpy, a reduction of approximately 51 percent.

##### *C. What Are the Economic Impacts?*

The total annualized costs associated with these proposed NESHAP are approximately \$440,000 in 1997 dollars. This cost represents only 0.014 percent of total industry revenues based on 1996 value of shipments. Because the total annualized costs associated with complying with the proposed NESHAP are such a small percentage of total market revenues (value of shipments), it is unlikely market prices or production will change as a result of these proposed NESHAP. As an alternative to performing a market analysis, we evaluated the cost impacts on facility and firm revenues. The calculation of cost-to-sales ratios shows that only one firm (owning one facility) shows an impact that is greater than 1 percent of revenues (1.52 percent). All other firms have impacts well below 1/10th of 1 percent and range from 0.00 percent to 0.09 percent of firm revenues. Given that overall costs represent a small fraction of industry revenues, and

individual firm revenues experience minimal impacts, we conclude that economic impacts associated with this proposed rule will be negligible.

#### **V. Administrative Requirements**

##### *A. Executive Order 12866, Regulatory Planning and Review*

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

(1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;

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

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

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

Pursuant to the terms of Executive Order 12866, it has been determined that this rule is not a "significant regulatory action" because none of the listed criteria apply to this action. Consequently, this action was not submitted to OMB for review under Executive Order 12866.

##### *B. Executive Order 13132, Federalism*

Executive Order 13132, entitled "Federalism" (64 FR 43255, August 10, 1999), requires EPA to develop an accountable process to ensure "meaningful and timely input by State and local officials in the development of regulatory policies that have federalism implications." "Policies that have federalism implications" is defined in the Executive Order to include regulations that have "substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government." Under Executive Order 13132, EPA may not issue a regulation that has federalism implications, that imposes substantial direct compliance costs, and that is not required by statute, unless the Federal government provides the funds

necessary to pay the direct compliance costs incurred by State and local governments, or EPA consults with State and local officials early in the process of developing the proposed rule. The EPA also may not issue a regulation that has federalism implications and that preempts State law unless the Agency consults with State and local officials early in the process of developing the proposed rule.

If EPA complies by consulting, Executive Order 13132 requires EPA to provide to OMB, in a separately identified section of the preamble to the rule, a federalism summary impact statement (FSIS). The FSIS must include a description of the extent of EPA's prior consultation with State and local officials, a summary of the nature of their concerns and the Agency's position supporting the need to issue the regulation, and a statement of the extent to which the concerns of State and local officials have been met. Also, when EPA transmits a draft final rule with federalism implications to OMB for review pursuant to Executive Order 12866, EPA must include a certification from the Agency's Federalism Official stating that EPA has met the requirements of Executive Order 13132 in a meaningful and timely manner.

This proposed rule will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in Executive Order 13132. This is because the proposed rule applies to affected sources in the leather finishing industry, not to States or local governments. Nor will State law be preempted, or any mandates be imposed on States or local governments. Thus, the requirements of section 6 of the Executive Order do not apply to this proposed rule. The EPA notes, however, that although not required to do so by this Executive Order (or otherwise), it did consult with State governments during development of this proposed rule.

#### *C. Executive Order 13084, Consultation and Coordination With Indian Tribal Governments*

Under Executive Order 13084, we may not issue a regulation that is not required by statute, that significantly or uniquely affects the communities of Indian tribal governments, and that imposes substantial direct compliance costs on those communities unless the Federal government provides the funds necessary to pay the direct compliance costs incurred by the tribal governments, or we consult with those

governments. If we comply by consulting, we are required by Executive Order 13084 to provide to the OMB in a separately identified section of the preamble to the rule, a description of the extent of our prior consultation with representatives of affected tribal governments, a summary of the nature of their concerns, and a statement supporting the need to issue the regulation. In addition, Executive Order 13084 requires us to develop an effective process permitting elected officials and other representatives of Indian tribal governments "to provide meaningful and timely input in the development of regulatory policies on matters that significantly or uniquely affect their communities."

Today's proposed rule does not significantly or uniquely affect the communities of Indian tribal governments. Accordingly, the requirements of section 3(b) of Executive Order 13084 do not apply to this proposed rule.

#### *D. Executive Order 13045, Protection of Children from Environmental Health Risks and Safety Risks*

Executive Order 13045: "Protection of Children from Environmental Health Risks and Safety Risks" (62 FR 19885, April 23, 1997) applies to any rule that: (1) Is determined to be "economically significant" as defined under Executive Order 12866, and (2) concerns an environmental health or safety risk that we have reason to believe may have a disproportionate effect on children. If the regulatory action meets both criteria, the Agency must evaluate the environmental health or safety effects of the planned rule on children, and explain why the planned regulation is preferable to other potentially effective and reasonably feasible alternatives considered by the Agency.

The EPA interprets Executive Order 13045 as applying only to those regulatory actions that are based on health or safety risks, such that the analysis required under section 5-501 of the Executive Order has the potential to influence the regulation. This rule is not subject to Executive Order 13045 because it is based solely on technology performance. No children's risk analysis was performed because no alternative technologies exist that would provide greater stringency at a reasonable cost. Additionally, this proposed rule is not "economically significant" as defined under Executive Order 12866.

#### *E. Unfunded Mandates Reform Act of 1995*

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public

Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. Under section 202 of the UMRA, we must generally prepare a written statement, including a cost-benefit analysis, for proposed and final rules with "Federal mandates" that may result in expenditures to State, local, and tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any 1 year. Before promulgating a rule for which a written statement is needed, section 205 of the UMRA generally requires us to identify and consider a reasonable number of regulatory alternatives and adopt the least-costly, most cost-effective, or least-burdensome alternative that achieves the objectives of the rule. The provisions of section 205 do not apply when they are inconsistent with applicable law. Moreover, section 205 allows us to adopt an alternative other than the least-costly, most cost-effective, or least-burdensome alternative if the Administrator publishes with the final rule an explanation why that alternative was not adopted. Before we establish any regulatory requirements that may significantly or uniquely affect small governments, including tribal governments, it must have developed under section 203 of the UMRA a small government agency plan. The plan must provide for notifying potentially affected small governments, enabling officials of affected small governments to have meaningful and timely input in the development of our regulatory proposals with significant Federal intergovernmental mandates, and informing, educating, and advising small governments on compliance with the regulatory requirements.

We have determined that this proposed rule does not contain a Federal mandate that may result in expenditures of \$100 million or more for State, local, and tribal governments, in the aggregate, or the private sector in any 1 year. The total annual cost of this proposed rule for any 1 year has been estimated at \$440,000 per year. Thus, today's proposed rule is not subject to the requirements of sections 202 and 205 of the UMRA. In addition, we have determined that this proposed rule contains no regulatory requirements that might significantly or uniquely affect small governments because it contains no requirements that apply to such governments or impose obligations upon them. Therefore, today's proposed rule is not subject to the requirements of section 203 of the UMRA.



*F. Regulatory Flexibility Act (RFA), as Amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), 5 U.S.C. 601 et seq.*

The RFA generally requires an agency to conduct a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements under the Administrative Procedure Act or any other statute unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Small entities include small businesses, small organizations, and small governmental jurisdictions.

For purposes of assessing the impacts of today's proposed rule on small entities, small entity is defined as: (1) A small business whose parent company has fewer than 500 employees; (2) a small governmental jurisdiction that is a government of a city, county, town, school district or special district with a population of less than 50,000; and (3) a small organization that is any not-for-profit enterprise which is independently owned and operated and is not dominant in its field.

After considering the economic impacts of today's proposed rule on small entities, we certify that this action will not have a significant economic impact on a substantial number of small entities. There are currently a total of 16 facilities that are major sources of HAP emissions and affected by this proposed rule. The industry is characterized as having some finishing operations that are relatively small, often specializing in the manufacture of leather with unique attributes, while others employ several hundred people and produce a wide variety of leathers. However, many of the smaller leather finishing operations are owned by ultimate parent firms that are classified as large corporations. Also, this industry typically operates with more than 300 establishments, so only a small fraction of the firms in the industry are impacted by the proposed rule. We determined that the 16 affected facilities are owned by 14 parent firms, and only 3 of these firms are classified as small by the previously mentioned definition. Nearly all of the firms (small and large) have very minimal impacts which range from 0.00 percent to 0.09 percent of firm revenues. Only one firm of the 14 will experience compliance costs that exceed 1 percent of firm revenues (1.52 percent), and this firm is a small business. This impact, however, is not considered significant for this industry. Typical profit margins for the leather industry average 3.5 percent.

Although this proposed rule will not have a significant economic impact on

a substantial number of small entities, we nonetheless have tried to reduce the impact of this proposed rule on small entities. We have worked closely with the Leather Industry of America in determining the form of the standard and establishing methods for minimizing the compliance burden. This outreach included a series of meetings over a 2-year period and our attendance at the industries annual regulatory meeting of the Leather Industry of America. These meetings and outreach provided updates to the industry on the progress of the proposed rule and also forecasting the timeline for compliance with the proposed rule. In addition, these meetings provided us with useful information that we used in developing the proposed rule. For instance, currently no facilities use add-on control devices and we anticipate that no facilities will need to install a device to achieve compliance with the proposed rule. This will minimize costs to achieve compliance as well as simplify demonstrating compliance since already maintained purchase and usage records are all that will be needed to demonstrate compliance. We are also proposing that compliance demonstrations be conducted monthly, rather than on a daily basis which we believe will reduce the amount of records necessary to demonstrate compliance with the proposed rule. Furthermore, we are proposing the minimum monitoring, recordkeeping, and reporting requirements specified in the General Provisions. We continue to be interested in the potential impacts of the proposed rule on small entities and welcome comments on issues related to such impacts.

#### *G. Paperwork Reduction Act*

The information collection requirements in this proposed rule will be submitted for approval to the OMB under the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.* The EPA has prepared an Information Collection Request (ICR) document 1985.01, and you may obtain a copy from Sandy Farmer by mail at the U.S. Environmental Protection Agency, Office of Environmental Information, Collection Strategies Division (2822), 1200 Pennsylvania Avenue NW, Washington, DC 20460, by email at [farmer.sandy@epa.gov](mailto:farmer.sandy@epa.gov), or by calling (202) 260-2740. A copy may also be downloaded off the internet at <http://www.epa.gov/icr>. The information requirements are not effective until OMB approves them.

The information requirements are based on notification, recordkeeping, and reporting requirements in the

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

The annual monitoring, reporting, and recordkeeping burden for this collection, as averaged over the first 3 years after the effective date of the rule, is estimated to be 485 labor hours per year at a total annual cost of \$21,600. This estimate includes a one-time plan for demonstrating compliance, annual compliance certificate reports, notifications, and recordkeeping. Total labor burden associated with the monitoring requirements over the 3-year period of the ICR are estimated at \$64,700.

Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information.

An Agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations are listed in 40 CFR part 9 and 48 CFR chapter 15.

Comments are requested on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques. Send comments on the ICR to the Director, Collection Strategies Division, U.S. Environmental Protection Agency (2822), 1200 Pennsylvania Ave., NW, Washington, DC 20460; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th St., NW, Washington, DC 20503,



marked "Attention: Desk Officer for EPA." Include the ICR number in any correspondence. Since OMB is required to make a decision concerning the ICR between 30 and 60 days after October 2, 2000, a comment to OMB is best assured of having its full effect if OMB receives it by November 1, 2000. The final rule will respond to any OMB or public comments on the information collection requirements contained in this proposal.

#### *H. National Technology Transfer and Advancement Act of 1995*

Under section 12(d) of the National Technology Transfer and Advancement Act (NTTAA) of 1995 (Public L. No. 104-113), all Federal agencies are required to use voluntary consensus standards in their regulatory and procurement activities unless to do so would be inconsistent with applicable law or otherwise impractical. Voluntary consensus standards are technical standards such as, materials specifications, test methods, sampling procedures, business practices, developed or adopted by one or more voluntary consensus bodies. The NTTAA requires Federal agencies to provide Congress, through annual reports to the OMB, with explanations when an agency does not use available and applicable voluntary consensus standards.

Consistent with the NTTAA, the EPA conducted a search for EPA's Method 311 (Analysis of Hazardous Air Pollutant Compounds in Paints and Coatings by Direct Injection into a Gas Chromatograph) and found no candidate voluntary consensus standards for use in identifying glycol ethers, toluene, and xylene. This proposal references the National Emission Standards for Closed Vent Systems, Control Devices, Recovery Devices, and Routing to a Fuel Gas System or a Process (40 CFR part 63, subpart SS). Since there are no new technical standard requirements resulting from specifying subpart SS in this proposed rule, and no candidate consensus standards were identified for EPA Method 311 (glycol ethers, toluene, and xylene) in this proposal, EPA is not proposing/adopting any voluntary consensus standards in this rulemaking.

The EPA takes comment on proposed compliance demonstration requirements proposed in this rulemaking and specifically invites the public to identify potentially-applicable voluntary consensus standards. Commenters should also explain why this regulation should adopt them in lieu of EPA's standards. Emission test methods and performance specifications submitted for evaluation should be accompanied with a basis for the recommendation,

including method validation data and the procedure used to validate the candidate method (if method other than Method 301, 40 CFR part 63, appendix A, was used).

Section 63.2854 (b)(1) of the proposed standards list EPA Method 311, which has been used by States and industry for approximately 5 years. Nevertheless, under § 63.7(f), the proposal allows any State or source to apply to EPA for permission to use an alternative method in lieu of EPA Method 311 listed in § 63.2854(b)(1).

#### **List of Subjects in 40 CFR Part 63**

Environmental protection, Administrative practice and procedure, Air pollution control, Hazardous substances, Intergovernmental relations, Reporting and recordkeeping requirements.

Dated: September 20, 2000.

**Carol M. Browner,**  
*Administrator.*

For the reasons stated in the preamble, title 40, chapter I, part 63 of the Code of the Federal Regulations is proposed to be amended as follows:

#### **PART 63—[AMENDED]**

1. The authority citation for part 63 continues to read as follows:

**Authority:** 42 U.S.C. 7401, *et seq.*

2. Part 63 is amended by adding subpart TTTT to read as follows:

#### **Subpart TTTT—National Emission Standards for Hazardous Air Pollutants for Leather Finishing Operations**

##### **What This Subpart Covers**

Sec.

63.5280 What is the purpose of this subpart?

63.5285 Am I subject to this subpart?

63.5290 What parts of my facility does this subpart cover?

63.5295 When do I have to comply with this subpart?

##### **Standards**

63.5305 What emission standards must I meet?

##### **Compliance Requirements**

63.5320 How does my affected major source comply with the HAP emission standards?

63.5325 What is a plan for demonstrating compliance and when must I have one in place?

63.5330 How do I determine the compliance ratio?

63.5335 How do I determine the actual HAP loss?

63.5340 How do I determine the allowable HAP loss?

63.5345 How do I distinguish between the two upholstery product process operations?

63.5350 How do I distinguish between the water-resistant and nonwater-resistant leather product process operations?

63.5355 How do I monitor and collect data to demonstrate continuous compliance?

63.5360 How do I demonstrate continuous compliance with the emission standards?

#### **Testing and Initial Compliance Requirements**

63.5375 When must I conduct a performance test or initial compliance demonstration?

63.5380 How do I conduct performance test methods?

63.5385 How do I measure the quantity of finish applied to the leather?

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63.5395 How do I measure the density of a finish?

63.5400 How do I measure the quantity of leather processed?

#### **Notifications, Reports, and Records**

63.5415 What notifications must I submit and when?

63.5420 What reports must I submit and when?

63.5425 When must I start recordkeeping to determine my compliance ratio?

63.5430 What records must I keep?

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#### **Other Requirements and Information**

63.5450 What parts of the General Provisions apply to me?

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#### **Figures**

Figure 1 to Subpart TTTT—Example Logs for Recording Leather Finish Use and HAP Content

#### **Tables**

Table 1 to Subpart TTTT—Leather Finishing HAP Emission Limits for Determining the Allowable HAP Loss

Table 2 to Subpart TTTT—Applicability of General Provisions to Subpart TTTT

#### **Subpart TTTT—National Emission Standards for Hazardous Air Pollutants for Leather Finishing Operations**

##### **What This Subpart Covers**

**§ 63.5280 What is the purpose of this subpart?**

This subpart establishes national emission standards for hazardous air pollutants (NESHAP) for leather finishing operations. These standards limit HAP emissions from specified leather finishing operations. This subpart also establishes requirements to demonstrate initial and continuous compliance with the emission standards.

**§ 63.5285 Am I subject to this subpart?**

(a) You are subject to this subpart if you own or operate a leather finishing operation that is a major source of hazardous air pollutants (HAP) emissions or that is located at, or is part of, a major source of HAP emissions. A leather finishing operation is defined in § 63.5460. In general, it is a single process or group of processes used for the application of film-forming materials to a leather substrate to provide desired properties.

(b) You are a major source of HAP emissions if you own or operate a plant site that emits or has the potential to emit any single HAP at a rate of 10 tons (9.07 megagrams) or more per year or any combination of HAP at a rate of 25 tons (22.68 megagrams) or more per year.

**§ 63.5290 What parts of my facility does this subpart cover?**

(a) This subpart applies to each new, reconstructed, or existing affected source at leather finishing operations.

(b) The affected source subject to this subpart is the collection of all equipment and activities used for the application of film-forming materials to a leather substrate to provide desired material properties. This subpart applies to the leather finishing operations listed in paragraphs (b)(1) through (4) of this section and as defined in § 63.5460, whether or not the operations are collocated with leather tanning operations:

- (1) Upholstery leather with greater than or equal to 4 grams finish add-on per square foot of leather;
- (2) Upholstery leather with less than 4 grams finish add-on per square foot of leather;

- (3) Water-resistant leather; and
- (4) Nonwater-resistant leather.

(c) An affected source does not include portions of your leather finishing operation that are listed in paragraphs (c)(1) and (2) of this section:

(1) A leather finishing operation affected source does not include equipment used solely with leather tanning operations.

(2) A leather finishing operation affected source does not include that portion of your leather finishing operation using a solvent degreasing process, such as in the manufacture of leather chamois, that is already subject to the Halogenated Solvent Cleaning NESHAP (40 CFR part 63, subpart T).

(d) An affected source is a new affected source if you commenced construction of the affected source after October 2, 2000, and you meet the applicability criteria at the time you commenced construction.

(e) An affected source is reconstructed if you meet the criteria as defined in § 63.2.

(f) An affected source is existing if it is not new or reconstructed.

**§ 63.5295 When do I have to comply with this subpart?**

(a) If you have a new or reconstructed affected source, you must comply with this subpart according to paragraphs (a)(1) and (2) of this section:

(1) If you startup your affected source before the effective date of the subpart, then you must comply with the emission standards for new and reconstructed sources in this subpart no later than the effective date of the subpart.

(2) If you startup your affected source after the effective date of the subpart, then you must comply with the emission standards for new and reconstructed sources in this subpart upon startup of your affected source.

(b) If you have an existing affected source, you must comply with the emission standards for existing sources no later than 3 years from the effective date of this subpart.

(c) If you have an area source that increases its emissions or its potential to emit such that it becomes a major source of HAP and an affected source subject to this subpart, paragraphs (c)(1) and (2) of this section apply.

(1) An area source that meets the criteria of a new affected source as specified at § 63.5290(d) or a reconstructed affected source as specified at § 63.5290(e) must be in compliance with this subpart upon becoming a major source.

(2) An area source that meets the criteria of an existing affected source as specified at § 63.5290(f) must be in compliance with this subpart no later than 3 years after it becomes a major source.

(d) You must meet the notification requirements in § 63.5415 and in subpart A of this part. Some of the notifications must be submitted before you are required to comply with the emission standards in this subpart.

**Standards****§ 63.5305 What emission standards must I meet?**

The emission standards limit the number of pounds of HAP lost per square foot of leather processed. You must meet each emission limit in Table 1 of this subpart that applies to you.

**Compliance Requirements****§ 63.5320 How does my affected major source comply with the HAP emission standards?**

(a) All affected sources must be in compliance with the requirements of this subpart at all times, including periods of startup, shutdown and malfunction.

(b) You must always operate and maintain your affected source, including air pollution control and monitoring equipment, according to the provisions in § 63.6(e)(1)(i).

(c) You must perform all of the items listed in paragraphs (c)(1) through (10) of this section:

(1) Submit the necessary notifications in accordance with § 63.5415.

(2) Develop and implement a plan for demonstrating compliance in accordance with § 63.5325.

(3) Submit the necessary reports in accordance with § 63.5420.

(4) Keep a finish inventory log to record monthly the pounds of each type of finish applied for each leather product process operation and the mass fraction of HAP in each applied finish as specified at § 63.5335(b). You may be required to start recordkeeping prior to the compliance dates specified at § 63.5295.

(5) Keep a leather processed inventory log to record monthly the surface area of leather processed in 1,000's of square feet for each product process operation as specified at § 63.5430(f). You may be required to start recordkeeping prior to the compliance dates specified at § 63.5295.

(6) Determine the actual HAP loss from your affected source in accordance with § 63.5335.

(7) Determine the allowable HAP loss for your affected source in accordance with § 63.5340.

(8) Determine the compliance ratio for your affected source each month as specified at § 63.5330. The compliance ratio compares your actual HAP loss to your allowable HAP loss for the previous 12 months.

(9) Maintain the compliance ratio for your affected source at or below 1.00 in accordance with § 63.5330.

(10) Maintain all the necessary records you have used to demonstrate compliance with this subpart in accordance with § 63.5430.

**§ 63.5325 What is a plan for demonstrating compliance and when must I have one in place?**

(a) You must develop and implement a written plan for demonstrating compliance that provides the detailed procedures you will follow to monitor

and record data necessary for demonstrating compliance with this subpart. Procedures followed for quantifying HAP loss from the source and amount of leather processed vary from source to source because of site-specific factors such as equipment design characteristics and operating conditions. Typical procedures include one or more accurate measurement methods such as weigh scales and volumetric displacement. Because the industry does not have a uniform set of procedures, you must develop and implement your own site-specific plan for demonstrating compliance not later than the compliance date for your source. You must also incorporate the plan for demonstrating compliance by reference in the source's title V permit. The plan for demonstrating compliance must include the items listed in

paragraphs (a)(1) through (7) of this section:

- (1) The name and address of the owner or operator.
- (2) The physical address of the leather finishing operation.
- (3) Provide a detailed description of all methods of measurement your source will use to determine your finish usage, HAP content of each finish, quantity of leather processed, and leather product process operation type.
- (4) Specify when each measurement will be made.
- (5) Provide examples of each calculation you will use to determine your compliance status. Include examples of how you will convert data measured with one parameter to other terms for use in compliance determination.
- (6) Provide example logs of how data will be recorded.

(7) Provide a quality assurance/quality control plan to ensure that the data continue to meet compliance demonstration needs.

(b) You may be required to revise your plan for demonstrating compliance. We may require reasonable revisions if the procedures lack detail, are inconsistent, or do not accurately determine finish usage, HAP content of each finish, quantity of leather processed, or leather product process operation type.

#### **§ 63.5330 How do I determine the compliance ratio?**

(a) When your source has processed leather for 12 months, you must determine the compliance ratio for your affected source by the fifteenth of each month for the previous 12 months.

(b) You must determine the compliance ratio using equation 1 of this section as follows:

$$\text{Compliance Ratio} = \frac{\text{Actual HAP Loss}}{\text{Allowable HAP Loss}} \quad (\text{Eq. 1})$$

Where:

Actual HAP Loss = Pounds of actual HAP loss for the previous 12 months, as determined in § 63.5335.

Allowable HAP Loss = Pounds of allowable HAP loss for the previous 12 months, as determined in § 63.5340.

(1) If the value of the compliance ratio is less than or equal to 1.00, your affected source was in compliance with the applicable HAP emission limits of this subpart for the previous month.

(2) If the value of the compliance ratio is greater than 1.00, your affected source was deviating from compliance with the applicable HAP emission limits of this subpart for the previous month.

#### **§ 63.5335 How do I determine the actual HAP loss?**

(a) This section describes the information and procedures you must use to determine the actual HAP loss from your leather finishing operation. By the fifteenth of each month, you must determine the actual HAP loss in pounds from your leather finishing operation for the previous month.

(b) Use a finish inventory log to record the pounds of each type of finish applied for each leather product process operation and the mass fraction of HAP in each applied finish. Figure 1 of this subpart shows an example log for recording the minimum information necessary to determine your finish usage and HAP loss. The finish inventory log must contain, at a minimum, the information for each type

of finish applied listed in paragraphs (b)(1) through (7) of this section:

- (1) Finish type.
  - (2) Pounds (or density and volume) of each finish applied to the leather.
  - (3) Mass fraction of HAP in each applied finish.
  - (4) Date of the recorded entry.
  - (5) Time of the recorded entry.
  - (6) Name of the person recording the entry.
  - (7) Product process operation type.
- (c) To determine the pounds of HAP loss for the previous month, you must first determine the pounds of HAP loss from each finish application.
- (1) For facilities not using add-on emission control devices, the entire HAP content of the finishes are assumed to be released to the environment. Using the finish inventory log, multiply the pounds of each recorded finish usage by the corresponding mass fraction of HAP in the finish. The result is the HAP loss in pounds from each finish application. Sum the pounds of HAP loss from all finish applications recorded during the previous month to determine the total monthly HAP loss in pounds from your finishing operation.

(2) For facilities using add-on emission control devices, the finish inventory log and the emission reduction efficiency of the add-on control device can be used to determine the net HAP loss in pounds. The emission reduction efficiency for a control device must be determined from a performance test conducted in accordance with §§ 63.5375 and

63.5380. Using the finish inventory log, multiply the pounds of each recorded finish usage by the corresponding mass fraction of HAP in the finish. The result is the gross HAP loss in pounds from each finish application prior to the add-on control device. Multiply the gross HAP loss by the percent emission reduction achieved by the add-on control device and then subtract this amount from the gross HAP loss. The result is the net HAP loss in pounds from each finish application. Sum the pounds of net HAP loss from all finish applications recorded during the previous month to determine the total monthly net HAP loss in pounds from your finishing operation.

(d) After collecting HAP loss data for 12 months, you must also determine by the fifteenth of each month the annual HAP loss in pounds by summing the monthly HAP losses for the previous 12 months. The annual HAP loss is the "actual HAP loss," which is used in Equation 1 of § 63.5330 to calculate your compliance ratio, as described in § 63.5330.

#### **§ 62.5340 How do I determine the allowable HAP loss?**

(a) By the fifteenth of each month, you must determine the allowable HAP loss in pounds from your leather finishing operation for the previous month.

(b) To determine the allowable HAP loss for your leather finishing operation, you must select the appropriate HAP emission limit, expressed in pounds of HAP loss per 1,000 square feet of leather

processed, from Table 1 of this subpart, for each type of leather product process operation performed during the previous 12 months. Under the appropriate existing or new source column, select the HAP emission limit that corresponds to each type of product process operation performed during the

previous 12 months. Next, determine the annual total of leather processed in 1,000's of square feet for each product process operation in accordance with § 63.5400. Then, multiply the annual total of leather processed in each product process operation by the corresponding HAP emission limit to

determine the allowable HAP loss in pounds for the corresponding leather product process operation. Finally, sum the pounds of HAP loss from all leather product process operations performed in the previous 12 months. Equation 1 of this section illustrates the calculation of allowable HAP loss as follows:

$$\text{Allowable HAP Loss} = \sum_{i=1}^n \left( \frac{\text{Annual Total of Leather Processed}_i}{1,000} * \text{HAP Emission Limit}_i \right) \quad (\text{Eq. 1})$$

Where:

Annual Total of Leather Processed = 1,000's of square feet of leather processed in the previous 12 months in product process operation "i".

HAP Emission Limit = From Table 1 of this subpart, the HAP emission limit in pounds of HAP loss per 1,000 square feet of leather processed for product process operation "i".

n = Number of leather product process operation types performed during the previous 12 months.

(c) The resulting "allowable HAP loss" is used in Equation 1 of § 63.5330 to calculate your compliance ratio, as described in § 63.5330.

**§ 62.5345 How do I distinguish between the two upholstery product process operations?**

(a) Product process operations that finish leather for use in automobile and furniture seat coverings are categorized as an upholstery product process operation. There are two upholstery product process operations subject to the requirements of this subpart—operations with less than 4 grams of finish add-on per square foot, and operations with 4 grams or more of finish add-on per square foot. You must distinguish between the two upholstery product process operations so that you can determine which HAP emission limit in Table 1 of this subpart applies to your affected source.

(b) You must determine finish add-on by calculating the difference in mass before and after the finishing process. You may use an empirical method to determine the amount of finish add-on applied during the finishing process, as described in paragraphs (b)(1) through (4) of this section:

(1) Weigh a one square foot representative section of polyester film or equivalent material substrate to be finished. This will provide a baseline mass and surface area prior to starting the finishing process.

(2) Use a scale with an accuracy of at least 5 percent of the mass in grams of the representative section of polyester film.

(3) Upon completion of these measurements, process the polyester film on the finishing line as you would for a typical section of leather.

(4) After the finishing and drying process, weigh the representative section of polyester film to determine the final mass. Divide the net mass in grams gained by the representative section of polyester film by its surface area in square feet to determine grams per square foot of finish add-on. Equation 1 of this section illustrates this calculation, as follows:

$$\text{Finish Add-On} = \frac{(\text{Final Mass} - \text{Initial Mass})}{(\text{Surface Area})} \quad (\text{Eq. 1})$$

Where:

Finish Add-On = Grams per square foot of finish add-on applied to a representative section of polyester film.

Final Mass = Final mass in grams of representative section of polyester film, after finishing and drying.

Initial Mass = Initial mass in grams of representative section of polyester film, prior to finishing.

Surface Area = Surface area in square feet of a representative section of polyester film.

(c) Any appropriate engineering units may be used for determining the finish add-on. However, finish add-on results must be converted to the units of grams of finish add-on per square foot of leather processed. If multiple representative leather sections are analyzed, then use the average of these measurements for selecting the appropriate product process operation.

**§ 63.5350 How do I distinguish between the water-resistant and nonwater-resistant leather product process operations?**

(a) Product process operations that finish leather for nonupholstery use are

categorized as either water-resistant or nonwater-resistant product process operations. You must distinguish between the water-resistant and nonwater-resistant product process operations so that you can determine which HAP emission limit in Table 1 of this subpart applies to your affected source.

(b) To determine whether your product process operation produces water-resistant or nonwater-resistant leather, you must conduct the Maeser Flexes test method according to American Society for Testing and Materials (ASTM) Designation D2099–98 or a method approved by the Administrator.

(c) Statistical analysis of initial water penetration data performed to support ASTM Designation D2099–98 indicates that poor quantitative precision is associated with this testing method. Therefore, three sections of leather substrate from at least 12 sides of leather must be tested for a minimum of three times to determine the water-resistant characteristics of the leather. You must average the results of these tests to determine the final number of Maeser Flexes prior to initial water penetration.

(d) Results from leather samples indicating an average of 5,000 Maeser Flexes or more is considered a water-resistant product process operation, and results indicating less than 5,000 Maeser Flexes is considered nonwater-resistant product process operation.

**§ 63.5355 How do I monitor and collect data to demonstrate continuous compliance?**

(a) You must monitor and collect data according to this section.

(b) You must collect data at all required intervals as specified in your plan for demonstrating compliance as specified at § 63.5325.

(c) For emission control devices, except for monitor malfunctions, associated repairs, and required quality assurance or control activities (including, as applicable, calibration checks and required zero and span

adjustments), you must monitor continuously (or collect data at all required intervals) at all times that the affected source is operating.

(d) You may not use data recorded during monitoring malfunctions, associated repairs, and required quality assurance or control activities in data averages and calculations used to report emission or operating levels, nor may such data be used in fulfilling a minimum data availability requirement, if applicable. You must use all the data collected during all other periods in assessing the compliance ratio, and, if an emission control device is used, in assessing the operation of the control device.

**§ 63.5360 How do I demonstrate continuous compliance with the emission standards?**

(a) You must demonstrate continuous compliance with the emission standards in § 63.5305 by following the requirements in paragraphs (a)(1) and (2) of this section:

(1) You must collect and monitor data according to the procedures in your plan for demonstrating compliance as specified in § 63.5325.

(2) If you use an emission control device, you must collect the monitoring data according to 40 CFR part 63, subpart SS.

(3) You must maintain your compliance ratio less than or equal to 1.00, as specified at § 63.5330.

(b) You must report each instance in which you did not meet the emission standards in § 63.5305. This includes periods of startup, shutdown, and malfunction. These deviations must be reported according to the requirements in § 63.5420(b).

(c) You must conduct the initial compliance demonstration before the compliance date that is specified for your source in § 63.5295.

**Testing and Initial Compliance Requirements**

**§ 63.5375 When must I conduct a performance test or initial compliance demonstration?**

You must conduct performance tests after the installation of any emission control device that reduces HAP emissions and can be used to comply with the HAP emission requirements of this subpart. You must complete your performance tests not later than 60 calendar days before the end of the 12-month period used in the initial compliance determination.

**§ 63.5380 How do I conduct performance test methods?**

(a) Each performance test must be conducted according to the

requirements in § 63.7(e) and the procedures of § 63.997(e)(1) and (2).

(b) You may not conduct performance tests during periods of startup, shutdown, or malfunction, as specified in § 63.7(e)(1).

(c) You must conduct three separate test runs for each performance test required in this section, as specified in § 63.7(e)(3). Each test run must last at least 1 hour.

**§ 63.5385 How do I measure the quantity of finish applied to the leather?**

(a) To determine the amount of finish applied to the leather, you must measure the mass, or density, and volume of each applied finish.

(b) Determine the mass of each applied finish with a scale calibrated to an accuracy of at least 5 percent of the amount measured. The quantity of all finishes used for finishing operations must be weighed or have a predetermined weight.

(c) Determine the density and volume of each applied finish according to the criteria listed in paragraphs (c)(1) through (3) of this section:

(1) Determine the density of each applied finish in pounds per gallon in accordance with § 63.5395. The finish density will be used to convert applied finish volumes from gallons into mass units of pounds.

(2) Volume measurements of each applied finish can be obtained with a flow measurement device. For each flow measurement device, you must perform the items listed in paragraphs (c)(2)(i) through (v) of this section:

(i) Locate the flow sensor and other necessary equipment such as straightening vanes in or as close to a position that provides a representative flow.

(ii) Use a flow sensor with a minimum tolerance of 2 percent of the flow rate.

(iii) Reduce swirling flow or abnormal velocity distributions due to upstream and downstream disturbances.

(iv) Conduct a flow sensor calibration check at least semiannually.

(v) At least monthly, inspect all components for integrity, all electrical connections for continuity, and all mechanical connections for leakage.

(3) Volume measurements of each applied finish can be obtained with a calibrated volumetric container with an accuracy of at least 5 percent of the amount measured.

**§ 63.5390 How do I measure the HAP content of a finish?**

(a) To determine the HAP content of a finish, the reference method is EPA Method 311 of appendix A of 40 CFR part 63. You may use EPA Method 311,

an alternative method approved by the Administrator, or any other reasonable means for determining the HAP content. Other reasonable means of determining HAP content include, but are not limited to, a material safety data sheet (MSDS) or a manufacturer's hazardous air pollutant data sheet. If the HAP content is provided on a MSDS or a manufacturer's data sheet as a range of values, then the highest HAP value of the range must be used for the determination of compliance to this standard. This value must be entered on the finish log for each type of finish applied. You are not required to test the materials that you use, but the Administrator may require a test using EPA Method 311 (or another approved method) to confirm the reported HAP content. However, if the results of an analysis by EPA Method 311 are different from the HAP content determined by another means, the EPA Method 311 results will govern compliance determinations.

(b) You may use the weighted average of the HAP content analysis as determined in § 63.5390(a) for each finish when you perform one of the actions listed in paragraphs (b)(1) and (2) of this section:

(1) Mix your own finishes on site.

(2) Mix new quantities of finish with previous quantities of finish that may have a different HAP content.

**§ 63.5395 How do I measure the density of a finish?**

(a) To determine the density of a finish, the reference method is EPA Method 24 of appendix A of 40 CFR part 60. You may use EPA Method 24, an alternative method approved by the Administrator, or any other reasonable means for determining the density of a finish. Other reasonable means of determining density include, but are not limited to, an MSDS or a manufacturer's hazardous air pollutant data sheet. If the density is provided on a MSDS or a manufacturer's data sheet as a range of values, then the highest density value of the range must be used for the determination of compliance to this standard. This value must be entered on the finish log for each type of finish applied. You are not required to test the materials that you use, but the Administrator may require a test using EPA Method 24 (or another approved method) to confirm the reported density. However, if the results of an analysis by EPA Method 24 are different from the density determined by another means, the EPA Method 24 results will govern compliance determinations.

(b) You may use the weighted average of finish densities as determined in

§ 63.5395(a) for each finish when you perform one of the actions listed in paragraphs (b)(1) and (2) of this section:

- (1) Mix your own finishes on site.

- (2) Mix new quantities of finish with previous quantities of finish that may have different densities.

- (c) Equation 1 of this section may be used to determine the weighted average of finish densities. Equation 1 of this section follows:

$$\text{Average Weighted Density} = \frac{\sum_{i=1}^n (\text{Mass}_i * \text{Density}_i)}{\sum_{i=1}^n (\text{Mass}_i)} \quad (\text{Eq. 1})$$

Where:

Average Weighted Density = The average weighted density of applied finishes in pounds per gallon.

Mass = Pounds of finish "i" applied.

Density = The density of finish "i" in pounds per gallon.

n = Number of finish types applied.

**§ 63.5400 How do I measure the quantity of leather processed?**

(a) This section describes the information and procedures you must use to determine the quantity of leather processed at your affected source. By the fifteenth of each month, you must determine the quantity of leather processed in 1,000's of square feet for each product process operation during the previous month. After collecting data on the amount of leather processed for 12 months, you must also determine by the fifteenth of each month the annual total of leather processed in 1,000's of square feet for each product process operation by summing the monthly quantities of leather processed in each product process operation for the previous 12 months. The "annual total of leather processed" in each product process operation is used in Equation 1 of § 63.5340 to calculate your allowable HAP loss as described in § 63.5340. Your allowable HAP loss is then subsequently used to calculate your compliance ratio as described in § 63.5330.

(b) To determine the surface area of leather processed at your source for each product process operation, you must use one of the methods listed in paragraphs (b)(1) and (2) of this section:

- (1) Premeasured leather substrate sections being supplied by another manufacturer as an input to your finishing process.

- (2) Measure the surface area of each piece of processed leather with a computer scanning system accurate to 0.1 square feet. The computer scanning system must be initially calibrated for minimum accuracy to the manufacturer's specifications. For similar leather production runs, use an average based on a minimum of 500

pieces of leather in lieu of individual measurements.

**Notifications, Reports, And Records**

**§ 63.5415 What notifications must I submit and when?**

- (a) In accordance with §§ 63.7(b) and (c) and 63.9(b) and (h) of the General Provisions, you must submit the one-time notifications listed in paragraphs (b) through (g) of this section.

- (b) As specified in § 63.9(b)(2), if you startup your affected source before the effective date of this subpart, you must submit an Initial Notification not later than 120 calendar days after the effective date of this subpart.

- (c) In the Initial Notification, include the items in paragraphs (c)(1) through (4) of this section:

- (1) The name and address of the owner or operator.

- (2) The physical address of the leather finishing operation.

- (3) Identification of the relevant standard, such as the Leather Finishing Operations NESHAP, and compliance date.

- (4) A brief description of the source including the types of leather product process operations and nominal operating capacity.

- (d) As specified in § 63.9(b)(1) and (2), if you start up your new or reconstructed affected source on or after the effective date of this subpart, you must submit an Initial Notification not later than 120 calendar days after you become subject to this subpart.

- (e) If you are required to conduct a performance test, you must submit a Notification of Intent to Conduct a Performance Test at least 60 calendar days before the performance test is scheduled to begin as required in § 63.7(b)(1).

- (f) You must submit a Notification of Compliance Status report not later than 60 calendar days after determining your initial 12-month compliance ratio. The notification of compliance status must contain the items in paragraphs (f)(1) through (5) of this section:

- (1) The name and address of the owner or operator.

- (2) The physical address of the leather finishing operation.

- (3) Each type of leather product process operation performed during the previous 12 months.

- (4) Each HAP identified under § 63.5390 in finishes applied during the 12-month period used for the initial compliance determination.

- (5) A compliance status certification indicating whether the source complied with all of the requirements of this subpart throughout the 12-month period used for the initial source compliance determination. This certification must include a certification of the items in paragraphs (f)(5)(i) through (iii) of this section:

- (i) The plan for demonstrating compliance, as described in § 63.5325, is complete and available on site for inspection.

- (ii) You are following the procedures described in the plan for demonstrating compliance.

- (iii) The compliance ratio value was determined to be less than or equal to 1.00, or the value was determined to be greater than 1.00.

- (g) If your source becomes a major source on or after the effective date of this subpart, you must submit an initial notification not later than 120 days after you become subject to this subpart.

**§ 63.5420 What reports must I submit and when?**

(a) You must submit the first annual compliance status certification 12 months after you submit the Notification of Compliance Status. Each subsequent annual compliance status certification is due 12 months after the previous annual compliance status certification. The annual compliance status certification provides the compliance status for each month during the 12-month period ending 60 days prior to the date on which the report is due. Include the information in paragraphs (a)(1) through (5) of this section in the annual certification:

- (1) The name and address of the owner or operator.

- (2) The physical address of the leather finishing operation.

(3) Each type of leather product process operation performed during the 12-month period covered by the report.

(4) Each HAP identified under § 63.5390 in finishes applied during the 12-month period covered by the report.

(5) A compliance status certification indicating whether the source complied with all of the requirements of this subpart throughout the 12-month period covered by the report. This certification must include a certification of the items in paragraphs (a)(5)(i) and (ii) of section:

(i) You are following the procedures described in the plan for demonstrating compliance.

(ii) The compliance ratio value was determined to be less than or equal to 1.00, or the value was determined to be greater than 1.00.

(b) You must submit a Deviation Notification Report for each compliance determination you make in which the compliance ratio exceeds 1.00, as determined under § 63.5330. Submit the deviation report by the fifteenth of the following month in which you determined the deviation from the compliance ratio. The Deviation Notification Report must include the items in paragraphs (b)(1) through (4) of this section:

(1) The name and address of the owner or operator.

(2) The physical address of the leather finishing operation.

(3) Each type of leather product process operation performed during the 12-month period covered by the report.

(4) The compliance ratio comprising the deviation. You may reduce the frequency of submittal of the Deviation Notification Report if the responsible agency of these NESHAP does not object, as provided in § 63.10(e)(3)(iii).

**§ 63.5425 When must I start recordkeeping to determine my compliance ratio?**

(a) If you have a new or reconstructed affected source, you must start recordkeeping to determine your compliance ratio according to one of the schedules listed in paragraphs (a)(1) and (2) of this section:

(1) If the startup of your new or reconstructed affected source is before the effective date of this subpart, then you must start recordkeeping to determine your compliance ratio no later than the effective date of this subpart.

(2) If the startup of your new or reconstructed affected source is after the effective date of this subpart, then you must start recordkeeping to determine your compliance ratio upon startup of your affected source.

(b) If you have an existing affected source, you must start recordkeeping to

determine your compliance ratio no later than 2 years after the effective date of this subpart.

(c) If you have a source that becomes a major source of HAP emissions after the effective date of the subpart, then you must start recordkeeping to determine your compliance ratio immediately upon submitting your Initial Notification as required at § 63.5415(g).

**§ 63.5430 What records must I keep?**

(a) You must keep the plan for demonstrating compliance as required at § 63.5325 on-site and readily available as long as the source is operational. If you make any changes to the plan for demonstrating compliance, then you must keep all previous versions of the plan and make them readily available for inspection for at least 5 years after each revision.

(b) You must keep a copy of each notification and report that you are required to submit in accordance with this subpart.

(c) You must keep records of performance tests in accordance with this subpart.

(d) You must record and maintain a continuous log of finish usage as specified at § 63.5335(b).

(e) You must maintain all necessary records to document the methods you used and the results of all HAP content measurements of each applied finish.

(f) For each leather product process operation, you must maintain a monthly log of the items listed in paragraphs (f) (1) and (2) of this section:

(1) Dates for each leather product process operation.

(2) Total surface area of leather processed for each leather product process operation.

(g) If you use an emission control device, you must keep records of monitoring data as specified at 40 CFR part 63, subpart SS.

**§ 63.5435 In what form and how long must I keep my records?**

(a) Your records must be in a form suitable and readily available for expeditious review according to § 63.10(b)(1).

(b) As specified in § 63.10(b)(1), you must keep each record for 5 years following the date of each occurrence, measurement, maintenance, corrective action, report, or record.

(c) You must keep each record on site for at least 2 years after the date of each occurrence, measurement, maintenance, corrective action, report, or record according to § 63.10(b)(1). You can keep the records offsite for the remaining 3 years.

**Other Requirements and Information**

**§ 63.5450 What parts of the General Provisions apply to me?**

Table 2 of this subpart shows which parts of the General Provisions in §§ 63.1 through 63.13 apply to you.

**§ 63.5455 Who administers this subpart?**

(a) This subpart can be administered by us, the U.S. EPA, or a delegated authority such as your State, local, or tribal agency. If the U.S. EPA Administrator has delegated authority to your State, local, or tribal agency, then that agency has the primary authority to administer and enforce this subpart. You should contact your U.S. EPA Regional Office to find out if the authority to implement and enforce this subpart is delegated to your State, local, or tribal agency.

(b) In delegating implementation and enforcement authority of this subpart to a State, local, or tribal agency under subpart E of this part, the authorities contained in paragraph (c) of this section are retained by the Administrator of U.S. EPA and are not transferred to the State, local, or tribal agency.

(c) The authorities that will not be delegated to State, local, or tribal agencies are listed in paragraphs (c)(1) through (4) of this section:

(1) Approval of alternatives to the emission standards in § 63.5305 under § 63.6(g).

(2) Approval of major alternatives to test methods under § 63.7(e)(2)(ii) and (f) and as defined in § 63.90.

(3) Approval of major alternatives to monitoring under § 63.8(f) and as defined in § 63.90.

(4) Approval of major alternatives to recordkeeping and reporting under § 63.10(f) and as defined in § 63.90.

**§ 63.5460 What definitions apply to this subpart?**

Terms used in this subpart are defined in:

(a) Clean Air Act; and

(b) 40 CFR 63.2, the NESHAP General Provisions; and

(c) This section as follows:

*Area source* means any stationary source of hazardous air pollutants that is not a major source as defined in this part.

*Compliance ratio* means the ratio of the actual HAP loss from the previous 12 months to the allowable HAP loss from the previous 12 months. Equation 1 in § 63.5330 is used to calculate this value. If the value is less than or equal to 1.00, the source is in compliance. If the value is greater than 1.00, the source is deviating from compliance.



*Deviation* means any instance in which an affected source subject to this subpart, or an owner or operator of such a source:

(1) Fails to meet any requirement or obligation established by this subpart, including but not limited to any emission limits or work practice standards.

(2) Fails to meet any emission limits, operating limits, or work practice standards in this subpart during startup, shutdown, or malfunction, regardless of whether or not such failure is permitted by this subpart.

*Drying* means the process of removing all but equilibrium moisture from the leather. Drying methods currently in use include: toggling, hanging, pasting, and vacuum drying.

*Finish add-on* means the amount of solid material deposited on the leather substrate due to finishing operations. Typically, the solid deposition is a dye or other chemical used to enhance the color and performance of the leather. Finish add-on is quantified as mass per surface area of substrate, such as grams of finish add-on per square foot of leather substrate.

*Finishing* means the application of film-forming materials to a leather substrate to provide abrasion resistance, stain resistance, enhanced color, and other desirable quality.

*Hazardous air pollutants (HAP)* means any substance or mixture of substances listed as a hazardous air

pollutant under section 112(b) of the Clean Air Act.

*Leather* means the pelt or hide of an animal which has been transformed by a tanning process into a nonputrescible and useful material.

*Leather substrate* means a nonputrescible leather surface intended for the application of finishing chemicals and materials. The leather substrate may be a continuous piece of material such as side leather or may be a combination of smaller leather pieces and leather fibers, which when joined together, form an integral composite leather material.

*Month* means that all references to a month in this subpart refer to a calendar month.

*Nonwater-resistant leather* means nonupholstery leather that is not treated with any type of waterproof finish and, thus, cannot withstand 5,000 Maeser Flexes with a Maeser Flex Testing Machine or a method approved by the Administrator prior to initial water penetration. This leather is typically used for dress shoes, handbags, and garments.

*Product process operation* means any one of the four leather production classifications developed for ease of compliance with this subpart. The four leather product process operations are as follows: upholstery leather with greater than or equal to 4 grams finish add-on per square foot, upholstery leather with less than 4 grams finish

add-on per square foot, water-resistant leather, and nonwater-resistant leather.

*Upholstery leather (greater than or equal to 4 grams finish add-on per square foot)* means an upholstery leather with a final finish add-on to leather ratio of 4 or more grams of finish per square foot of leather. These types of finishes are used primarily for automobile seating covers. These finishes tend to be aqueous-based.

*Upholstery leather (less than 4 grams finish add-on per square foot)* means an upholstery leather with a final finish add-on to leather ratio of less than 4 grams of finish per square foot of leather. These types of finishes are typically used for furniture seating covers. The finishes tend to be solvent-based and leave a thinner, softer, and more natural leather texture.

*Water-resistant leather* means nonupholstery leather that has been treated with one or more waterproof finishes such that the leather can withstand 5,000 or more Maeser Flexes with a Maeser Flex Testing Machine or a method approved by the Administrator prior to initial water penetration. This leather is used for outerwear, boots and outdoor applications.

Figure 1 to Subpart TTTT—Example Logs for Recording Leather Finish Use and HAP Content

Month: \_\_\_\_\_  
Year: \_\_\_\_\_

#### FINISH INVENTORY LOG

Finish type	Finish usage (pounds)	HAP content (mass fraction)	Date and time	Operator's name	Product process operation

#### MONTHLY SUMMARY OF FINISH USAGE

	Upholstery leather (≥4 grams)	Upholstery leather (<4 grams)	Water resistant leather	Nonwater-resistant leather
Number of Entries .....				
Total Finish Usage (pounds) .....				
Total HAP Usage (pounds) .....				

TABLE 1 TO SUBPART TTTT—LEATHER FINISHING HAP EMISSION LIMITS FOR DETERMINING THE ALLOWABLE HAP LOSS

Type of leather product process operation	HAP emission limit (lb/1,000 square feet)	
	Existing sources	New sources
1. Upholstery Leather (≥4 grams add-on/square feet) .....	2.6	0.5
2. Upholstery Leather (<4 grams add-on/square feet) .....	7.1	2.9

TABLE 1 TO SUBPART TTTT—LEATHER FINISHING HAP EMISSION LIMITS FOR DETERMINING THE ALLOWABLE HAP LOSS—Continued

Type of leather product process operation	HAP emission limit (lb/1,000 square feet)	
	Existing sources	New sources
3. Water-resistant Leather (≥5,000 Maeser Flexes) .....	5.9	4.9

TABLE 1 TO SUBPART TTTT—LEATHER FINISHING HAP EMISSION LIMITS FOR DETERMINING THE ALLOWABLE HAP LOSS—Continued

Type of leather product process operation	HAP emission limit (lb/1,000 square feet)	
	Existing sources	New sources
4. Nonwater-resistant Leather (<5,000 Maeser Flexes) .....	3.4	2.1

TABLE 2 OF SUBPART TTTT—APPLICABILITY OF GENERAL PROVISIONS TO SUBPART TTTT

General provisions citation	Subject of citation	Brief description of requirement	Applies to subpart	Explanation
§ 63.1 .....	Applicability .....	Initial Applicability Determination; Applicability After Standard Established; Permit Requirements; Extensions, Notifications.	Yes.	
§ 63.2 .....	Definitions .....	Definitions for part 63 standards ...	Yes .....	Except as specifically provided in this subpart.
§ 63.3 .....	Units and Abbreviations.	Units and abbreviations for part 63 standards.	Yes.	
§ 63.4 .....	Prohibited Activities and Circumvention.	Prohibited Activities; Compliance Date; Circumvention, Severability.	Yes.	
§ 63.5 .....	Construction/Reconstruction.	Applicability; Applications; Approvals.	Yes .....	Except for subsections of § 63.5 as listed below.
§ 63.5(c) .....	[Reserved].			
§ 63.5(d) (1)(ii) (H)	Application for Approval.	Type and Quantity of HAP, Operating Parameters.	No .....	All sources emit HAP. Subpart TTTT does not require control from specific emission points.
§ 63.5(d) (1)(i) .....	[Reserved].			
§ 63.5(d) (1)(iii), (d)(2), (d)(3)(ii).	.....	Application for Approval .....	No .....	The requirements of the application for approval for new and reconstructed sources are described in § 63.5320(b) of subpart TTTT. General provision requirements for identification of HAP emission points or estimates of actual emissions are not required. Descriptions of control and methods, and the estimated and actual control efficiency of such do not apply. Requirements for describing control equipment and the estimated and actual control efficiency of such equipment apply only to control equipment to which the subpart TTTT requirements for quantifying solvent destroyed by an add-on control device would be applicable.
§ 63.6 .....	Applicability of GP .....	Applicability of GP .....	Yes .....	Except for subsections of § 63.6 as listed below.
§ 63.6(b)(1)–(3) .....	Compliance dates, new and reconstructed sources.	.....	No .....	Section § 63.5283 of subpart TTTT specifies the compliance dates for new and reconstructed sources.
§ 63.6(b)(6) .....	[Reserved].			
§ 63.6(c)(3)–(4) .....	[Reserved].			
§ 63.6(d) .....	[Reserved].			
§ 63.6(e) .....	Operations and Maintenance Requirements.	.....	Yes .....	Except for subsections of § 63.6(e) as listed below.
§ 63.6(e)(3) .....	Operation and Maintenance Requirements.	Startup, Shutdown, and Malfunction Plan Requirements.	No .....	Subpart TTTT does not have any startup, shutdown, and malfunction plan requirements.

TABLE 2 OF SUBPART TTTT—APPLICABILITY OF GENERAL PROVISIONS TO SUBPART TTTT—Continued

General provisions citation	Subject of citation	Brief description of requirement	Applies to subpart	Explanation
§ 63.6(f)–(g) .....	Compliance with Nonopacity Emission Standards Except During SSM.	Comply with Emission Standards at All Time Except During SSM.	No .....	Subpart TTTT does not have nonopacity requirements.
§ 63.6(h) .....	Opacity/Visible Emission (VE) Standards.	.....	No .....	Subpart TTTT has no opacity or visual emission standards.
§ 63.6(i) .....	Compliance Extension	Procedures and Criteria for Responsible Agency to Grant Compliance Extension.	Yes .....	
§ 63.6(j) .....	Presidential Compliance Exemption.	President may Exempt Source Category from Requirement to Comply with Subpart..	Yes .....	
§ 63.7 .....	Performance Testing Requirements.	Schedule, Conditions, Notifications and Procedures..	Yes .....	Except for subsection of § 63.7 as listed below. Subpart TTTT requires performance testing only if the source applies additional control that destroys solvent. Section § 63.5311 requires sources to follow the performance testing guidelines of the General Provisions if a control is added.
§ 63.7(a)(2) (i) and (iii).	Performance Testing Requirements.	Applicability and Performance Dates.	No .....	Section § 63.5310(a) of subpart TTTT specifies the requirements of performance testing dates for new and existing sources.
§ 63.8 .....	Monitoring Requirements.	.....	No .....	Subpart TTTT does not require monitoring other than as specified therein.
§ 63.9 .....	Notification Requirements.	Applicability and State Delegation	Yes .....	Except for subsections of § 63.9 as listed below.
§ 63.9(e) .....	Notification of Performance Test.	Notify Responsible Agency 60 Days Ahead.	Yes .....	Applies only if performance testing is performed.
§ 63.9(f) .....	Notification of VE/Opacity Observations.	Notify Responsible Agency 30 Days Ahead.	No .....	Subpart TTTT has no opacity or visual emission standards.
§ 63.9(g) .....	Additional Notifications When Using a Continuous Monitoring System (CMS).	Notification of Performance Evaluation; Notification using COMS Data; Notification that Exceeded Criterion for Relative Accuracy.	No .....	Subpart TTTT has no CMS requirements.
§ 63.9(h) .....	Notification of Compliance Status.	Contents .....	No .....	Section § 63.5320(d) of subpart TTTT specifies requirements for the notification of compliance status.
§ 63.10 .....	Recordkeeping/Reporting.	Schedule for Reporting, Record Storage.	Yes .....	Except for subsections of § 63.10 as listed below.
§ 63.10(b)(2) .....	Recordkeeping .....	Record Startup, Shutdown, and Malfunction Events.	No .....	Subpart TTTT has no recordkeeping requirements for startup, shutdown, and malfunction events.
§ 63.10(c) .....	Recordkeeping .....	Additional CMS Recordkeeping ....	No .....	Subpart TTTT does not require CMS.
§ 63.10(d)(2) .....	Reporting .....	Reporting Performance Test Results.	Yes .....	Applies only if performance testing is performed.
§ 63.10(d)(3) .....	Reporting .....	Reporting Opacity or VE Observations.	No .....	Subpart TTTT has no opacity or visible emission standards.
§ 63.10(d)(4) .....	Reporting .....	Progress Reports .....	Yes .....	Applies if a condition of compliance extension.
§ 63.10(d)(5) .....	Reporting .....	Startup, Shutdown, and Malfunction Reporting.	No .....	Subpart TTTT has no startup, shutdown, and malfunction reporting requirements.
§ 63.10(e) .....	Reporting .....	Additional CMS Reports .....	No .....	Subpart TTTT does not require CMS.
§ 63.11 .....	Control Device Requirements.	Requirements for Flares .....	Yes .....	Applies only if your source uses a flare to control solvent emissions. Subpart TTTT does not require flares.
§ 63.12 .....	State Authority and Delegations.	State Authority to Enforce Standards.	Yes.	
§ 63.13 .....	State/Regional Addresses.	Addresses Where Reports, Notifications, and Requests are Sent.	Yes.	
§ 63.14 .....	Incorporation by Reference.	Test Methods Incorporated by Reference.	Yes.	
§ 63.15 .....	Availability of Information and Confidentiality.	Public and Confidential Information.	Yes.	