

(after control) emissions of VOHAP per volume solids applied will be no greater than those from the use of coatings that comply with the applicable VOHAP limits.

The final standards also require that all handling and transfer of VOHAP containing materials to and from containers, tanks, vats, vessels, and piping systems be conducted in a manner that minimizes spills and other factors leading to emissions. (This requirement includes hand- or brush-application of coatings.) In addition, containers of thinning solvent or waste that hold any VOHAP must be normally closed (to minimize evaporation) unless materials are being added to or removed from them.

Owners or operators of existing shipbuilding and ship repair (surface coating) operations subject to the requirements promulgated under Section 112(d) of the CAA are required to comply with the standards within 1 year from December 15, 1995. Owners or operators of new shipbuilding and ship repair (surface coating) operations with initial startup before or after December 15, 1996 are required to comply with all requirements of the standards upon startup. The first requirement is the initial notification due 6 months before start up.

### III. Summary of Impacts

These standards will reduce nationwide emissions of HAP from shipbuilding and ship repair (surface coating) operations by approximately 318.5 Mg (350 tons) in 1997 compared to the emissions that would result in the absence of the standards. These standards will also reduce volatile organic compounds (VOC) emissions from those same shipbuilding and ship repair (surface coating) operations by approximately 837 Mg (920 tons) in 1997 compared to the emissions that would result in the absence of the standards. No significant adverse secondary air, water, solid waste, or energy impacts are anticipated from the promulgation of these standards.

Implementation of this regulation is expected to result in nationwide annualized costs for existing shipyards of about \$2 million beyond baseline. This estimation is based on an analysis of the application of VOHAP limits on marine coatings at all existing major source facilities not currently controlled to the level of the standards.

The economic impact analysis conducted prior to proposal showed that the economic impacts from the proposed standard would be insignificant. An update of the economic impact analysis (due to

revisions to the final rule) indicates that the original conclusion still holds true. Implementation of the rule is not expected to cause significant economic impacts for the 35 major source facilities in this industry.

### IV. Significant Changes to the Proposed Standards

#### A. Public Participation

The standards were proposed and the preamble was published in the Federal Register on December 6, 1994 (59 FR 62681). The preamble to the proposed standards discussed the availability of the regulatory text and proposal BID, which described the regulatory alternatives considered and the impacts of those alternatives. Public comments were solicited at the time of proposal, and copies of the regulatory text and BID were distributed to interested parties. Electronic versions of the preamble, regulation, and BID were made available to interested parties via the TTN (see **SUPPLEMENTARY INFORMATION** section of this preamble).

To provide interested persons the opportunity for oral presentation of data, views, or arguments concerning the proposed standards, a public hearing was held on January 18, 1995 in Research Triangle Park, North Carolina. The public comment period was from December 6, 1994 to February 17, 1995. In all, 22 comment letters were received (including one duplicate). The comments have been carefully considered, and changes have been made to the proposed standards when determined by the Administrator to be appropriate.

#### B. Comments on the Proposed Standards

Comments on the proposed standards were received from 22 commenters; the commenters were comprised mainly of States, shipyard owners or operators, marine coating manufacturers, environmental groups, and trade associations. A detailed discussion of these comments and responses can be found in the promulgation BID, which is referred to in the **ADDRESSES** section of this preamble. The summary of comments and responses in the BID serve as the basis for the revisions that have been made to the standards between proposal and promulgation. (Some additional changes have been made to clarify the standards and improve their organization.) Most of the comment letters contained multiple comments. For summary purposes, the comments were grouped into several topic areas.

#### C. Significant Comments/Changes

Several changes have been made since the proposal of these standards. The majority of the changes have been made to clarify portions of the rule that were unclear to the commenters. A summary of the major comments and changes is presented below.

##### (1) Applicability to Coating Manufacturers

Several commenters asked the EPA to regulate the manufacture and sale of marine coatings rather than the end users (shipyards). While this approach has some obvious advantages, the EPA does not have authority to regulate (with this NESHAP) the manufacture and sale of coatings under Section 112(d). The EPA plans to address requirements for coating manufacturers under Section 183(e) of the CAA by March 1997 through either a national rule or a control techniques guidelines (CTG).

##### (2) Number of Major Sources/MACT Floor

Some commenters thought the EPA underestimated the number of major source shipyards, and thereby erred in the MACT floor determination. Although the EPA based the proposed number of major sources on the best available information at the time, there has been recent additional information provided by the Louisiana Department of Environmental Quality (Louisiana having more shipyards than any other State) showing there are four other shipyards with HAP emissions greater than the major source cutoffs. At the same time, however, the same additional information indicated that one of the shipyards identified in the original list of 25 has HAP emissions well below the major source cutoffs (based on recent operating permit data).

This information along with other State permit data on annual paint usage and VOC/VOHAP emissions indicates that there are 35 major sources, instead of the estimated 25 discussed in the proposal preamble. Even though 10 additional major sources have been identified, the MACT floor would not change. At proposal, the EPA based the MACT floor on the control achieved by the best-performing 5 sources, as required by Section 112 (d)(3) of the CAA when there are less than 30 sources in the category. If there are 35 sources in the category, the MACT floor would be based on the best-performing 4.2 sources (12 percent of the 35) as required by Section 112 (d)(3). Under both situations, the MACT floor is the same.

Another point to be considered is that even if there are 45 major source