California Environmental Protection Agency

Air Resources Board

Proposed Amendments to the
Air Toxics "Hot Spots" Fee Regulation
for Fiscal Year 1994-1995
June 1994

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

Staff Report: Initial Statement of Reasons for Proposed Rulemaking

Proposed Amendments to the Air Toxics "Hot Spots" Fee Regulation

Principal Author

Roger Korenberg

Contributing Author

Carla Takemoto

Reviewed and Approved by

Peter D. Venturini, Chief, Stationary Source Division
Donald J. Ames, Assistant Chief, Stationary Source Division
Genevieve Shiroma, Chief, Toxic Air Contaminant Identification Branch
Janette Brooks, Manager, Special Projects Section

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Air Toxics Hot Spots Fee Regulation Committee

Bay Area AQMD	Catherine Fortney
Colusa County APCD	Harry Krug
Feather River AQMD	Dean Avila
Mojave Desert AQMD	Richard Wales
Monterey Bay Unified APCD	Sara Demyanovich
Northern Sonoma APCD	Sean Connolly
Sacramento Metropolitan AQMD	Jorge DeGuzman
San Diego County APCD	David Byrnes
San Joaquin Valley Unified APCD	Bill Weese
Santa Barbara County APCD	Richard Stedman
South Coast AQMD	Jay Chen
	Ben Shaw
Tuolumne County APCD	Mike Waugh
Ventura County APCD	Henry Chin
Yolo-Solano Counties AQMD	Annette Carruthers
Office of Environmental Health Hazard Assessment	Tom Parker
	Melanie Marty
CAPCOA	Stewart Wilson

Contributing ARB Staff

Richard Bode	Peter Mathews
Michele Burkett	Kathy McLaughlin
Malcolm Dole	Larry Morris
Greg Harris	Kirk Oliver
Martin Johnson	Faye Palmer
Marcia Jorgensen	Elizabeth Parkhurst
Sue Kaiser	Dale Shimp
Lisa Kasper	Judy Tanimoto
Reza Mahdavi	Beth Schwehr

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EXECUTIVE SUMMARY

A. OVERVIEW

In this report, the staff of the Air Resources Board (ARB) presents recommended amendments to the Air Toxics Hot Spots Fee Regulation (Fee Regulation) for fiscal year 1994-95. The Fee Regulation authorizes each air pollution control district or air quality management district (district) to collect fees to recover the State's and districts' costs of implementing the Air Toxics "Hot Spots" Information and Assessment Act of 1987 (the Act or Program)[1]. The Act requires that the ARB adopt a regulation that recovers costs incurred by the State and the districts to administer the Program. The State's costs include those incurred by the Office of Environmental Health Hazard Assessment (OEHHA) and the ARB. Fees are established either in fee schedules the ARB adopts as part of the Fee Regulation or in Hot Spots fee rules local districts adopt as required by the Fee Regulation. The proposed amendments are shown in Appendix I to this report. The Hot Spots Act is in Appendix II to this report.

The State's and air districts' costs of implementing the Act are recovered from fees paid by facilities subject to the Act. The Fee Regulation was first adopted in 1988 and has been revised annually.

This year, we are recommending significant reductions in the State's Program costs as well as minor changes to the method for determining facility fees. We are recommending that additional facilities be included in the method for allocating the State's costs among districts and that the fees for facilities in certain categories of the Program related to high toxics emissions and high potential health risk be increased in accordance with the mandates of Senate Bill 1378, McCorquodale, Chapter 375, 1992. Senate Bill 1378 requires that fees be based on toxic emissions and health risk priority to the extent practical.

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1. Health and Safety Code sections 44300-44394, Chapter 1252, Statutes of 1987, and Chapter 1162, Statutes of 1992.

Overall State and local district costs for fiscal year 1994-95 will be an estimated $11.2 million, of which 38 percent are State costs and 62 percent are district costs. This is a 21 percent reduction from fiscal year 1993-94. Figure 1 displays total Hot Spots Program costs. Costs are estimated because districts adopting their own fee schedules are not required to provide the ARB with approved Program costs.

The proposed State's cost in the Governor's Budget is $4,987,000. However, both the ARB and the OEHHA have been able to carry-over savings from prior years to reduce costs for fiscal year 1994-95. The ARB carry-over savings is $150,000, and the OEHHA carry-over savings is $600,000, for a total one-time carry-over savings of $750,000. The carry-over savings is in addition to a $183,000 permanent reduction proposed by the State. The reductions bring the total proposed State cost to $4,237,000, a reduction of $933,000, or 18 percent, from fiscal year 1993-94.

The ARB's share of the proposed State cost is $2.0 million and the OEHHA's share is $2.2 million. In addition to these costs, a five percent adjustment factor is included in the fees. This adjustment factor is necessary to account for unforeseen business closures, nonpayment, and uncertainty in the facility information. With the adjustment factor, the total State costs to be recovered are $4,448,850. Figure 2 displays the cost savings, the permanent cost reduction, and the remaining costs for the ARB and the OEHHA. Table 1 shows the current and reduced cost proposal.

We propose to distribute the State's cost for fiscal year 1994-95 among districts using the Facility Program Category method that was developed for fiscal year 1993-94. Table 2 shows the distribution of the State's cost using this method. Table 2 also compares the distribution of the State's cost for fiscal year 1994-95 to the distribution for 1993-94. The difference between the total State's costs for Figure 2 and Table 2 is due to rounding the facility fees off when calculating each district's share of the State's costs.

Total district program costs for the State's 34 districts are decreasing from $9.0 million for fiscal year 1993-94 to $7.0 million for fiscal year 1994-95, approximately a 22 percent decrease. Table 3 compares the district program costs for fiscal year 1993-94 and fiscal year 1994-95.

The State's costs for individual districts and the individual facility fees will vary from year to year because the method is based on the Program category of each facility. Fees are related to the priority and workload associated with each category. The status of a facility will change as it complies with the Program requirements, and this change is reflected in changing fees. For example, a facility in the Risk Assessment category remains in the category until the risk assessment is approved by the district. At that time, the facility moves back to the Plan and Report category, a lower fee category, if the potential risk from the facility is not significant. If the potential health risk is significant, the facility

Figure 1

Estimated Total Program Costs

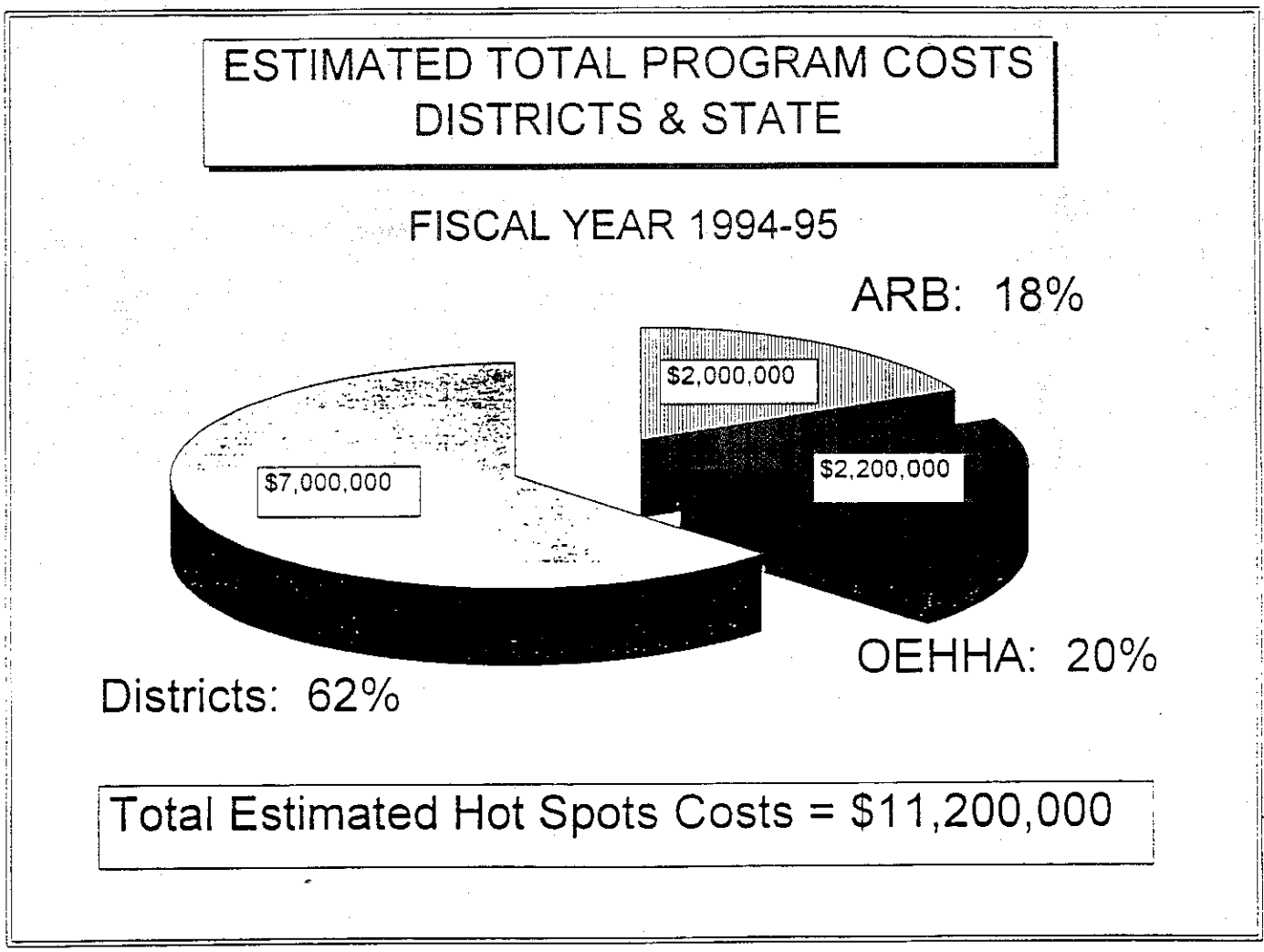

Figure 2

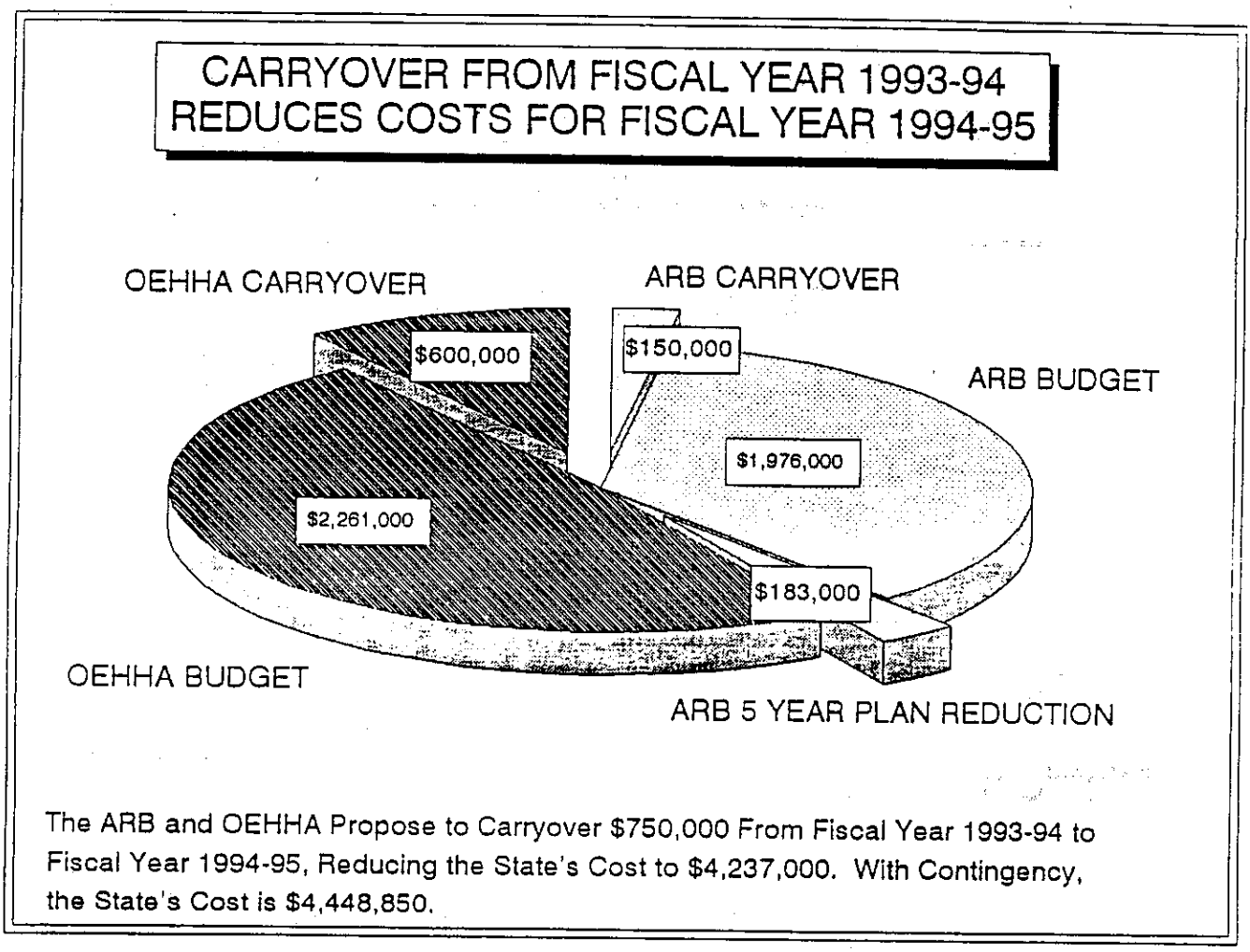
CARRYOVER FROM FISCAL YEAR 1993-94
REDUCES COSTS FOR FISCAL YEAR 1994-95
OEHHA CARRYOVER
ARB CARRYOVER
$600,000
$150,000
ARB BUDGET
$1,976,000
$2,261,000
$183,000
OEHHA BUDGET
ARB 5 YEAR PLAN REDUCTION
The ARB and OEHHA Propose to Carryover $750,000 From Fiscal Year 1993-94 to Fiscal Year 1994-95, Reducing the State's Cost to $4,237,000. With Contingency, the State's Cost is $4,448,850.

Table 1

Current Year Budget and Reduced Proposal

FY 1993-94	ARB	OEHHA	Total
Initial Proposed FY 93/94	2,396,000	3,231,000	5,627,000
Reduced SB 1731 Activity	0	-457,000	-457,000
	2,396,000	2,774,000	5,170,000
FY 1994-95 Governor's Budget			
94/95 Budget Change Proposal: Five Year Plan Reductions	-335,000	0	-335,000
Statewide Technical Budget Adjustments (Mid-Year 93/94*)	29,000	27,000	56,000
Statewide Technical Budget Adjustments (FY 94/95*)	36,000	60,000	96,000
Permanent Reduction	-270,000	87,000	-183,000
Initial Proposed FY 94/95	2,126,000	2,861,000	4,987,000
Reduced Proposal			
Excess Program Savings Carry-over	-150,000	-600,000	-750,000
Reduced Proposed FY 94/95	1,976,000	2,261,000	4,237,000

* Includes employee salary adjustments, price increase, and pro rata adjustments.

Table 2

Comparison of Distribution of State Costs Among Districts

DISTRICT	COST TOTAL 1993-94	COST TOTAL 1994-95	% DIFFER
AMADOR	8,877	9,693	9.2
BAY AREA	413,433	654,293	58.3
BUTTE	25,430	29,286	15.2
CALAVERAS	1,200	795	-33.8
COLUSA	23,751	21,905	-7.8
EL DORADO	6,717	7,744	15.3
FEATHER RIVER	18,233	15,867	-13.0
GLENN	21,840	15,281	-30.0
GREAT BASIN	12,235	12,657	3.4
IMPERIAL	17,273	23,750	37.5
KERN (DESERT)	55,092	17,556	-68.1
LAKE	4,318	4,559	5.6
LASSEN	3,838	3,954	3.0
MARIPOSA	480	820	70.9
MENDOCINO	8,877	17,085	92.5
MODOC	0	0	0.0
MOJAVE DESERT	80,586	77,341	-4.0
MONTEREY	126,464	55,433	-56.2
NORTH COAST	8,876	11,647	31.2
NORTHERN SIERRA	22,311	31,378	40.6
NORTHERN SONOMA	5,038	5,539	9.9
PLACER	32,627	34,242	4.9
SACRAMENTO	102,835	97,612	-5.1
SAN DIEGO	301,627	220,552	-26.9
SAN JOAQUIN VALLEY	812,333	639,523	-21.3
SAN LUIS OBISPO	61,773	34,891	-43.5
SANTA BARBARA	66,934	77,568	15.9
SHASTA	42,092	25,680	-39.0
SISKIYOU	1,439	2,010	39.7
SOUTH COAST	2,967,806	2,086,802	-29.7
TEHAMA	4,318	6,824	58.0
TUOLUMNE	7,677	15,335	99.8
VENTURA	116,843	147,109	25.9
YOLO-SOLANO	45,342	44,180	-2.6
Total State Budget	5,428,515	4,448,911	-18.0

Note: Totals include 5 percent adjustment factor.

Table 3

District Cost Comparison Between Fiscal Years 1993-94 and 1994-95*

District	Fiscal Year 1993-94	Fiscal Year 1994-95
Amador	21,943	21,943
Bay Area	375,000	375,000
Butte	38,272	17,715
Calaveras	0**	0
Colusa	13,750	16,500
El Dorado	20,505	11,392
Feather River	28,000	16,200
Glenn	8,995	4,000
Great Basin	5,500**	2,375**
Imperial	13,600	18,382**
Kern	64,234**	34,112**
Lake	5,800	5,800
Lassen	3,000**	2,161**
Mariposa	220	0**
Mendocino	26,714**	27,565**
Modoc	0	0
Monterey	594,463	500,000
Mojave Desert	406,789**	322,285**
North Coast	27,370	8,882
Northern Sierra	6,000	9,800
Northern Sonoma	10,240	5,300
Placer	62,009**	55,143
Sacramento	102,314**	105,409
San Diego	586,000	400,000
San Joaquin Valley	1,830,600**	1,302,900**
San Luis Obispo	67,588	27,830
Santa Barbara	297,200**	225,000**
Shasta	50,000	20,000
Siskiyou	4,000	4,000
South Coast	3,977,423**	3,076,734***
Tehama	9,090	8,840
Tuolumne	23,100**	9,000**
Ventura	285,000	292,000
Yolo-Solano	35,000	35,000**
	8,999,719	6,961,268

* Costs are estimates unless otherwise noted.
** District Board approved cost.
*** Reduced district cost is pending district-board approval

is placed in the Notification category. The fee will be different for each of these categories. These changes in individual facility status also change the district's share of the State's cost.

Most small businesses affected by this regulation will be included in the lowest two Program categories, and will pay average fees of less than $70. For small businesses which are included in the higher Program categories, we are proposing a fee cap of $300, down from $700 last year. We are also proposing an optional fee cap for the simplest facilities submitting Plans and Reports of $800, down from $1,000 last year. We estimate that over 90 percent of the facilities will pay average fees of less than $750 if they are in districts whose fee schedules are in this regulation.

In 1993, the ARB and the OEHHA staff prepared a plan that projects the State's resource requirements for the Hot Spots Program for the next five fiscal years. The purpose of the plan is to forecast Program requirements, with the goal of reducing resource needs, and streamlining the Program wherever possible. The plan was approved by the Air Resources Board its public hearing on July 8, 1993.

According to the plan, in the next five years the ARB will reduce its Hot Spots Program costs by about 40 percent, from $2,396,000 for fiscal year 1993-94 to $1,521,000 in fiscal year 1997-98. The OEHHA also will reduce its costs by about 40 percent, from $3,231,000 in fiscal year 1993-94 to $2,067,000 in fiscal year 1997-98.

B. PROGRAM ELEMENTS AND THE STATE'S ACTIVITIES

The purpose of the Hot Spots Act (Act) is to determine the extent and nature of toxic air pollutant releases and exposures; to notify the public of significant potential risks; and to reduce significant risks from near-source exposures in California. The Legislature found that facilities that manufacture or use hazardous substances may routinely expose surrounding populations to toxic air pollutants. The Legislature also determined that the emission information available was not sufficient to assess the potential health impacts of these exposures. The Act was amended in 1992 to require significant risk facilities to implement risk reduction plans.

The Act applies to any facility that manufactures, produces, uses, or releases a listed substance and that emits more than ten tons per year (TPY) of a criteria pollutant[2]. Facilities that emit less than ten TPY of a criteria pollutant are subject to the requirements of the Hot Spots Act if they are part of a facility class included in the ARB's Hot Spots emission

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

reporting requirements. Facilities that are listed on a district's toxics emission survey, inventory, or report are also subject to emission reporting requirements.

The requirements of the Act have been phased in. Beginning in 1989, Phase I requirements applied to facilities that emitted over 25 TPY of criteria pollutants and that manufactured, produced, used, or released a listed substance. These facilities--as well as facilities on district toxics inventories, reports or surveys--made up Phase I of the program. Requirements for Phase II facilities began in 1990. Phase II facilities emitted 10-25 TPY of criteria pollutants and manufactured, produced, used, or released a listed substance. Phase III included facilities that emitted less than ten TPY of criteria pollutants; fell within certain industrial classes; and produced, emitted, or used a listed substance. The Phase III requirements, which began in 1991, must be completed two years after the corresponding deadlines for Phase I facilities. The number of facilities subject to the Act are as follows:

4,600 Phase I facilities
1,500 Phase II facilities
24,100 Phase III facilities

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

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

Facilities subject to the Act must prepare air toxics emission inventory plans that indicate how emissions will be measured or calculated. These plans must be reviewed by the district. Upon approval by the district, the facility operator must implement the plan by submitting an inventory of emissions to the district within 180 days. The information from the facilities is tracked by the districts every four years, and updated if necessary.

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

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

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

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

The ARB also has a role in the risk reduction element of the Program. We are required to provide assistance to the districts and smaller businesses in obtaining information, assessing risk reduction methods, and applying risk reduction techniques. For industries comprised mainly of small businesses, we are required to develop a self-conducted audit and checklist to assist them in meeting the requirements of the program. We are developing industry-specific audit and plan checklists for several industries which may save the affected industries the costs of individually evaluating risk reduction methods.

Figure 3 summarizes the State's implementation activities under the Hot Spots Program.

Figure 3

State Hot Spots Program Implementation Activities

- Regulatory Development and Implementation (ARB)

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

- Methods Development and Review (ARB)

  --review source tests
  --review and approve alternative test methods in inventory plans and reports
  --review and comment on pooled source test proposals
  --conduct toxics source test seminars for district staff
  --develop air toxics emission factors

- Air Toxics Emission Data System (ATEDS) (ARB)

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

- Emission Data Collection, Validation (ARB)

  --conduct initial data review
  --correct data (with district concurrence)
  --conduct quality control checks and correct data
  --follow-up with districts on data submittal and collection procedures
  --data entry contract

Figure 3 (continued)

- Health Risk Assessment Review (OEHHA)

  --review health risk assessments submitted by districts
  --correct health risk assessments that are inaccurate
  --identify areas of incompleteness in health risk assessments
  --supply comments to the district regarding health risk assessments
  --assist the district staff in interpreting the results of a health risk assessment

- Development of Noncancer Methods, Health Guidance Values, and Acute Effects Database (OEHHA)

  --identify new cancer potencies
  --identify new chronic and acute health exposure levels
  --develop chemical potencies for cancer causing agents
  --develop health reference exposure levels for substances causing acute and chronic health effects
  --develop noncancer health risk assessment methods
  --develop and operate a chemical database for substances having acute effects

- Risk Assessment Assistance (OEHHA or ARB as noted)

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

- Develop Public Notification Procedures (OEHHA - health assessment, ARB - exposure assessment)

  --assist districts and facilities with public notification procedures and public meetings

- Participate in Public Notification Workshops and Hearings (OEHHA and ARB)

Figure 3 (continued)

- Health Risk Assessment Guideline Development (OEHHA)

  --develop new facility risk assessment guidelines
  --develop risk expressions that describe the probability and uncertainty in the risk assessment
  --develop microenvironmental, dispersion modeling (ARB to assist), and demographic factors for facility specific health risk assessments
  --coordinate with the CAPCOA and the ARB
  --notify the public of guidelines developed
  --hold public workshops to discuss guidelines
  --present guidelines to Scientific Review Panel for comment
  --provide guidance to districts
  --review supplemental health risk assessment information
  --revise and update guidelines as appropriate

- Risk Reduction Guidelines and Checklists Development (ARB)

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

C. PUBLIC PARTICIPATION

Following the July 1993 Air Resources Board Hearing which approved the Air Toxics Hot Spots amendments for fiscal year 1993-94, we held numerous meetings and teleconferences with representatives from industry, industry associations, and districts to refine the definition of small business used in last year's Fee Regulation.

The Air Toxics Hot Spots Fee Regulation Committee (Committee) was established in 1988 to develop the initial Fee Regulation. The Committee includes representatives from the districts, the ARB, and the OEHHA. The Committee met on December 3, 1993 and February 3, 1994 to discuss the proposed changes to the Fee Regulation for fiscal year 1994-95. On December 16, 1993, March 15, 1994, and April 20, 1994, the Committee held teleconferences to discuss the proposed changes. Representatives from all districts were invited to attend the Committee meetings.

We also held three public workshops in 1994 during the development of amendments to the Fee Regulation. We sent workshop notices to over 6,000 facility operators and members of the public. The notices included a summary of proposed changes and the proposed regulation. The locations and dates of the workshops are listed below:

Fresno on April 26, 1994
Sacramento on April 27, 1994
Los Angeles on April 28, 1994

The reader should note that since the above workshops were conducted on a proposed fee regulation, the South Coast Air Quality Management District (SCAQMD) updated information on the number of facilities subject to the Program. The district found that fewer facilities are subject, and many of the facilities are of lesser complexity than previously determined and reported to us by the April 1 deadline. As a result, the fees presented in this report differ from those presented in the workshops. Because of the change in facility count, the SCAQMD's share of the State's cost is lower than reported in the workshop notice. Many other districts' share of the State's cost has increased from the workshop notice. We will be continuing to work with district staff up to the Board hearing to further evaluate the number of facilities in the South Coast Air Basin affected by this regulation.

In addition to the public workshops, we held five separate meetings and a teleconference for representatives from the affected industries and industry associations. At each of these meetings and workshops, we received valuable input, comments, and suggestions. All of these were considered, and many of these suggestions were incorporated into the final proposal.

D. PROPOSED CHANGES TO THE FEE REGULATION

We propose one major change and several minor changes to the Fee Regulation for fiscal year 1994-95. Appendix I contains the proposed amendments and defines terms. The proposed changes are summarized below:

- The major change to the Fee Regulation is the reduction in the State's costs. In accordance with our five year plan, the Governor's proposed budget reflects a $183,000 permanent decrease in costs for the Hot Spots Program. In addition, both the ARB and the OEHHA are able to carry-over $750,000 of savings from prior years to reduce costs for fiscal year 1994-95. Allocation of the State's costs and facility fees are based on the reduced State's costs in our proposal, not the cost in the Governor's budget.

- We propose to include industrywide facilities in the fee calculation method which determines each district's share of the State's costs. The State incurs a cost for all facilities subject to the Act. Because the State has a cost associated with industrywide facilities, it is equitable to assess a district a fee based on the number of industrywide facilities in the district.

  At the recommendation of the Committee, we propose to assess each district $15.00 per industrywide facility. Districts have the option to directly charge their industrywide facilities this $15.00 State fee, or to have other facilities within the district defray the State's industrywide costs.

- We propose to increase the State's portion of costs for the facilities in the Notification and Audit and Plan categories. This proposal is in accordance with the Senate Bill 1378, McCorquodale, requirement to base fees on toxic emissions and the health risk priority of the facility. The Notification and Audit and Plan facilities have a higher health risk priority assigned by the district, hence these facilities pose a higher potential health risk. We also subdivided the Notification and Audit and Plan categories to account for complexity of the facility.

- We propose to change several other resource indexes to better reflect workload. We added a district resource index for risk assessments in the Simple category instead of using a fixed flat fee as done previously. We reduced the district resource indexes for risk assessments being reviewed by the State in the Intermediate and Complex categories to better correspond with workload.

- We are proposing to include a labor tracking provision in our proposed changes. Under the proposal, the Office of Environmental Health Hazard Assessment would initiate a program

to track their time spent on risk assessment review during fiscal year 1994-95. The purpose of labor tracking is to establish a database that will be used to assess efficiency and to predict future workload.

- At the request of the Santa Barbara Air Pollution Control District (APCD), we are proposing to establish a fixed cost for the State review of health risk assessments for facilities that had their health risk assessments prepared for them by the district. If the district prepared the risk assessment using an automated computer program approved by the ARB, Risk Assessment-State (Intermediate) facilities will pay a State cost of $1,535 instead of $3,345, and Risk Assessment-State (Complex) facilities will pay a State cost of $1,780 instead of $7,505. The appropriate district cost will be added to this cost to arrive at a facility fee. Risk assessments prepared using an automated program usually require less State time to review. Therefore, the facility should be charged a lesser fee.

- We propose to include a provision in the regulation for a facility that becomes subject to the Act after ARB adoption of the Fee Regulation. If the facility is required by the district to prepare an Inventory Plan and Report during the applicable fiscal year, we are proposing that the facility pay the Plan and Report (Simple) fee for that fiscal year. This provision is needed to allow districts to recover the costs associated with new facilities.

- We propose to revise the list of districts that have requested the ARB to establish fee schedules as part of the Fee Regulation. If requested, the ARB adopts fee schedules for districts that submit district board-approved costs by April 1. The proposed changes add fee schedules for the districts who met this requirement and delete fee schedules for districts that will be adopting local fee rules.

- We propose to update the fee schedules. The schedules need to be updated to reflect changes in anticipated State and district program costs for fiscal year 1994-95 and changes in the number of facilities in each category.

- We propose to update district-specified flat fees for facilities included in the Survey and Industrywide facility program categories. A Survey facility is one that emits less than ten TPY of criteria pollutants and is required to submit a one-time survey to the district. An industrywide facility is a facility included in an industrywide emission inventory prepared by the district. These modifications more accurately reflect the average cost of the program activities for these facilities.

- We propose to update Appendix A of the Fee Regulation. Appendix A is the list of district air toxics inventories, reports, or surveys. The San Luis Obispo and San Joaquin Valley Unified (APCDs) have updated their district toxics inventories.

- We propose to clarify the procedure to be followed in calculating the revenues collected from specified flat fees. The proposed changes specify that the ARB instead of the districts will perform the calculations.

- We propose to add several new definitions and modify two definitions. New definitions were added for the sub-categories of the Notification and Audit and Plan categories. The definition for industrywide facilities is modified to clarify applicability. The definition for Risk Assessment-State is modified to include a new one-year period of applicability. This change is necessary so that a facility is not assessed the fee for this category more than once.

- We propose to revise the notation for the definitions. The alphabetic notation of some of the Fee Regulation was modified to reflect the new definitions which were added for the Notification and Audit and Plan categories. All references in other sections of the Fee Regulation were modified to reflect the new alphabetic notation of the definitions.

- We propose to reduce the fee cap for facilities qualifying as small businesses from $700 to $300. This change will pass some of the Program cost savings to this category of facilities.

- We propose to reduce the fee cap for facilities in the Plan and Report (Simple) category from $1,000 to $800. This change will pass some of the Program cost savings to this category of facilities.

- At the request of the Mojave Desert Air Quality Management District, we propose to add a fee cap for facilities in the Risk Assessment-District (Simple) category. The new fee cap of $2,000 would be at the option of the district. This fee cap would keep the fee for this category closer to the fee for the same category for the previous year, and would reduce the overall economic impact of changes in the fee schedules for facilities in this category.

E. ESTIMATED FACILITY FEES FOR FISCAL YEAR 1994-95

Approximately 30,000 facilities statewide will be subject to the Hot Spots Program requirements and fees in fiscal year 1994-95. Twelve districts are requesting that the ARB adopt their fee schedules. The other 22 districts are required to adopt a district fee rule to recover their cost and their portion of the State's cost. Figure 4 lists the districts that will have fees adopted by the ARB and the districts that will adopt their own fee rules. Each facility fee is the sum of the district portion and the State portion for facilities in that category. The State portion for any category is uniform for all districts. Table 4 summarizes the average facility fees in the twelve districts for which ARB is adopting fee schedules.

Table 5 summarizes the range of proposed fees in those twelve districts. Over 90 percent of the facilities subject to the regulation are in the Survey, Industrywide, and Plan and Report (Simple) categories. Of these facilities, 13 percent are in Survey, 78 percent are in Industrywide, and nine percent are in Plan and Report (Simple).

Without the $183,000 permanent reduction in the State's costs, the average State portion of fees would be higher than shown by $31, or four percent. Without the total reduction of $933,000 in the State's costs, the average State portion of fees would be higher by $160, or 18 percent.

Figure 4

State and Air District Adoption of Fees

Districts Included in the State Fee Regulation

Great Basin	Imperial	Kern
Lassen	Mariposa	Mendocino
Mojave Desert	San Joaquin Valley	Santa Barbara
South Coast	Tuolumne	Yolo-Solano

Districts Adopting Local Fee Rules

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

Table 4

Average Facility Fees*

Program Category	Total Fees (Average)**
Survey	70
Industrywide	68
Plan and Report	
Simple	746
Intermediate	1,732
Complex	3,636
Risk Assessment - Under Review by the District***	
Simple	1,404
Intermediate	2,797
Complex	8,257
Risk Assessment - Under Review by the State****	
Simple	1,724
Intermediate	4,200
Complex	13,152
Notification	
Simple	NONE
Intermediate	32,852
Complex	33,634
Audit and Plan	
Simple	NONE
Intermediate	18,107
Complex	16,697

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

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

*** Facilities whose risk assessment is being reviewed by the district. The risk assessment was not submitted to the state between April 1, 1993, and March 31, 1994.

**** Facilities whose risk assessment was submitted to OEHHA for review between April 1, 1993, and March 31, 1994.

Table 5

Range of Proposed Facility Fees*

Program Category	State Portion	District Portion* (range)	Total Fees (range)
Survey	0	25 - 100	25 - 100
Industrywide	15	0 - 235	15 - 250
Plan and Report			
Simple	490	0 - 633	490 - 1123
Intermediate	735	210 - 3920	945 - 4655
Complex	980	701 - 13066	1681 - 14046
Risk Assessment - Under Review by the District**			
Simple	490	143 - 1510	633 - 2000
Intermediate	735	358 - 4343	1092 - 5078
Complex	980	1073 - 19599	2052 - 20579
Risk Assessment - Under Review by the State***			
Simple	751	807 - 1266	1558 - 2017
Intermediate****	3344	1210 - 1899	3434 - 4613
Complex*****	7502	4034 - 8686	11535 - 16188
Notification			
Simple	NONE		
Intermediate	6719	26133	32852
Complex	7502	26133	33634
Audit and Plan			
Simple	NONE		
Intermediate	8023	10084	18107
Complex	8806	5697 - 10084	14503 - 18890

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

** Facilities whose risk assessment is being reviewed by the district. The risk assessment was not submitted to the state between April 1, 1993 and March 31, 1994.

*** Facilities whose risk assessment was submitted to OEHHA for review between April 1, 1993 and March 31, 1994.

**** State portion for Santa Barbara district is 1535.

***** State portion for Santa Barbara district is 1780.

F. ENVIRONMENTAL AND ECONOMIC IMPACTS

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

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

G. RECOMMENDATION

We recommend that the Board adopt the proposed amendments to the Fee Regulation for fiscal year 1994-95. These amendments are described in more detail in Chapter V and are contained in Appendix I to this report.

I.

INTRODUCTION AND OVERVIEW

A. INTRODUCTION

In this report, the staff of the Air Resources Board (ARB) presents recommended changes to the Air Toxics Hot Spots Fee Regulation (Fee Regulation) for fiscal year 1994-95. Appendix I contains the proposed changes. The Fee Regulation authorizes each air pollution control district or air quality management district (district) to collect fees to recover the State's and districts' costs of implementing the Air Toxics "Hot Spots" Information and Assessment Act of 1987 (the Act or Program). Appendix II contains the Act.

The State's and air districts' costs of implementing the Act are recovered from fees paid by facilities in the Program. The Fee Regulation was first adopted in 1988, as required by the Act, and has been revised annually. We propose to continue using the method developed in 1993 to distribute the State's costs among districts and to calculate fee schedules for specific districts. This method relates a facility's fees to its emissions of toxic substances, potential health risk priority, and workload.

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

We are proposing several changes to the Fee Regulation for fiscal year 1994-95. These changes are described in Chapter V. The environmental and economic impacts of the regulation are described in Chapter VI. The economic analysis includes the impact on both government and non-government agencies, and the possible effects on jobs and businesses. An evaluation of the alternatives and our recommendation is contained in Chapter VII.

B. FIVE YEAR PLAN

The ARB and the OEHHA staff prepared a plan in 1993 which projects the State's resources for the Program for five fiscal years, starting with

fiscal year 1993-94. The reductions in resources that we outlined are based on the assumption that there will be no new legislated mandates or significant program changes. The Plan forecasts Program requirements, with the goal of reducing resource needs, and streamlining the Program where possible. The ARB staff presented the Plan to the Air Resources Board at a public hearing on July 8, 1993.

In the next five years, we propose to reduce the ARB's Hot Spots resources about 40 percent, from $2,396,000 for fiscal year 1993-94 to $1,521,000 in fiscal year 1997-98. The OEHHA also proposes to reduce its resources about 40 percent, from $3,231,000 in fiscal year 1993-94 to $2,067,000 in fiscal year 1997-98. We plan to make reductions in nearly every Program area.

C. PROPOSED CHANGES

In 1993, we changed the basis for distributing the State's costs among districts and for calculating fees. The previous method, which based fees on criteria pollutant emissions, was changed to a method based on air toxics emissions and workload. The reason for this change was to conform with legislation, Senate Bill 1378 (McCorquodale; Statutes of 1992; Chapter 375). Senate Bill 1378 requires fees to be based on toxics emissions and the health risk priority assigned to a facility by the district. In 1994-95, we propose to use the same basic method as in 1993-94, with some minor modifications to make the fees more equitable and further conform to Senate Bill 1378. In 1994-95, we are proposing one major change to the Fee Regulation as well as several minor changes.

1. Major Change to the Regulation

The major change to the Fee Regulation is the reduction in the State's costs by $933,000. Of this amount, $183,000 is a permanent decrease in costs for the Program. In addition, both the ARB and the OEHHA are able to carry-over savings totaling $750,000 from previous years.

2. Minor Changes to the Fee Regulation

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

- Include the number of industrywide facilities in each district when calculating each district's share of the State's costs.
- Increase the State's cost for facilities in the Notification and Audit and Plan categories in accordance with Senate Bill 1378. We also propose to subdivide the Notification and Audit and Plan categories to account for facility complexity.
- Modify the indexes that determine the ratio of fees among program categories to better conform with workload, health risk priority, and potential economic impact.

- Include a labor tracking provision. Under the proposal, the OEHHA would initiate a program to track their time spent on risk assessment review during fiscal year 1994-95.

- Specify a State cost for Intermediate or Complex facilities in the Santa Barbara district that have risk assessments that were prepared by the district using an automated risk assessment program and are being reviewed by the State. This would result in lower fees for these facilities.

- Include a provision allowing districts to assess fees on facilities that become subject to the Act after the ARB adopts the Fee Regulation. This would include those facilities required to prepare an Inventory Plan and Report during the applicable fiscal year. We are proposing that these facilities pay the Plan and Report (Simple) fee for that fiscal year.

- Revise the list of districts that have requested the ARB to establish fee schedules as part of the Fee Regulation. If requested, the ARB is required to adopt fee schedules for districts that submit their board-approved costs by April 1. The proposed changes add fee schedules for the districts who met this requirement and deletes fee schedules for districts that will be adopting local fee rules.

- Update the fee schedules. The schedules need to be updated to reflect changes in anticipated State and district program costs for fiscal year 1994-95.

- Update district-specified flat fees for facilities included in the Survey and Industrywide facility program categories. These modifications more accurately reflect the average cost of the program activities for these facilities.

- Update Appendix A of the Fee Regulation to include updates from the San Luis Obispo and San Joaquin Valley Unified APCDs.

- Clarify the procedure to be followed in subtracting revenues collected from specified flat fees. The changes specify that the ARB instead of districts will perform the calculations.

- Add several new definitions and modify two definitions. New definitions were added for the sub-categories of the Notification and Audit and Plan categories. The definition for industrywide facilities is modified to clarify applicability. The definition for Risk Assessment-State is modified to include a new one-year period of applicability. This change is necessary so that a facility is not assessed the fee for this category more than once.

- Revise the notation for the definitions. The alphabetic notation of section 90701 of the Fee Regulation was modified to reflect the new definitions which were added for Notification and Audit and Plan

categories. All references in other sections of the Fee Regulation were modified to reflect the new alphabetic notation of the definitions.

- Reduce the fee cap for facilities qualifying as small businesses from $700 to $300. This change will pass some of the Program cost savings to this category of facilities.

- Reduce the fee cap for facilities in the Plan and Report (Simple) category from $1,000 to $800. This change will pass some of the Program cost savings to this category of facilities.

- Add a fee cap for facilities in the Risk Assessment-District (Simple) category. The new fee cap of $2,000 would be at the option of the district. This fee cap would reduce the overall economic impact of changes in the fee schedules for facilities in this category.

II.

PROGRAM ELEMENTS

A. INTRODUCTION

This Chapter discusses the program requirements and benefits as established in the Air Toxics "Hot Spots" Information and Assessment Act of 1987 (Assembly Bill 2588). This Chapter also describes which facilities are subject to the Program and changes made to the Hot Spots Act since 1987.

B. ASSEMBLY BILL 2588

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

Under this Act, operators of stationary sources are required to report the type and quantity of certain substances routinely emitted into the air. Air emissions that result from the routine operation of a facility or that are predictable must be reported. The goals of the Act include the following: 1) inventory air toxics emissions from stationary sources, 2) assess the potential health risks from these emissions, 3) notify the public of potentially significant health risks, and 4) require high risk facilities to reduce their emissions below a specified level of significance.

1. Applicability

a. General

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

(1) The facility manufactures, formulates, uses, or releases a listed substance (or substance which reacts to form a listed substance) and emits ten tons per year (TPY) or more of total organic gases, particulate matter, nitrogen oxides, or sulfur oxides.

(2) The facility is listed in any current toxics use or toxics air emission survey, inventory, or report released or compiled by a district.

(3) The facility manufactures, formulates, uses, or releases a listed substance (or substance which reacts to form a listed substance) and emits less than ten TPY of each criteria pollutant and is subject to the emission inventory requirements.

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

4,600 Phase I facilities
1,500 Phase II facilities
24,100 Phase III facilities

b. Exemptions

Health and Safety Code section 44324 exempts certain uses of pesticides from the Act. Pesticides used in facilities are exempt unless that facility was subject to district permit requirements on or before August 1, 1987. This category of sources is exempt from certain program requirements and from the Fee Regulation.

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

Certain agricultural facilities are exempted from some reporting requirements and fees. This exemption is a result of new legislation, Assembly Bill 956. The provisions of Assembly Bill 956 are covered in more detail in the section C.5. of this Chapter.

2. Reporting Requirements

Facilities subject to the Act must prepare air toxics emission inventory plans. Reviewed by the district, these plans describe how emissions will be measured or calculated. Upon approval, the facility operator must implement the plan by submitting an inventory of emissions to the district within 180 days. The information from the facilities is tracked every four years and updated if necessary. The Emission Inventory Criteria and Guidelines Regulation, adopted by the ARB, contains detailed Program emission reporting requirements.

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

3. Emission Inventory Regulation

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

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

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

4. Prioritization, Risk Assessment, and Public Notification

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

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

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

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

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

5. Fee Regulation

The Act requires the ARB to adopt a regulation that recovers the State's costs, and the districts costs if requested. State costs include those incurred by the OEHHA and the ARB. The Act requires the State to set an additional fee in the Fee Regulation to cover the direct costs to the State or the districts to review supplemental health risk information as defined in the Act. If a district chooses, it may adopt it own fee regulation.

a. State Adopted Fee Schedules

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

b. Collection Process

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

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

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

6. Benefits of the Program

The State uses the data obtained from the Program to prioritize substances for identification as toxic air contaminants and to develop statewide control strategies. The inventory information is also used by the ARB to identify small businesses on which to focus risk reduction guidance efforts.

Industry can benefit from the emissions inventory and the health risk assessments. This information helps industry identify and implement risk reduction measures now required under the Act. A facility's awareness of the magnitude and scope of its toxic emissions allows that facility to determine the most effective risk reduction measures to apply at a reasonable cost. Facilities can also use the inventory information to identify and modify the industrial processes posing the greatest potential risk to public health. With a heightened awareness, numerous facilities have voluntarily reduced air toxic pollutant emissions as a result of the Program.

Districts are also using the Program's information to develop policies for reducing air toxics exposures. The information is also being used to make decisions on permit applications and to determine which facility operators will be required to prepare risk reduction audits and plans.

C. AMENDMENTS TO THE HOT SPOTS ACT

1. Assembly Bill 4070

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

a. District Fee Rules

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

2. Senate Bill 1378

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

3. Senate Bill 1731

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

a. Risk Reduction Audits and Plans

Whenever a district judges that the emissions from a facility pose a potentially significant risk, Senate Bill 1731 requires the facility operator to conduct a risk reduction audit and develop a plan to implement airborne toxic risk reduction measures. These measures include changes in production processes or materials, operation and maintenance, and emission control methods. The plan must result in reduction of emissions to a level below the significant risk level within five years. Under certain circumstances, the district may either lengthen (up to five additional

years) or shorten the time period to implement the plan. However, once a district identifies or determines that a facility presents a significant risk, facility owners have six months to submit their risk reduction audit and plan to the district.

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

4. Assembly Bill 1060

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

5. Assembly Bill 956

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

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

III.

PROGRAM ACTIVITIES

A. INTRODUCTION

This Chapter discusses activities of the governmental agencies that administer the Program. The 34 districts, the ARB, and the OEHHA work together to implement the Hot Spots Program statewide. The Act specifies tasks that must be performed by these agencies, with each agency assigned specific tasks.

B. STATE ACTIVITIES

The ARB and the OEHHA are responsible for specific programmatic tasks specified in the Hot Spots law. Figure 5 summarizes the state's activities. These activities are described in detail below.

1. Air Resources Board Activities

a. Regulation Development

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

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

Figure 5

State Hot Spots Program Implementation Activities

- Regulatory Development and Implementation (ARB)

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

- Methods Development and Review (ARB)

  --review source tests
  --review and approve alternative test methods in inventory plans and reports
  --review and comment on pooled source test proposals
  --conduct toxics source test seminars for district staff
  --develop air toxics emission factors

- Air Toxics Emission Data System (ATEDS) (ARB)

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

- Emission Data Collection, Validation (ARB)

  --conduct initial data review
  --correct data (with district concurrence)
  --conduct quality control checks and correct data
  --follow-up with districts on data submittal and collection procedures
  --data entry contract

Figure 5 (continued)

- Health Risk Assessment Review (OEHHA)

  --review health risk assessments submitted by districts
  --correct health risk assessments that are inaccurate
  --identify areas of incompleteness in health risk assessments
  --supply comments to the district regarding health risk assessments
  --assist the district staff in interpreting the results of a health risk assessment

- Development of Noncancer Methods, Health Guidance Values, and Acute Effects Database (OEHHA)

  --identify new cancer potencies
  --identify new chronic and acute health exposure levels
  --develop chemical potencies for cancer causing agents
  --develop health reference exposure levels for substances causing acute and chronic health effects
  --develop noncancer health risk assessment methods
  --develop and operate a chemical database for substances having acute effects

- Risk Assessment Assistance (OEHHA or ARB as noted)

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

- Develop Public Notification Procedures (OEHHA - health assessment, ARB - exposure assessment)

  --assist districts and facilities with public notification procedures and public meetings

- Participate in Public Notification Workshops and Hearings (OEHHA and ARB)

Figure 5 (continued)

- Health Risk Assessment Guideline Development (OEHHA)

  --develop new facility risk assessment guidelines
  --develop risk expressions that describe the probability and uncertainty in the risk assessment
  --develop microenvironmental, dispersion modeling (ARB to assist), and demographic factors for facility specific health risk assessments
  --coordinate with the CAPCOA and the ARB
  --notify the public of guidelines developed
  --hold public workshops to discuss guidelines
  --present guidelines to Scientific Review Panel for comment
  --provide guidance to districts
  --review supplemental health risk assessment information
  --revise and update guidelines as appropriate

- Risk Reduction Guidelines and Checklists Development (ARB)

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

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

b. Source Test Methods Development

Under the Emission Inventory Criteria and Guidelines Regulation, the ARB is responsible for specifying the test methods, when source testing is required, to quantify emissions of toxic pollutants from specific sources. This activity includes the development of emission test methods, the review of pooled source test proposals, the review of source test reports for quality assurance, and the approval of requests to use alternative test methods. For example, we have reviewed over 462 pooled source test proposals to date. To keep the district staff informed of source test procedures, we also conduct periodic seminars.

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

c. Air Toxics Emission Database

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

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

d. Emission Data Collection and Validation

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

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

2. Office of Environmental Health Hazard Assessment Activities

a. Risk Assessment Guidelines

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

b. Health Risk Assessment Review

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

c. Noncancer Methods, Health Guidance Values, and Acute Effects Database

The OEHHA identifies new cancer potencies, new chronic exposure levels, and new acute health exposure levels. The OEHHA also develops chemical potencies for cancer-causing agents and develops health reference exposure levels for substances causing acute and chronic health effects. In addition, OEHHA develops noncancer risk assessment methods and develops a chemical database for substances having acute effects.

3. Joint ARB/OEHHA Activities

a. Risk Assessment Assistance

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

b. Public Notification

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

c. Risk Reduction

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

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

For selected industries that are comprised of mainly smaller businesses, with substantially similar technology, the ARB is developing risk reduction guidelines which include a self-conducted audit and checklist. The ARB, in cooperation with the districts, will forward the checklist to the businesses to assist them in meeting the audit and plan requirements. The self-conducted audit and checklists will allow a small business operator to avoid the expense of developing an individual facility audit and plan. The checklists will make it easier to determine applicable measures to meet the requirements of the Act. We will work closely with affected industries and the districts in developing the risk reduction guidelines and self-conducted audit and checklists.

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

C. DISTRICT ACTIVITIES

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

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

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

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

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

IV.

PROGRAM COSTS AND FACILITY FEES

A. INTRODUCTION

This Chapter discusses the Program costs and fees from facilities to cover those costs of implementing the Act. As noted before, the costs for the ARB, the OEHHA, and the local districts are all decreasing for fiscal year 1994-95. The costs and resulting fees are explained in more detail in this Chapter.

When the Hot Spots Act first became law, the State's costs were distributed among the districts and individual facility fees were based primarily on criteria pollutant emissions. In 1993, as a result of SB 1378, we revised the basis for determining the allocation of the State's costs and facility fees to a method based on air toxics emissions and workload. Distribution of State's costs among districts and facility fees are now determined by the number of facilities in the various Program categories, the priority assigned to the facilities by the districts, and the complexity of the facility as determined by source classification codes.

In 1994, we propose to use the same basic method for distributing the State's cost and calculating fees as was used in fiscal year 1993-94. Some minor modifications are proposed to make the fees more equitable and to make them further conform with Senate Bill 1378.

B. GOVERNOR'S BUDGET FOR FISCAL YEAR 1994-95

The Governor's proposed budget for the Program for fiscal year 1994-95 is $4,987,000. This includes program costs of $2,861,000 for the OEHHA and $2,126,000 for the ARB. Appendix IV displays the Program budget for fiscal year 1994-95. In this Appendix, we show the cost and person years necessary to complete the tasks assigned to the ARB and the OEHHA to implement the Program. The budget for fiscal year 1994-95 is $183,000 less than the fiscal year 1993-94 budget approved by the Air Resources Board at the July 1993 hearing. The budget for fiscal year 1994-95 reflects a reduction of four personnel years (PYs) in accordance with the five year plan. It also includes a reduction in database and equipment costs and an increase for statewide technical budget adjustments.

C. PROPOSED COSTS FOR FISCAL YEAR 1994-95

Both the ARB and the OEHHA are able to carry-over savings from prior years to reduce the proposed costs for fiscal year 1994-95. The carry-over is in addition to the $183,000 permanent reduction under the five year plan. Figure 6 shows the State's costs for fiscal year 1994-95 with these proposed reductions. The ARB carry-over is $150,000, and the OEHHA carry-over is $600,000, for a total one-time carry-over of $750,000. This carry-over reduces the total proposed State's cost to $4,237,000. This reduction is $933,000, or 18 percent, from the approved fiscal year 1993-94 cost. We allocated the State's cost and calculated facility fees based on this reduced cost, not the cost in the Governor's proposed budget. Table 6 shows the 1994-95 budget and the reduced proposal.

D. DISTRIBUTION OF STATE COSTS

1. State Core Program Costs

In the Fee Regulation, we distributed the following State's core program cost to the districts over all facilities: source test method development, emission inventory, and regulatory development costs; noncancer risk assessment methods, health guidance values, and acute toxicity database development costs; risk assessment guideline development costs; and risk reduction guidance to small businesses costs.

We distribute source test methods, inventory, and regulation costs over all facilities for the following reasons. The development and review of source tests and pooled source tests are necessary for facilities to accurately report emissions. All facilities subject to the Act are required to submit toxics emission data using the criteria outlined in the Emission Inventory Criteria and Guidelines Regulation. To submit accurate toxics emission data, facilities must consult and follow this regulation. Each facility must submit documentation of their toxics emissions to the district and, subsequent to this, the data are forwarded to the ARB. We are responsible for data verification and compilation into the ATEDS. We are required by the Act to review and adopt a fee regulation. All facilities which are subject to the Act are subject to the Fee Regulation.

The State requires $1,369,000 to develop and implement its various tasks for source test methods, inventory, and regulations. This cost includes the computer contract at Teale Data Center for $175,000 and the key data entry contract for $59,000.

We distribute the development of noncancer risk assessment methods, health guidance values, and the acute effects database costs among all facilities as core program costs for the following reasons. The OEHHA is charged with identifying and developing chemical potencies and exposure levels in order to assess potential health risks posed by emissions. The districts evaluate the toxic air emissions from a facility, and prioritize the facilities using these potencies and exposure levels. The OEHHA's

Figure 6

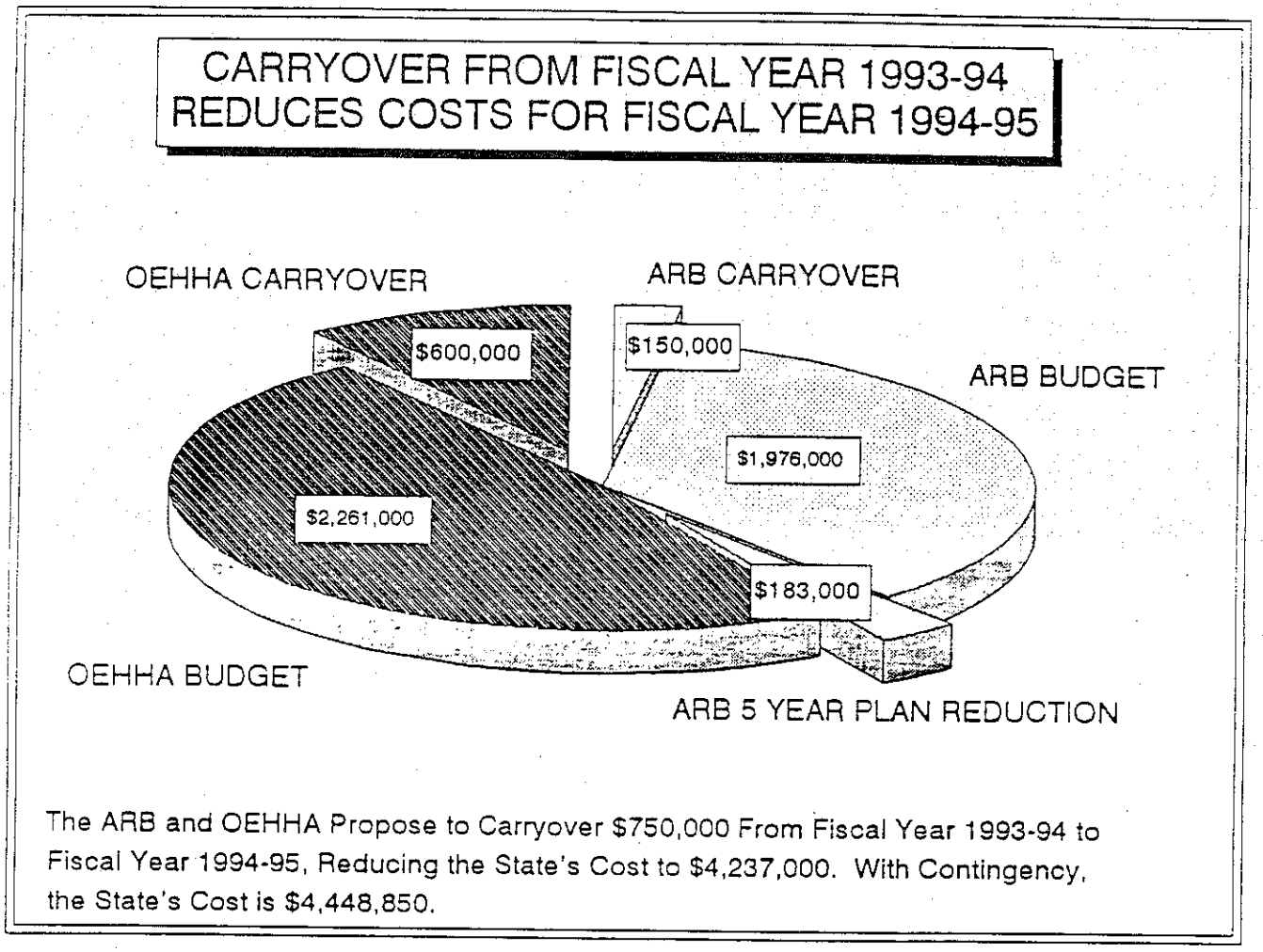

CARRYOVER FROM FISCAL YEAR 1993-94
REDUCES COSTS FOR FISCAL YEAR 1994-95
OEHHA CARRYOVER
ARB CARRYOVER
$600,000
$150,000
ARB BUDGET
$1,976,000
$2,261,000
$183,000
OEHHA BUDGET
ARB 5 YEAR PLAN REDUCTION
The ARB and OEHHA Propose to Carryover $750,000 From Fiscal Year 1993-94 to Fiscal Year 1994-95, Reducing the State's Cost to $4,237,000. With Contingency, the State's Cost is $4,448,850.

Table 6

Current Year Budget and Reduced Proposal

FY 1993-94	ARB	OEHHA	Total
Initial Proposed FY 93/94	2,396,000	3,231,000	5,627,000
Reduced SB 1731 Activity	0	-457,000	-457,000
	2,396,000	2,774,000	5,170,000
FY 1994-95 Governor's Budget			
94/95 Budget Change Proposal: Five Year Plan Reductions	-335,000	0	-335,000
Statewide Technical Budget Adjustments (Mid-Year 93/94*)	29,000	27,000	56,000
Statewide Technical Budget Adjustments (FY 94/95*)	36,000	60,000	96,000
Permanent Reduction	-270,000	87,000	-183,000
Initial Proposed FY 94/95	2,126,000	2,861,000	4,987,000
Reduced Proposal			
Excess Program Savings Carry-over	-150,000	-600,000	-750,000
Reduced Proposed FY 94/95	1,976,000	2,261,000	4,237,000

* Includes employee salary adjustments, price increase, and pro rata adjustments.

efforts to develop noncancer risk assessment methods and a chemical database for substances having acute effects are ongoing, used to calculate health guidance values, and are not directed at any specific facilities. All facilities, therefore, are assessed a cost for development of these values and the database. The State requires $851,000 to carry out the tasks for this area. This cost includes a contract for $370,000.

We distribute the cost to develop and implement the risk assessment guidelines required by Senate Bill 1731, Calderon, among all facilities. These guidelines will be used to continue to prioritize facilities. Facilities currently categorized as Plan and Report facilities will perform risk assessments based on these new guidelines. At this point, we do not know how many facilities will be required to perform health risk assessments using the new guidelines. For fiscal year 1994-95, the Governor's proposed budget includes risk assessment guidelines development costs of $1,029,000, including a contract for $250,000.

The ARB is mandated to assist smaller businesses in complying with the audit and plan provisions of Senate Bill 1731. We are developing risk reduction guidelines and facility-conducted checklists. The checklists will allow smaller businesses to avoid the cost of developing an individual audit and plan. By definition, smaller businesses would use these guidelines, but the facilities required to lower toxic emissions have yet to be identified. In light of this and to lessen the economic burden on these smaller businesses, we have distributed costs to develop these guidelines and checklists among all facilities as core program costs. The cost to develop the risk reduction guidelines in the Governor's proposed budget is $378,000.

2. State Risk Assessment Costs

The State's costs for health risk assessment review, risk assessment assistance, and public notification are distributed only among facilities required to perform risk assessments. These State costs are distributed among the Industrywide, State Risk Assessment, Notification, and Audit and Plan facilities.

The State's costs to review health risk assessments and provide risk assessment assistance are incurred in the following areas: reviewing risk assessments, developing industrywide risk assessment procedures, and verifying the meteorological and air dispersion modeling data from specific facilities. Therefore, these costs are spread only among facilities that are Industrywide, Risk Assessment-State, Notification, and Audit and Plan facilities. In the Governor's proposed budget, the cost for health risk assessment review is $901,000, and the cost for risk assessment assistance is $227,000. These costs include a contract for $500,000 for risk assessment review.

The State's cost for notification is also distributed among Industrywide, Risk Assessment-State, Notification, and Audit and Plan facilities. Only high risk facilities that the district determines pose a significant potential health risk must notify the exposed individuals. Many

Notification facilities may be required to conduct audits and prepare plans to lower their risk below significant levels. To lessen the economic impact, the cost for notification is distributed among all risk assessment facilities. We believe that this is equitable because only high priority facilities will be subject to these program requirements. In the Governor's proposed budget, the cost for public notification is $232,000.

3. Total State Costs Distribution

In the Governor's proposed budget, the total core program costs are $3,627,000, and the total risk assessment costs are $1,360,000, for a total State cost of $4,987,000. Using a carry-over of savings, as described in Section C of this Chapter, we propose to reduce the total program costs by $750,000 from the Governors proposed budget to a total of $4,237,000. With the adjustment factor, this total is $4,448,850. The adjustment factor of five percent is added to the State's cost to help ensure full cost recovery in the event of unforeseen business closures, nonpayment of fees, or other circumstances which would result in a shortfall in anticipated revenue. The method for distributing the State's costs among the districts is described in Appendix V.

4. Districts' Share of the State's Costs

As described earlier, we distribute the State costs among the districts using the number of facilities in each of the program categories and resource indexes for both the core program and risk assessment costs. The indexes are described in Appendix V of this report.

Subsequent to the April 1994 public workshops on the proposed amendments to Fee Regulation, the South Coast Air Quality Management District (SCAQMD) updated information on the number of facilities subject to the Program. The district found that fewer facilities are subject, and many of the facilities are of lesser complexity than previously determined and reported to us by the April 1 deadline. As a result, the fees presented in this report differ from those presented in the workshops. Because of this change in facility count, the SCAQMD's share of the State's cost is lower than reported in the workshop notice. The district's share of the State's cost for some other districts has increased from the workshop notice. With the new program costs and new facility count numbers, the portion of the State's costs for 15 of the districts would be reduced or unchanged from fiscal year 1993-94. The other 19 districts' share of the State's costs would increase. We will be continuing to work with district staff up to the Board hearing to further evaluate the number of facilities in the South Coast Air Basin affected by this regulation.

Table 7 compares the distribution of the State's costs among districts between fiscal year 1993-94 and fiscal year 1994-95. The difference between the total of Table 7 and the total of the State's costs described in paragraph 3 above is due to rounding. In most cases, a district's share of the State's cost has increased due to an increase in the number of facilities in a district, or the number of facilities moving to a higher priority category.

E. DISTRICT COSTS FOR FISCAL YEAR 1994-95

As of the writing of this report, we estimate that, again, approximately 30,000 facilities statewide will be subject to the requirements of the Hot Spots Program in fiscal year 1994-95. In the State's 34 districts, we estimate that the total of districts' costs to implement the Hot Spots Program for fiscal year 1994-95 will be $6,961,268. This represents a decrease of approximately 22 percent from the fiscal year 1993-94 total of $8,999,719. Table 8 shows that the anticipated districts' costs in 28 of the districts remains unchanged or is reduced from the districts' costs in fiscal year 1993-94.

Twelve districts received their Board's approval of program costs by April 1, 1994 and requested the ARB adopt fee schedules for them. These districts are indicated in Table 8 by a double or triple asterisk. The program costs for these twelve districts are decreasing from $6.7 million for fiscal year 1993-94 to $5.1 million for fiscal year 1994-95, an approximately 24 percent decrease.

Of the twelve districts requesting ARB adoption of facility fees, ten of these districts' costs remained unchanged or were reduced from fiscal year 1993-94, for a total reduction of $1,640,289. The other two districts are increasing their costs for a combined total of $5,633. Some of the changes in projected expenditures by districts may reflect changes in the number of facilities in the program and changes in the program categories of those facilities.

As noted above, Table 8 shows the anticipated district Program costs for all districts for fiscal year 1994-95. The Program costs shown in Table 8 may differ from the amounts shown in Table 2 of the Fee Regulation, "District Program Costs to be Recovered Through the Fee Regulation," which is the basis for the ARB fee calculations. This difference is due to adjustments for excess funds or deficits remaining from previous fiscal years and certain flat fees which are excluded from the fee calculations.

F. TOTAL PROGRAM COSTS

Total costs of the State and districts for fiscal year 1994-95 will be $11.2 million: 38 percent is the State's costs and 62 percent is the districts' costs. This figure represents a 21 percent decrease from fiscal year 1993-94. The cost for the State decreases from $5.2 million for fiscal year 1993-94 to $4.2 million for fiscal year 1994-95, an 18 percent decrease. The ARB's portion of the proposed State's cost is $2.0 million,

Table 7

Comparison of Distribution of State Costs Among Districts

DISTRICT	COST TOTAL 1993-94	COST TOTAL 1994-95	% DIFFER
AMADOR	8.877	9.693	9.2
BAY AREA	413.433	654.293	58.3
BUTTE	25.430	29.286	15.2
CALAVERAS	1.200	795	-33.8
COLUSA	23.751	21.905	-7.8
EL DORADO	6.717	7.744	15.3
FEATHER RIVER	18.233	15.867	-13.0
GLENN	21.840	15.281	-30.0
GREAT BASIN	12.235	12.657	3.4
IMPERIAL	17.273	23.750	37.5
KERN (DESERT)	55.092	17.556	-68.1
LAKE	4.318	4.559	5.6
LASSEN	3.838	3.954	3.0
MARIPOSA	480	820	70.9
MENDOCINO	8.877	17.085	92.5
MODOC	0	0	0.0
MOJAVE DESERT	80.586	77.341	-4.0
MONTEREY	126.464	55.433	-56.2
NORTH COAST	8.876	11.647	31.2
NORTHERN SIERRA	22.311	31.378	40.6
NORTHERN SONOMA	5.038	5.539	9.9
PLACER	32.627	34.242	4.9
SACRAMENTO	102.835	97.612	-5.1
SAN DIEGO	301.627	220.552	-26.9
SAN JOAQUIN VALLEY	812.333	639.523	-21.3
SAN LUIS OBISPO	61.773	34.891	-43.5
SANTA BARBARA	66.934	77.568	15.9
SHASTA	42.092	25.680	-39.0
SISKIYOU	1.439	2.010	39.7
SOUTH COAST	2,967.806	2,086.802	-29.7
TEHAMA	4.318	6.824	58.0
TUOLUMNE	7.677	15.335	99.8
VENTURA	116.843	147.109	25.9
YOLO-SOLANO	45.342	44.180	-2.6
Total State Budget	5,428.515	4,448,911	-18.0

Note: Totals include 5 percent adjustment factor.

Table 8

District Cost Comparison Between Fiscal Years 1993-94 and 1994-95*

District	Fiscal Year 1993-94	Fiscal Year 1994-95
Amador	21,943	21,943
Bay Area	375,000	375,000
Butte	38,272	17,715
Calaveras	0**	0
Colusa	13,750	16,500
El Dorado	20,505	11,392
Feather River	28,000	16,200
Glenn	8,995	4,000
Great Basin	5,500**	2,375**
Imperial	13,600	18,382**
Kern	64,234**	34,112**
Lake	5,800	5,800
Lassen	3,000**	2,161**
Mariposa	220	0**
Mendocino	26,714**	27,565**
Modoc	0	0
Monterey	594,463	500,000
Mojave Desert	406,789**	322,285**
North Coast	27,370	8,882
Northern Sierra	6,000	9,800
Northern Sonoma	10,240	5,300
Placer	62,009**	55,143
Sacramento	102,314**	105,409
San Diego	586,000	400,000
San Joaquin Valley	1,830,600**	1,302,900**
San Luis Obispo	67,588	27,830
Santa Barbara	297,200**	225,000**
Shasta	50,000	20,000
Siskiyou	4,000	4,000
South Coast	3,977,423**	3,076,734***
Tehama	9,090	8,840
Tuolumne	23,100**	9,000**
Ventura	285,000	292,000
Yolo-Solano	35,000	35,000**
	8,999,719	6,961,268

* Costs are estimates unless otherwise noted.
** District Board approved cost.
*** Reduced district cost is pending district-board approval

and the OEHHA's portion is $2.2 million. As discussed above in section D of this Chapter, a five percent adjustment factor is added to this amount. The estimated total Hot Spots Program costs, for the State and districts for fiscal year 1994-95, are shown in Figure 7.

G. FACILITY FEES

For the twelve districts requesting that ARB adopt their fee schedules, the individual facility fees are calculated using the method described in Chapter V, and the districts' and State's costs described in this Chapter. The other 22 districts are required to adopt their own fee rule to recover their costs and their portion of the State's cost. Figure 8 lists the districts requesting ARB adoption of facility fees and the districts adopting their own fee rules.

Appendix V contains the equations and sample calculations that were used to calculate facility fees. Each facility fee is the sum of the district portion and the State portion for facilities in that category. Table 9 shows the average facility fees for the twelve districts in the Fee Regulation. The State's cost for all categories is the same for all districts; however, the district costs vary. District Program costs in these twelve districts were approved by their district board at a public hearing.

Table 10 summarizes the range of proposed fees in the twelve districts for which the ARB is adopting fee schedules. Without the $183,000 permanent reduction in the State's costs, the average State portion of fees would be higher than shown by $31, or four percent. Without the total reduction of $933,000 in the State's costs, the average State portion of fees would be higher by $160, or 18 percent.

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

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

Figure 7

Estimated Total Program Costs

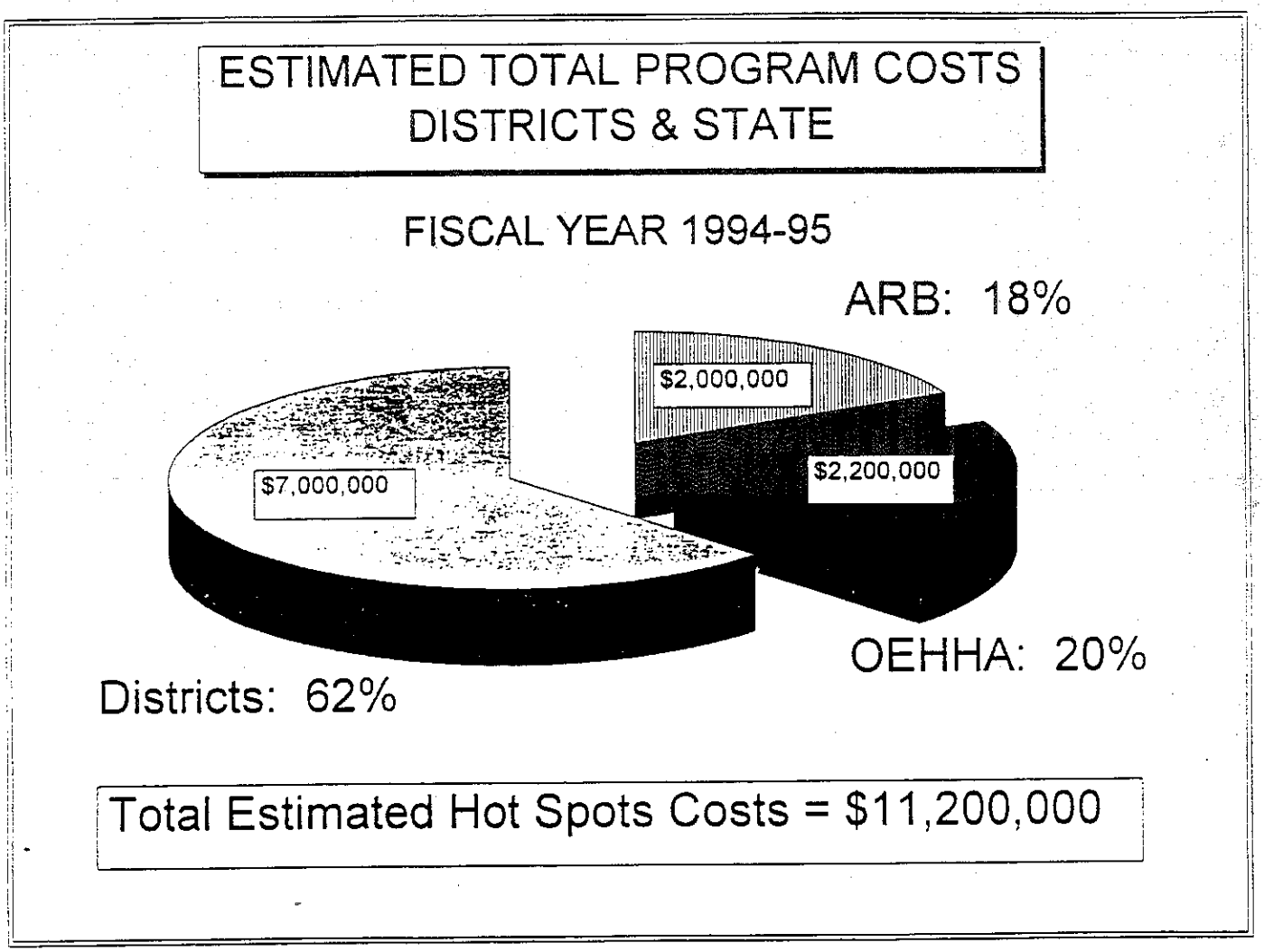


Figure 8

State and Air District Adoption of Fees

Districts Included in the State Fee Regulation

Great Basin	Imperial	Kern
Lassen	Mariposa	Mendocino
Mojave Desert	San Joaquin Valley	Santa Barbara
South Coast	Tuolumne	Yolo-Solano

Districts Adopting Local Fee Rules

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

Table 9

Average Facility Fees*

Program Category	Total Fees (Average)**
Survey	70
Industrywide	68
Plan and Report	
Simple	746
Intermediate	1,732
Complex	3,636
Risk Assessment - Under Review by the District***	
Simple	1,404
Intermediate	2,797
Complex	8,257
Risk Assessment - Under Review by the State****	
Simple	1,724
Intermediate	4,200
Complex	13,152
Notification	
Simple	NONE
Intermediate	32,852
Complex	33,634
Audit and Plan	
Simple	NONE
Intermediate	18,107
Complex	16,697

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

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

*** Facilities whose risk assessment is being reviewed by the district. The risk assessment was not submitted to the state between April 1, 1993, and March 31, 1994.

**** Facilities whose risk assessment was submitted to OEHHA for review between April 1, 1993, and March 31, 1994.

Table 10

Range of Proposed Facility Fees*

Program Category	State Portion	District Portion* (range)	Total Fees (range)
Survey	0	25 - 100	25 - 100
Industrywide	15	0 - 235	15 - 250
Plan and Report			
Simple	490	0 - 633	490 - 1123
Intermediate	735	210 - 3920	945 - 4655
Complex	980	701 - 13066	1681 - 14046
Risk Assessment - Under Review by the District**			
Simple	490	143 - 1510	633 - 2000
Intermediate	735	358 - 4343	1092 - 5078
Complex	980	1073 - 19599	2052 - 20579
Risk Assessment - Under Review by the State***			
Simple	751	807 - 1266	1558 - 2017
Intermediate****	3344	1210 - 1899	3434 - 4613
Complex*****	7502	4034 - 8686	11535 - 16188
Notification			
Simple	NONE		
Intermediate	6719	26133	32852
Complex	7502	26133	33634
Audit and Plan			
Simple	NONE		
Intermediate	8023	10084	18107
Complex	8806	5697 - 10084	14503 - 18890

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

** Facilities whose risk assessment is being reviewed by the district. The risk assessment was not submitted to the state between April 1, 1993 and March 31, 1994.

*** Facilities whose risk assessment was submitted to OEHHA for review between April 1, 1993 and March 31, 1994.

**** State portion for Santa Barbara district is 1535.

***** State portion for Santa Barbara district is 1780.

V.

EXISTING REGULATION AND PROPOSED CHANGES

A. INTRODUCTION

This Chapter discusses the proposed amendments to the Fee Regulation for fiscal year 1994-95, including changes to the regulation due to reductions in the State's cost, and other modifications. The proposed changes for fiscal year 1994-95 are modifications of the existing regulation, and do not fundamentally change any section of the regulation.

B. PUBLIC PARTICIPATION

Following the July 1993 Air Resources Board Hearing which approved the Air Toxics Hot Spots amendments for fiscal year 1993-94, we held numerous meetings and teleconferences with representatives from industry, industry associations, and districts to develop the definition of small business used in the Fee Regulation. These meetings and conferences extended from July 1993 through December 1993. In addition to developing the small business definition, we received comments and suggestions on developing proposed changes to the regulation.

Developing the proposed changes to the Fee Regulation required extensive coordination with district representatives, the Committee, and the public. The Committee includes representatives from the districts, the ARB and the OEHHA. Representatives from all districts were invited to all meetings of the Committee.

The Committee met twice in different areas of the State to develop the proposed changes and conferred three times by telephone conference. At these meetings, we received helpful suggestions for improving the fee basis. At each meeting, we gave the representatives a status report on the proposed changes.

We held three public workshops to elicit comments and suggestions on the proposed changes to the Fee Regulation. Notices of each workshop were sent to over 6,000 facility operators and members of the public. A copy of the workshop announcement is contained in Appendix VI.

In addition to the public workshops, we held five meetings and a teleconference with representatives from the affected industries and industry associations to discuss changes to the Fee Regulation. Representatives from environmental groups were also invited.

At each of these meetings and workshops we received valuable input, comments, and suggestions on the proposed changes. All of these were considered and many of these suggestions were incorporated into our final proposal.

A summary of the meetings and workshops held during the development process is as follows:

Chronology of Meetings for Fee Regulation, 1994-95

December 3, 1993	- Meeting of Fee Regulation Committee and Districts in Sacramento to discuss proposed changes for 1994-95.
December 16, 1993	- Teleconference with Fee Regulation Committee and districts to discuss proposed changes for 1994-95.
January 27, 1994	- Meeting with an industry association representative to discuss a fee for service concept.
February 3, 1994	- Meeting of Fee Regulation Committee at the San Francisco International Airport to review draft fees.
February 8, 1994	- Meeting with industry representatives regarding the proposed regulation.
March 15, 1994	- Teleconference with districts regarding changes and draft fees.
March 16, 1994	- Meeting with industry representatives regarding changes and draft fees.
March 21, 1994	- Meeting with industry representatives from the San Joaquin Valley regarding changes and draft fees.
March 23, 1994	- Meeting with an industry representative and OEHHA staff to discuss a fee for service concept.
April 20, 1994	- Teleconference with districts regarding changes and draft fees.
April 22, 1994	- Teleconference with industry and environmental representatives regarding changes and draft fees.

April 26, 1994 - Public Workshop in Fresno on proposed changes.

April 27, 1994 - Public Workshop in Sacramento on proposed changes.

April 28, 1994 - Public Workshop in Los Angeles on proposed changes.

C. CURRENT REGULATION

1. Basis for Existing Fees

The current regulation bases fees on a method which considers air toxics emissions, facility health risk priority as assigned by the districts, workload for both the State and districts, and economic impact. This is in accordance with Senate Bill 1378, McCorquodale.

2. Distribution of State and District Costs

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

For districts requesting the ARB to adopt fee schedules for them, flat fees are established for facilities in each of the program categories. Districts specify the fee amounts for the facilities in two of the categories, Survey and Industrywide. The basic formula used in calculating a fee for the other categories is as follows: the cost is divided by the weighted number of facilities. This equals a unit cost, or the cost for the simplest facility in a category. The unit cost is then multiplied by the resource index to get the cost for the more complex categories. This basic formula is used for all three of the types of costs associated with the program: district costs, State core program costs, and State risk assessment costs.

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

3. Existing Fee Calculation Method

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

- Survey facilities are facilities which emit less than ten TPY of criteria pollutants for which the facility operator must complete a survey of production, use, or other presence of listed substances.

- Industrywide facilities are facilities which emit less than ten TPY of criteria pollutants that are or will be in an industrywide inventory prepared by the district.

- A Plan and Report facility is a facility that has been required by the district, by a designated date, to prepare an individual inventory plan and report.

- A Risk Assessment facility is a facility that has been required by the district, by a designated date, to prepare a health risk assessment.

- Notification facilities are facilities that are required by the district to notify the public of potential health risks associated with the air toxics emissions from that facility.

- The Audit and Plan category refers to facilities that are required to prepare a Risk Reduction Audit and Plan by the Hot Spots Act.

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

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

a. Source Classification Codes

Recognizing the range of complexity in facilities, we further divided the categories, other than Survey and Industrywide, into subcategories to account for their complexity. Based on the districts' experience and the staff's analysis of facilities, we found a correlation between the number of different SCCs at a facility and the complexity of that facility. Any

operation that causes air pollution can be classified by one or more of these SCCs. Each SCC represents a specific process or function that is logically associated with a point source of air pollution within a given source category.

For the fee categories identified by different SCCs, we defined a facility with one or two processes as Simple; a facility with three, four, or five processes as Intermediate; and a facility with more than five processes as Complex. Based on district surveys of the facilities not categorized as Industrywide, 43 percent of the facilities in the State are Simple, having one or two SCCs; 31 percent of the facilities are Intermediate, having three, four, or five SCCs; and 25 percent of the facilities are Complex, having more than five SCCs. The category term "Intermediate," with respect to SCCs and fees, is different than the term "intermediate" used with respect to prioritization for health risk assessment.

As the basis for fees, the categories are in accordance with the mandate of Senate Bill 1378, McCorquodale because the program categories are determined by toxics releases and priority.

b. Resource Indexes

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

c. Adjustment Factor

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

d. Undercollection and Overcollection of Costs

The existing Fee Regulation specifies that districts that do not collect sufficient fees to recover State and district costs may, upon notifying the Executive Officer of the ARB, recover the shortfall through fees collected in the following fiscal year. The Fee Regulation also specifies that the Executive Officer may relieve a district of a portion of the fees which must be remitted to the State, if the district's shortfall is due to "demonstrated good cause," such as the unanticipated closure of

facilities subject to fees. The Fee Regulation requires districts whose fees are adopted by the ARB and who have collected more in Hot Spots fees than is necessary to recover costs to report this over-collection to the ARB. The districts are then required to retain the excess for expenditure in the following two fiscal years.

4. Special Features of Current Regulation

a. Cap on Fee For Small Businesses

Many of the facilities subject to the provisions of the Act are small businesses. Small businesses may operate with small reserves and low net income may not be able to absorb an increase in the cost of doing business. We recognize that the current economic conditions in the State are not favorable; therefore, a cap for small businesses is appropriate.

Prior to fiscal year 1993-94, most small businesses paid low flat fees because they emit less than 25 tons per year of criteria pollutants. If they are included in the Survey and Industrywide categories, most of the small businesses still pay the lowest fees or may qualify for a fee waiver. In addition, most of the small businesses are in the "Simple" facility program category and, therefore, pay the lowest fees for the other categories. Some small businesses, however, are in the higher fee categories and could be subject to a fee that may be detrimental to the profitability of their business. To prevent undue hardship for these businesses, an upper limit of $700 was placed on any Program fee that a small business would pay for fiscal year 1993-94. We are proposing to lower the $700 limit to $300 for fiscal year 1994-95.

b. Definition of Small Business

We developed the definition for small business in response to a directive of the Air Resources Board and after extensive analysis and coordination with affected industries. The definition strikes a balance between sharing costs equitably and preventing an undue burden on smaller businesses. Based on last year's economic impact analysis, a fee of $700 should not pose a burden on most small businesses.

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

Our analysis of data from the U.S. Small Business Administration Office of Advocacy, U.S. Department of Commerce, and independent oil producers in California indicates that limits on both the number of employees and the annual gross receipts are appropriate for determining applicability of the definition. Seventy-three percent of all facilities have less than 10 employees. Of the facilities with less than 10 employees, two-thirds have annual gross receipts of less than $1,000,000. More than ninety-nine percent of the sole proprietorships and partnerships and a majority of the corporations have annual receipts of less than $1,000,000, so most of the individual small facilities will qualify for our small business fee cap.

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

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

The current regulation contains a provision for an upper limit of $1,000 on the fee for the Plan and Report (Simple) category. This limit is at the district's option, provided that it does not result in a shortfall in the collection of revenue. The $1,000 limit ensures that the fee for the Plan and Report (Simple) category will be less than the fee for the Risk Assessment-State (Simple) category. This corresponds to the typical workload required by these two categories.

D. PROPOSED CHANGES TO THE REGULATION

As noted before, the major change to the Fee Regulation is the reduction in the State's cost. In accordance with our five year plan, the Governor's proposed budget reflects a $183,000 permanent decrease for the Program. In addition, both the ARB and the OEHHA are able to carry-over savings from prior years to reduce costs for fiscal year 1994-95. The distribution of the State's cost and facility fee calculations are based on the reduced State cost, not the cost in the Governor's proposed budget. In addition to a reduction in the State's cost, we are proposing several other modifications which affect fees.

1. Changes to the State's Cost per Category

a. Industrywide Facilities

In 1994-95, we propose to assess each district approximately $15 for each industrywide facility at the recommendation of the Committee and the concurrence of some industry representatives. The district's share of state cost would then be the total of its industrywide assessment plus all other facility program category costs. The industrywide facilities are assigned a small index for both Core Program and Risk Assessment Program costs.

The State incurs a programmatic cost for all facilities subject to the Act. In previous years, industrywide facilities have been subject to fees; however, the fees were specified by the district and did not include a State cost element. The amount of revenue the district collected from these facilities was subtracted from the district's program costs before the remaining district program cost was distributed among the other facilities. Because the State does have a programmatic cost associated with industrywide facilities, it is equitable to assess the districts a State cost based on the number of those facilities.

The districts still have the option to waive fees for industrywide facilities; however, the districts will still be assessed a small State cost for each industrywide facility. The districts will determine how to recover this cost. We are not setting a fee for industrywide facilities. We are only using the number of industrywide facilities to allocate state costs among districts. The calculations for determining the State's cost for industrywide facilities are included in Appendix V.

b. Notification and Audit and Plan Categories

We propose to increase the State's cost for facilities in the Notification and Audit and Plan categories. This increase is in accordance with the Senate Bill 1378 requirement to base fees on toxic emissions and the health risk priority of a facility. The Notification and Audit and Plan facilities have a higher health risk priority assigned by the district and pose a higher potential health risk.

We also subdivided the Notification and Audit and Plan categories to account for complexity of the facility. Subdividing these categories into Simple, Intermediate, and Complex is not wholly workload related. The division of the Notification and Audit and Plan categories by SCCs is to lessen the economic burden on smaller businesses that may be included in these categories. Appendix V of this report explains these changes in more detail.

c. Resource Index Changes

We propose to change several other resource indexes to better reflect workload. We added a district resource index for risk assessments in the Simple category. Last year the district's cost for review was fixed at $500. To more accurately reflect workload associated with these facilities, a resource index was applied for Risk Assessment-District (Simple) and Risk Assessment-State (Simple) facilities.

We reduced the district resource indexes for risk assessments being reviewed by the State in the Intermediate and Complex categories. During the time a risk assessment is being reviewed by the OEHHA, the district's cost associated with that facility is reduced. To address this, the resource indexes for districts' costs for Risk Assessment-State (Intermediate) and Risk Assessment-State (Complex) facilities were reduced to the level of the corresponding Plan and Report indexes.

2. Other Proposed Changes

a. Labor Tracking

We are including a labor tracking provision in our proposed changes. Under the proposal, the OEHHA would initiate a program to track their time spent on risk assessment review during fiscal year 1994-95. The purpose of the labor tracking would be to establish a database to be used to assess efficiency and predict the future workload.

b. Risk Assessment-State Facility

At the request of the Santa Barbara district, we are proposing to establish a fixed cost for the State review of health risk assessments for facilities that had their health risk assessments prepared for them by the district. If the district prepared the risk assessment using an automated computer program approved by the ARB, Risk Assessment-State (Intermediate) facilities will pay a State cost of $1,535, and Risk Assessment-State (Complex) facilities will pay a State cost of $1,780. The appropriate district cost will be added to this cost to arrive at a facility fee. Risk assessments prepared using an automated program usually require less State time to review. Therefore, the facility should be charged a lesser fee.

c. New Facilities in the Program

We propose to include a provision in the regulation for facilities that become subject to the Act after ARB adoption of the Fee Regulation. This change would provide a method to recover the costs of workload associated with these new facilities. If these facilities are required by the district to prepare an Inventory Plan and Report during the applicable fiscal year, we are proposing that the facilities pay the Plan and Report (Simple) fee for the fiscal year.

d. Districts Requesting State Adoption of Fee Schedules

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

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

facilities, the State's cost to be recovered from these facilities will be distributed among facilities in other Program categories.

Figure 8 lists the districts included in the State's Fee Regulation and the districts adopting local fee rules.

e. Fee Schedules

Table 1 of the proposed Fee Regulation has been revised to reflect updated districts' share of the State's costs. The difference between the total of Table 1 in the Fee Regulation and the totals shown in Table 2 and Table 7 in this report are due to rounding. Tables 2 and 3 of the Fee Regulation have been revised to reflect the district Program costs and facility fees in the twelve districts which have requested that the ARB adopt fee schedules for them. All the tables also reflect updated facility counts from all districts.

f. Fees for Survey and Industrywide Facilities

Table 4 of the proposed amended regulation has been revised to update district-specified flat fees. The districts specify the fee for facilities in the Survey and Industrywide categories. The updated fees more accurately reflect the average cost of Program activities for these facilities.

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

Appendix A of the existing Fee Regulation lists air pollution control districts' inventories, reports, or surveys. These inventories, reports and surveys are one of the criteria used to determine if a facility is subject to the Program, as required by Health and Safety Code section 44320(b). We propose to make two changes to the list of inventories. The San Luis Obispo and San Joaquin Valley Unified APCDs have updated their district toxics inventories. The additions to the district lists are reflected in the proposed changes to the Fee Regulation.

h. Revenue From Specified Flat Fees

We propose to clarify the procedure to be followed in subtracting revenues collected by the districts from specified flat fees. The proposed changes clarify that the ARB, not the districts, will perform the calculation procedure necessary to obtain the amount of revenue that must be collected from facilities other than Survey and Industrywide (district-specified flat fees). This will standardize the procedure for all districts requesting the ARB adopt their fee schedules.

i. Definitions

Section 90701 of the Fee Regulation defines the terms used in the regulation. Several new definitions were added concerning the sub-categories for the Notification and Audit and Plan facility categories. The definition for industrywide facilities is modified to clarify

applicability. The Risk Assessment-State (Intermediate) definition was also modified as described above. In addition, the Risk Assessment-State category was modified to include a new one-year period of applicability. This change is necessary so that a facility in this category is not assessed the fee for Risk Assessment-State more than once.

j. Notation

The alphabetic notation of section 90701 of the Fee Regulation was modified to reflect the new definitions which were added for Notification and Audit and Plan categories. All references in other sections of the Fee Regulation were modified to reflect the new alphabetic notation of the definitions.

k. Fee Cap for Small Businesses

We propose to reduce the fee cap for facilities qualifying as small businesses from $700 to $300. The reduction in the small business cap by approximately 57 percent will pass along some of the Program cost savings to this category of facilities.

l. Fee Cap for Plan and Report (Simple) Facilities

We propose to reduce the fee cap for facilities in the Plan and Report (Simple) category from $1,000 to $800. The reduction in the fee cap by 20 percent is approximately the same percentage reduction as the decrease in Program costs for the State and the districts. This proposed change will pass along some of the Program cost savings to this category of facilities.

m. Fee Cap for Risk Assessment-District (Simple) Facilities

At the request of the Mojave Desert Air Quality Management District, we propose to add a fee cap for facilities in the Risk Assessment-District (Simple) category. The new fee cap of $2,000 would be at the option of the district. This fee cap would keep the fee for this category closer to the fee for the same category for the previous year, and would reduce the overall economic impact of changes in the fee schedules for facilities in this category.

VI.

ENVIRONMENTAL AND ECONOMIC IMPACTS

A. INTRODUCTION

This Chapter discusses the environmental and economic impacts from the fees assessed through the Fee Regulation. We determined the economic and fiscal impacts using draft fees calculated prior the final updates districts provided by April 1, 1994.

B. ENVIRONMENTAL IMPACT

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

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

C. ECONOMIC IMPACT ANALYSES

Any facility subject to the Hot Spots Act may be required to pay a fee pursuant to the Fee Regulation.

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

We performed the economic impact analyses using draft facility fees for fiscal year 1994-95 for districts in the ARB Fee Regulation. We used fee estimates supplied by districts adopting their own fee rules. For districts whose fee schedules are included in the Fee Regulation, draft fees were calculated based on the facility program category. For districts adopting their own fee rules, draft and adopted fee rules, as well as discussions with district personnel were used to estimate fees.

At the time of these analyses, the State budget had not been approved. However, in analyzing the potential fiscal and economic impacts, we used the Program costs that reflect a carry-over of savings from prior years.

1. Impact on Government Agencies

a. State Government Agencies Costs

The Fee Regulation will impose costs on some State agencies that must comply with the requirements of the Fee Regulation. Our analysis indicates that State agencies will be able to absorb the fees assessed to them within existing budgets and resources. Hospitals, colleges and universities, and correctional facilities are examples of State-owned facilities that may have to pay Hot Spots fees. The fees for State agencies are estimated to range from $109 to $5,412. The total cost estimate for State-owned facilities, other than the ARB and the OEHHA, is $85,256.

By law, the Fee Regulation must recover all of the ARB's and OEHHA's costs for the Program. Implementing the Fee Regulation is part of the ARB's cost. We estimate that the ARB's cost to implement the Fee Regulation for fiscal year 1994-95 is $158,000. The total cost for the ARB and the OEHHA to implement the Hot Spots Program, contained in the Governor's Budget, is $4,987,000. Because we are able to carry forward savings from prior fiscal years, the total cost is reduced to $4,237,000.

b. Local Government Agencies Costs

The adoption of the proposed regulation will create costs and impose a State-mandated program upon local government agencies that will be required to pay the fees established. Potentially affected agencies include air districts; utilities, air, water, and solid waste facilities; school districts; hospitals; and publicly owned treatment works (POTWs). Fees assessed local governmental agencies range from $57 to $8,488. The total costs assessed to local governmental agencies, other than the districts, are estimated to be $407,532.

Implementing the amended regulation will create costs and impose a State-mandated local program upon the districts. These costs are incurred because a district must set up a program to notify and collect fees from the operator of every facility subject to the Act. However, these district costs are not reimbursable by the State within the meaning of Section 6 of Article XIIIB of the California Constitution and Government Code,

section 17500 et seq., because the districts have the authority to levy fees sufficient to pay for the mandated program (Government Code section 17556(d)). The districts costs to implement the amended regulation are estimated to be $972,000.

The costs of twelve air pollution control districts will be recovered through the fee schedules in the proposed changes to the Fee Regulation. The Fee Regulation requires the remaining districts to adopt district rules to recover the district's costs and share of the State's costs. The total of districts' costs to be recovered is approximately $7.9 million.

Elementary and secondary school costs of complying with the regulation are not reimbursable by the State within the meaning of Article XIIIB, section 6 and Government Code sections 17500 et seq. School districts have the authority to levy assessments sufficient to pay for the program mandated by this Act. We estimate total costs assessed to elementary and secondary schools to be $3,953.

A high percentage of water treatment works are publicly owned. However, their costs of compliance with the proposed regulation are not reimbursable by the State within the meaning of Article XIIIB, section 6 and Government Code Sections 17500 et seq. Publicly Owned Treatment Works (POTWs) are authorized to levy service charges to cover the costs associated with the mandated Fee Regulation program. The estimated total cost for POTWs is $91,737.

2. Impact on Non-Government Facilities

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

We conducted a financial analysis to determine the potential economic impacts to businesses resulting from the fees proposed in this regulation. We conclude that overall, California businesses seem to be able to absorb the costs of the fees without significant adverse impact on their profitability. Appendix VII contains the detailed economic impact analysis. Included in this analysis is an evaluation of the ability of California businesses, subject to the Fee Regulation, to compete with similar businesses in other states. We are also required to estimate if imposing these fees would cause a business to relocate, cease or commence operation, or hire or layoff employees, or any combination of these.

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

(1) We developed a list of Standard Industrial Classification (SIC) Codes that represent industries with businesses that would be required to pay fees. Using the ARB's draft Criteria Pollutant Inventory for 1991, a random sample of one to three businesses,

from different areas of the State, was selected from each of the applicable SIC categories.

(2) Fees were estimated for each of these approximately 1000 businesses using draft fees. Table 3 of the amended regulation lists fee amounts by facility program category for each district having the ARB adopt fee schedules for them. Facility fees will vary by district because of differences in the anticipated district program costs. The highest fee in each SIC was then used in the analysis.

(3) The fees required by this regulation are a business expense. Approximately 40 percent of the fee is deductible on State and federal tax returns as a business expense. This deduction is accounted for in determining potential economic impact.

(4) The Return on Owners' Equity (ROE) was calculated for each of the business categories by dividing the net profit by the net worth. The adjusted fees were then subtracted from net profit data. The results were used to calculate an adjusted ROE. The adjusted ROE was then compared with the ROE before the subtraction of the adjusted fees, to determine the impact on the profitability of the businesses. A substantial reduction in profitability (10 percent) indicates a potential for significant financial difficulties.

This economic analysis includes 131 industries with a variety of products. For some additional industries with affected businesses, however, an analysis of the potential impact of the fees could not be performed because of the lack of financial data.

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

a. Ability to Compete with Other States

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

b. Effect on Jobs and Businesses

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

VII.

EVALUATION OF ALTERNATIVES

A. INTRODUCTION

This Chapter discusses the various alternatives that we considered in developing the proposed changes to the Fee Regulation.

B. EVALUATION OF ALTERNATIVES

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

Option 1: Do not adopt a Fee Regulation.

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

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

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

Senate Bill 1378 (McCorquodale; Statutes of 1993; Chapter 375) requires that Hot Spots fees be based on toxics emissions and facility risk priority to the extent practicable. Last year to comply with this mandate, we developed the Hot Spots Facility Program Category method. This method considers toxic emissions and facility risk priority. To continue to meet this mandate, we recommend that the criteria pollutant emissions option be rejected.

Option 3: Assess fees based on weighted toxics emissions.

Toxics emissions data are available for Phase I and most of Phase II facilities; however, only limited data are available for Phase III facilities. In addition, quality assurance checks have not been completed on all of the data. Until all data are received, validated, and quality checked, it would not be possible to assign equitable fees. We, therefore, recommend rejecting this option.

Option 4: Approve the proposed changes to the Fee Regulation.

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

C. RECOMMENDATION

We recommend that the Board adopt the proposed changes to the Fee Regulation for fiscal year 1994-95. These changes are described in more detail in Chapter V, and are contained in Appendix I to this report.

Appendix I

Proposed Amendments to the Air Toxics Hot Spots Fee Regulation For Fiscal Year 1994-95

Note: Language to be added is underlined and language to be removed is slashed through

SUBCHAPTER 3.6 AIR TOXICS "HOT SPOTS" FEE REGULATION

Article 1. General

90700. Purpose and Mandate.

(a) This regulation provides for the establishment of fees to pay for the cost of implementing and administering the Air Toxics "Hot Spots" Information and Assessment Act of 1987 (the "Act"; Stats 1987 ch 1252; Health and Safety Code Section 44300 et seq.).

(b) Each district with jurisdiction over facilities meeting the criteria set forth in Section 90702(a)(1), (a)(2), and (a)(3) shall annually collect from the operator of each such facility, and each operator shall pay, fees which shall provide for the following:

(1) Recovery of anticipated costs to be incurred by the State Board and the Office to implement and administer the Act, as set forth in Table 1 of this regulation, and

(2) Recovery of anticipated costs to be incurred by the district to implement and administer the Act, including but not limited to the cost incurred to: review emission inventory plans, review emission inventory data, review risk assessments, verify plans and data, and administer this regulation and the Air Toxics "Hot Spots" program.

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

90701. Definitions.

(a) "Air pollution control district" or "district" has the same meaning as defined in Section 39025 of the Health and Safety Code.

(b) "Audit and Plan Facility" means a facility that is required by the district, by April 1 of the calendar year prior to the fiscal year, to prepare a Risk Reduction Audit and Plan in accordance with Sections 44390 through 44394 of the Health and Safety Code.

(c) "Audit and Plan Facility (Complex)" means a facility that meets the criterion set forth in Section 90701(b), and has more than five processes as determined by six-digit Source Classification Codes (SCC).

(d) "Audit and Plan Facility (Intermediate)" means a facility that meets the criterion set forth in Section 90701(b), and has three to five processes as determined by six-digit SCC.

(e) "Audit and Plan Facility (Simple)" means a facility that meets the criterion set forth in Section 90701(b), and has one or two processes as determined by six-digit SCC.

(~~e~~f) "Criteria pollutant" means, for purposes of this regulation, total organic gases, particulate matter, nitrogen oxides or sulfur oxides.

(~~f~~g) "Facility" has the same meaning as defined in Section 44304 of the Health and Safety Code.

(~~g~~h) "Facility Program Category" means a list of facilities provided to the Air Resources Board by the districts by April 1 of the calendar year prior to the fiscal year, which lists the facilities which meet the definitions in Section 90701 (b), (c), (d), (e), ~~(f),~~ ~~(g),~~ (i), (j), (k), (l), (m), ~~(n),~~ ~~(o),~~ (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), ~~and~~ (z), (aa), and (af).

(~~h~~i) "Industrywide Facility" means a facility that qualifies to be included in an industrywide emission inventory prepared by an air pollution control district pursuant to Health and Safety Code Section 44323, or an individual facility which emits less than 10 tons per year of each criteria pollutant, falls within a class composed of primarily small businesses, as defined by subsection (v) below, and whose emissions inventory report was prepared by the air pollution control district.

(~~i~~j) "Notification Facility" means a facility that is required by the district by April 1 of the calendar year prior to the fiscal year, to notify the public of the potential health risk associated with the air toxics emissions from that facility pursuant to Health and Safety Code Section 44362(b).

(k) "Notification Facility (Complex)" means a facility that meets the criterion set forth in Section 90701(j), and has more than five processes as determined by six-digit Source Classification Codes (SCC).

(l) "Notification Facility (Intermediate)" means a facility that meets the criterion set forth in Section 90701(j), and has three to five processes as determined by six-digit SCC.

(m) "Notification Facility (Simple)" means a facility that meets the criterion set forth in Section 90701(j), and has one or two processes as determined by six-digit SCC.

(~~k~~n) "Office" means the Office of Environmental Health Hazard Assessment.

(~~l~~o) "Operator" has the same meaning as defined in Section 44307 of the Health and Safety Code.

(~~m~~p) "Plan and Report Facility" means a facility that by April 1 of the calendar year prior to the fiscal year, has been required by the district to prepare an individual plan and report in accordance with Sections 44340, 44341, and 44344 of the Health and Safety Code. This includes facilities completing an update plan, an update report, a biennial summary form, and facilities in the Santa Barbara ~~APCD~~ County Air Pollution Control District that were categorized as intermediate priority for health risk assessment, and had a health risk assessment prepared for them by the district.

(~~l~~q) "Plan and Report Facility (Complex)" means a facility that meets the ~~criteria~~ criterion set forth in Section 90701(~~m~~p), and has more than five processes as determined by six-digit Source Classification Codes (SCC).

(~~m~~r) "Plan and Report Facility (Intermediate)" means a facility that meets the ~~criteria~~ criterion set forth in Section 90701(~~m~~p), and has three to five processes as determined by six-digit SCC.

(~~n~~s) "Plan and Report Facility (Simple)" means a facility that meets the ~~criteria~~ criterion set forth in Section 90701(~~m~~p), and has one or two processes as determined by six-digit SCC.

(~~k~~t) "Risk Assessment-District Facility" means a facility that by April 1 of the calendar year prior to the fiscal year, has been required by the district to prepare a health risk assessment in accordance with Section 44360(b) of the Health and Safety Code, and whose risk assessment has not yet been approved by the district.

(~~o~~u) "Risk Assessment-District Facility (Complex)" means a facility that meets the ~~criteria~~ criterion set forth in Section 90701(~~k~~t), and has more than five different processes as determined by six-digit SCC.

(pv) "Risk Assessment-District Facility (Intermediate)" means a facility that meets the ~~criteria~~ criterion set forth in Section 90701(nt), and has three to five different processes as determined by six-digit SCC.

(qw) "Risk Assessment-District Facility (Simple)" means a facility that meets the ~~criteria~~ criterion set forth in Section 90701(nt), and has one or two different processes as determined by six-digit SCC.

(rx) "Risk Assessment-State Facility" means a facility whose risk assessment was received by the Office between April 1, ~~1992~~ 1993, and March 31, ~~1993~~ 1994.

(sy) "Risk Assessment-State Facility (Complex)" means a facility that meets the ~~criteria~~ criterion set forth in Section 90701(rx), and has more than five different processes as determined by six-digit SCC.

(tz) "Risk Assessment-State Facility (Intermediate)" means a facility that meets the ~~criteria~~ criterion set forth in Section 90701(rx), and has three to five different processes as determined by six-digit SCC.

(uaa) "Risk Assessment-State Facility (Simple)" means a facility that meets the ~~criteria~~ criterion set forth in Section 90701(rx), and has one or two different processes as determined by six-digit SCC.

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

(wac) "Source Classification Codes" means number codes created by the United States Environmental Protection Agency used to identify processes associated with point sources that contribute emissions to the atmosphere.

(xad) "State costs" means the reasonable anticipated cost which will be incurred by the State Board and the Office to implement and administer the Act, as shown in Table 1 of this part.

(yae) "Supplemental Fee" means the fee charged to cover the costs of the district to review a health risk assessment containing supplemental information which was prepared in accordance with the provisions of Section 44360(b)(3) of the Health and Safety Code.

(zaf) "Survey Facility" means a facility which emits less than ten tons per year of criteria pollutants, and which falls in any class listed in Appendix E-II to Sections 93300 et seq. of Title 17 of the California Code of Regulations.

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

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

Article 2. Applicability

90702. Facilities Covered.

(a) Except for facilities exempted by Health and Safety Code Section 44324, this regulation applies to any facility which:

(1) manufactures, formulates, uses, or releases any of the substances listed by the State Board pursuant to Health and Safety Code Section 44321 and contained in Appendix A to Sections 93300 et seq. of Title 17 of the California Code of Regulations, which is incorporated by reference, or any other substance which reacts to form a substance so listed, and releases 10 tons per year or greater of any criteria pollutant, or

(2) is listed in any current toxics use or toxics air emission survey, inventory, or report released or compiled by an air pollution control district and referenced in Appendix A, or

(3) manufactures, formulates, uses or releases any listed substance or any other substance which reacts to form any listed substance, and which releases less than 10 tons per

year of each criteria pollutant and falls in any class listed in Appendix E to Sections 93300 to ~~93354~~ 93355 of Title 17 of the California Code of Regulations.

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

Article 3. Fees

90703. District Board Adoption of Fees.

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

(a) The State Board shall calculate each district's share of state costs on the basis of the number of facilities in program categories as defined in Sections 90701(b), (c), (d), (e), ~~(f)~~ ~~(g)~~ (i), (j), (k), (l), (m), ~~(n)~~ ~~(o)~~ (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), ~~and~~ (z), and (aa).

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

90704. State Board Adoption of Fees.

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

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

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

(3) The district has submitted the resolution, request and documentation specified in subsections (1) and (2) to the State Board by April 1 preceding the applicable fiscal year.

(b) Calculation of Fees.

(1) The State Board shall establish the fee applicable to each facility for the recovery of state and district costs and shall notify each district in writing by December 1 of each year of the amount to be collected from each facility and of the amount of revenue which the district must remit to the State Board for reimbursement of state costs, as set forth in Table 1. When calculating the fees, the State Board shall take into account and allow for the unanticipated closing of businesses, nonpayment of fees, and other circumstances which would result in a shortfall in anticipated revenue.

(2) The State Board shall calculate fees on the basis of the facility program category as set forth by the district by April 1 preceding the applicable fiscal year, except for facilities covered by Section 90704(d) and (e).

(3) A Risk Assessment-State Facility (Intermediate or Complex) that is located in the Santa Barbara County Air Pollution Control District, and had its risk assessment prepared by the district using an automated risk assessment program approved by the Air Resources Board, will be assessed the following State costs for purposes of distribution of State Costs and facility fees: Risk Assessment-State (Intermediate) - $1,535, Risk Assessment-State (Complex) - $1,780.

(c) Fees Based on Facility Program Category.

(1) The State Board shall provide a flat fee per facility based on the facility program category of the facility as set forth in Table 3. The program categories are Plan and Report (Simple), Plan and Report (Intermediate), Plan and Report (Complex), Risk Assessment-District (Simple), Risk Assessment-District (Intermediate), Risk Assessment-District (Complex), Risk Assessment-State (Simple), Risk Assessment-State (Intermediate), Risk Assessment-State (Complex), ~~Notification and Audit and Plan~~ Notification (Simple), Notification (Intermediate), Notification (Complex), Audit and Plan (Simple), Audit and Plan (Intermediate), and Audit and Plan (Complex).

(2) A facility that becomes subject to the Act after State Board adoption of the Fee Regulation, and is required to prepare an

Inventory Plan and Report during the applicable fiscal year, shall pay the Plan and Report (Simple) fee for that fiscal year.

(d) Specified Flat Fees

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

(e) Other Flat Fees

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

(2) The maximum fee which a small business, as defined in Section 90701(~~a~~b), shall pay will be ~~$700~~ $300. The districts shall provide to ~~ARB~~ the Air Resources Board by April 1 of the calendar year prior to the fiscal year, the number of facilities in each facility program category meeting the small business definition.

(3) If in the judgment of a district the action will not result in a shortfall in revenue, a district may request the fee for the Plan and Report (Simple) category be set at no more than ~~$1,000~~ $800.

(4) If in the judgment of a district the action will not result in a shortfall in revenue, a district may request the fee for the Risk Assessment-District (Simple) category be set at no more than $2,000.

(f) Costs to be recovered by the regulation adopted by the State Board pursuant to Section 90704 shall be calculated as follows: Each district board shall approve its anticipated costs to implement and administer the Act. ~~Before submitting this program cost information to the State Board, the district shall~~ The Air Resources Board will subtract from this amount anticipated revenues from collection of the flat fee specified in Section

90704(d)(1); and any excess revenues obtained by the district pursuant to Section 90705(c). When submitting board-approved program costs to the State Board, the district shall include a breakdown of how the collected fees will be used.

(g) In fiscal year 1994-95, the Office shall initiate a program of labor tracking of risk assessment review for purposes of management review and accountability.

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

90705. Fee Payment and Collection.

(a) Each district shall notify and assess the operator of each facility subject to this regulation in writing of the fee due. Except as provided in Sections 90703, 90704(d), and 90704(e), each district shall use the facility program category as the basis for billing. The operator shall remit the fee to the district within 60 days after the receipt of the fee assessment notice or the fee will be considered past due. If an operator fails to pay the fee within 60 days of this notice, the district shall assess a penalty of not more than 100 percent of the assessed fee, but in an amount sufficient, in the district's determination, to pay the district's additional expenses incurred by the operator's non-compliance. If an operator fails to pay the fee within 120 days after receipt of this notice, the district may initiate permit revocation proceedings. If any permit is revoked it shall be reinstated only upon full payment of the overdue fee plus any late penalty, and a reinstatement fee to cover administrative costs of reinstating the permit.

(b) Each district shall collect the fees assessed by or required to be assessed by this regulation. After deducting the costs to the district to implement and administer the program, each district shall transmit to the State Board the amount the district is required to collect for recovery of state costs pursuant to Section 90700(b)(1), as set forth in Table 1, on or before April 1 of each year. Checks shall be made payable to the State Air Resources Board. The State Board shall forward the revenues to the State Controller for deposit in the Air Toxics Inventory and Assessment Account.

(c) Any fee revenues received by a district for which fees have been adopted pursuant to Section 90704 which exceed district and state

costs shall be reported to the State Board and shall be retained by the district for expenditure in the next two fiscal years.

(d) In the event a district does not collect sufficient revenues to cover both the district program costs and the portion of the state costs which the district is required to remit to the State Board due to circumstances beyond the control of the district, including but not limited to plant closure or refusal of the source operator to pay despite permit revocation and/or other enforcement action, such district shall notify the Executive Officer of the State Board and may for demonstrated good cause be relieved by the Executive Officer from an appropriate portion of the fees the district is required to collect and remit to the state.

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

(1) A district for which the State Board has adopted a fee schedule pursuant to Section 90704 may, upon notifying the Executive Officer of the State Board, carry over such shortfall in revenue to the fiscal year after which the shortfall was discovered and add the shortfall amount to the program costs for such subsequent fiscal year.

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

Table 1

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

Air Pollution Control District		Revenues to be Remitted
Amador	8/877	9,693
Bay Area	413/433	654,293
Butte	25/430	29,286
Calaveras	1/200	795
Colusa	23/751	21,905
El Dorado	6/717	7,744
Feather River	18/233	15,867
Glenn	21/840	15,281
Great Basin	12/235	12,657
Imperial	17/273	23,750
Kern	55/092	17,556
Lake	4/318	4,559
Lassen	3/838	3,954
Mariposa	480	820
Mendocino	8/877	17,085
Modoc	0	
Mojave Desert	80/586	77,341
Monterey	126/464	55,433
North Coast	8/876	11,647
Northern Sierra	22/311	31,378
Northern Sonoma	5/038	5,539
Placer	32/627	34,242
Sacramento	102/835	97,612
San Diego	381/627	220,552
San Joaquin Valley	812/333	639,523
San Luis Obispo	61/773	34,891
Santa Barbara	66/934	77,568
Shasta	42/092	25,680
Siskiyou	1/439	2,010
South Coast	2/967/886	2,086,802
Tehama	4/318	6,824
Tuolumne	7/677	15,335
Ventura	116/843	147,109
Yolo-Solano	45/342	44,180
Total	5/428/515	4,448,911

Table 2

District Costs to be Recovered Through the Fee Regulation

Air Pollution Control District	Anticipated District Costs*	
Calaveras	0	
Great Basin	5,500	2,375
Imperial		10,582
Kern	64,234	34,112
Lassen	3,000	2,161
Mariposa		0
Mendocino	26,714	23,565
Mojave Desert	376,089	303,376
Placer	47,559	
Sacramento	42,314	
San Joaquin Valley	1,830,600	1,168,600
Santa Barbara	188,475	203,625
South Coast	4,192,961	3,076,734
Tuolumne	23,800	9,000
Yolo-Solano		21,995

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

Table 3

Cost per Facility by District and Facility Program Category

Air Pollution Control District	Plan and Report (Simple)		Plan and Report (Intermediate)		Plan and Report (Complex)		Risk[1] Assessment (Simple)		Risk[2] Assessment (Simple)	
[illegible]	[illegible]		[illegible]							
Great Basin	[illegible]	560	[illegible]	945	[illegible]	1681				
Imperial		565		960		1731				
Kern	[illegible]	711		1398	[illegible]	3192				
Lassen	[illegible]	889								
Mariposa		490								
Mendocino	[illegible]	800	[illegible]	3341						
Mojave Desert	[illegible]	800	[illegible]	4655	[illegible]	14046		2000	[illegible]	
[illegible]	[illegible]		[illegible]		[illegible]					
[illegible]	[illegible]		[illegible]		[illegible]				[illegible]	
San Joaquin Valley	[illegible]	800	[illegible]	1945	[illegible]	5013	[illegible]	1297	[illegible]	1558
Santa Barbara	[illegible]	1123	[illegible]	2634	[illegible]	7311	[illegible]	1756		2017
South Coast	[illegible]	913	[illegible]	2005	[illegible]	5212	[illegible]	1336	[illegible]	1597
Tuolumne			[illegible]	1418	[illegible]	3258				
Yolo-Solano		561		949		1695		633		

[1] Risk assessment under review by the district.

[2] Risk assessment submitted to OEHHA from April 1, [illegible] 1993 through March 31, [illegible] 1994.

Table 3 (Continued)

Cost per Facility by District and Facility Program Category

Air Pollution Control District	Risk[1] Assessment (Intermediate)		Risk[2] Assessment (Intermediate)		Risk[1] Assessment (Complex)		Risk[2] Assessment (Complex)	
[illegible]								
Great Basin								
Imperial		1110						
Kern			[illegible]		[illegible]	4298	[illegible]	
Lassen								
Mariposa								
Mendocino	[illegible]	5078	[illegible]					16188
Mojave Desert	[illegible]		[illegible]		[illegible]	20579	[illegible]	
[illegible]								
[illegible]	[illegible]		[illegible]		[illegible]		[illegible]	
San Joaquin Valley	[illegible]	2752	[illegible]	4554	[illegible]	7030	[illegible]	11535
Santa Barbara	[illegible]	3900		3434	[illegible]			
South Coast	[illegible]	2851	[illegible]	4613	[illegible]	7329	[illegible]	11734
Tuolumne	[illegible]				[illegible]			
Yolo-Solano		1092				2052		

[1] Risk assessment under review by the district.

[2] Risk assessment submitted to OEHHA from April 1, [illegible] 1993 through March 31, [illegible] 1994.

Table 3 (Continued)

Cost per Facility by District and Facility Program Category

Air Pollution Control District	Notification (Simple)	Notification (Intermediate)	Notification (Complex)	Audit & Plan (Simple)	Audit & Plan (Intermediate)	Audit & Plan (Complex)
[illegible]						
Great Basin						
Imperial						
Kern						
Lassen						
Mariposa						
Mendocino						
Mojave Desert	[illegible]	32852	33634			
[illegible]						
[illegible]						
San Joaquin Valley					18107	18890
Santa Barbara						
South Coast						
Tuolumne						14503
Yolo-Solano						

[1] Risk assessment under review by the district.

[2] Risk assessment submitted to OEHHA from April 1, [illegible] 1993 through March 31, [illegible] 1994.

Table 4

Fees for Survey and Industrywide Facilities

District	A Survey Facilities		B Industrywide Facilities	
Calaveras	100		100	
Great Basin	25		25	
Imperial	60		75	
Kern	100		250	
Lassen	100		100	
Mariposa	15		15	
Mendocino	100		100	
Mojave Desert	100		100	115
Placer	50		50	
Sacramento	100		100	
San Joaquin Valley	100		100	
Santa Barbara	75		75	
South Coast	25		25	
Tuolumne	100	15	30	15
Yolo-Solano	100		100	

Appendix A

District Air Toxic Inventories, Reports, and Surveys

Appendix A

Air Pollution Control District
Air Toxic Inventories, Reports or Surveys

1. Bay Area Air Quality Management District "Current BAAQMD Air Toxics Inventory. October 27, 1990."

2. Kern County Air Pollution Control District, "District's Toxic Use List, Southeast Desert Portion of Kern County. February 14, 1992."

3. Sacramento Metropolitan Air Quality Management District "Sacramento Air Quality Management District Toxic Air Pollutant Emission Inventory For Sacramento County. June 1993."

4. San Bernardino County Air Pollution Control District "San Bernardino County APCD Toxics Inventory List. June 27, 1990."

5. San Diego County Air Pollution Control District "List of Semiconductor Manufacturers Using Toxic Gases (Arsine or Phosphine). May 1988."

6. San Joaquin Valley Unified Air Pollution Control District "San Joaquin Valley Unified APCD Toxics List. ~~March 31, 1993~~ February 25, 1994."

7. San Luis Obispo County Air Pollution Control District "San Luis Obispo County Air Pollution Control District Air Toxics Inventory List for AB 2588. May 3, 1990." "Additions to List of District's Toxics Inventory. January 6, 1994."

8. Santa Barbara County Air Pollution Control District "Current Santa Barbara County Air Pollution Control District List of Air Toxic Sources. May 27, 1992."

9. South Coast Air Quality Management District "Current SCAQMD Air Toxics Inventory List for AB 2588. May 11, 1990."

10. Monterey Bay Unified Air Pollution Control District, "AB 2588 - Facilities Affected FY 92/93 & FY 93/94. April 8, 1993."

Appendix II

Air Toxics "Hot Spots" Information and Assessment Act

(e) This section shall remain in effect only until January 1, 1999, and on that date shall be repealed, unless a later enacted statute, which is enacted before January 1, 1999, deletes or extends that date.

(Added by Stats. 1993, Ch. 1293, Sec. 3. Effective January 1, 1994. Section operative July 1, 1994, by its own provisions. Repealed as of January 1, 1999, by its own provisions.)

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

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

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

(Part 6 added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, pursuant to Section 44384. Note: Sections 44380 and 44384 became operative Jan. 1, 1988.)

CHAPTER 1. LEGISLATIVE FINDINGS AND DEFINITIONS

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

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

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

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

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

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

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

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

populations may not be significantly affected by adverse health risks, individuals may be exposed to significant risks.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CHAPTER 2. FACILITIES SUBJECT TO THIS PART

(Chapter 2 added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, pursuant to Section 44384.)

44320. This part applies to the following:

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

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

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

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

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

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

(a) Substances identified by reference in paragraph (1) of subdivision (b) of Section 6382 of the Labor Code and substances placed on the list prepared by the National Toxicology Program issued by the United States Secretary of Health and Human Services pursuant to paragraph (4) of Section 262 of Public Law 95-622 of 1978. For the purposes of this subdivision, the state board may remove from the list any substance which meets both of the following criteria:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Regulations: 17, CCR, sections 93304, 93306

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

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

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

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

CHAPTER 3. AIR TOXICS EMISSION INVENTORIES

(Chapter 3 added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, pursuant to Section 44384.)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Requirements for a facility diagram identifying each actual or potential discrete emission point and the general locations where fugitive

emissions may occur. The facility diagram shall include any nonpermitted and nonprocess sources of emissions and shall provide the necessary data to identify emission characteristics. An existing facility diagram which meets the requirements of this section may be submitted.

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

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

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

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

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

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

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

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

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

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

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

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

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, pursuant to Section 44384. Amended by Governor's Reorganization Plan No. 1 of 1991, §142.)

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

(Amended by Stats. 1993, Ch. 1041, Sec. 1. Effective January 1, 1994.)

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

Regulations: 17, CCR, sections 93307, 93330

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

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

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

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

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

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

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

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

(Added by Stats. 1993, Ch. 1037, Sec. 1. Effective January 1, 1994.)

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

(Added by Stats. 1993, Ch. 1037, Sec. 2. Effective January 1, 1994.)

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

(a) The facility emits a newly listed substance.

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

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

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

(Added by Stats. 1993, Ch. 1037, Sec. 3. Effective January 1, 1994.)

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

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

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

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

Regulations: 17, CCR, sections 93330, 93345

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

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

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

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

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

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

(e) Any information determined by a court to be a trade secret, and not a public record pursuant to this section, shall not be disclosed to anyone except an officer or employee of the district, the state, or the United States, in connection with the official duties of that officer or employee under any

law for the protection of health, or to contractors with the district or the state and its employees if, in the opinion of the district or the state, disclosure is necessary and required for the satisfactory performance of a contract, for performance of work, or to protect the health and safety of the employees of the contractor.

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

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

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

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

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

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

CHAPTER 4. RISK ASSESSMENT

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

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

receptors. The district shall hold a public hearing prior to the final establishment of priorities and categories pursuant to this section.

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

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

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

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

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

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

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

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

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

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

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

(Amended by Stats. 1992, Ch. 1162, Sec. 1. Effective January 1, 1993.)

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

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

(1) Be performed in a manner consistent with guidelines provided by the office.

(2) Be reviewed by the office for accuracy and completeness.

(3) Be submitted by the office to the district in accordance with this section.

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

(d) If a district requests the Office of Environmental Health Hazard Assessment to consult with the district concerning any requirement of this

part, the district shall reimburse the office, within 45 days of its request, for the costs incurred in the consultation.

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

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, pursuant to Section 44384. Amended by Governor's Reorganization Plan No. 1 of 1991, §144.)

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

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

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative July 1, 1988, pursuant to Section 44384. Amended by Governor's Reorganization Plan No. 1 of 1991, §145.)

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

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

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

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

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

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

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

44364. The state board shall utilize the reports and assessments developed pursuant to this part for the purposes of identifying, establishing

priorities for, and controlling toxic air contaminants pursuant to Chapter 3.5 (commencing with Section 39650) of Part 2.

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

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

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

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

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

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

CHAPTER 5. FEES AND REGULATIONS

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

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

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

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

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

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

(c) The district shall notify each person who is subject to the fee of the obligation to pay the fee. If a person fails to pay the fee within 60 days after

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

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

(Amended by Stats. 1992, Ch. 375, Sec. 1. Effective January 1, 1993.)

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

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

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

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

(Added by Stats. 1993, Ch. 1037, Sec. 4. Effective January 1, 1994.)

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

(Added by Stats. 1992, Ch. 1162, Sec. 2. Effective January 1, 1993.)

44381. (a) Any person who fails to submit any information, reports, or statements required by this part, or who fails to comply with this part or with any permit, rule, regulation, or requirement issued or adopted

pursuant to this part, is subject to a civil penalty of not less than five hundred dollars ($500) or more than ten thousand dollars ($10,000) for each day that the information, report, or statement is not submitted, or that the violation continues.

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

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

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

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

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

(Added by Stats. 1987, Ch. 1252, Sec. 1. Operative January 1, 1988, by its own provisions.)

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

(Chapter 6 added by Stats. 1992, Ch. 1162, Sec. 3. Effective January 1, 1993.)

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

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

(1) Feedstock modification.

(2) Product reformulations.

(3) Production system modifications.

(4) System enclosure, emissions control, capture, or conversion.

(5) Operational standards and practices modification.

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

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

(Added by Stats. 1992, Ch. 1162, Sec. 3. Effective January 1, 1993.)

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

submitted to the district. The facility operator shall implement measures set forth in the plan in accordance with this chapter.

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

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

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

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

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

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

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

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

(i) If new information becomes available after the initial risk reduction audit and plan, on air toxics risks posed by a facility, or emission reduction

technologies that may be used by a facility that would significantly impact risks to exposed persons, the district may require the plan to be updated and resubmitted to the district.

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

(Amended by Stats. 1993, Ch. 1041, Sec. 2. Effective January 1, 1994.)

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

(a) The name and location of the facility.

(b) The SIC code for the facility.

(c) The chemical name and the generic classification of the chemical.

(d) An evaluation of the ATRRM's available to the operator.

(e) The specification of, and rationale for, the ATRRMs that will be implemented by the operator. The audit and plan shall document the rationale for rejecting ATRRMs that are identified as infeasible or too costly.

(f) A schedule for implementing the ATRRMs. The schedule shall meet the time requirements of subdivision (a) of Section 44391 or the time period for implementing the plan set by the district pursuant to subdivision (b) or (c) of Section 44391, whichever is applicable.

(g) The audit and plan shall be reviewed and certified as meeting this chapter by an engineer who is registered as a professional engineer pursuant to Section 6762 of the Business and Professions Code, by an individual who is responsible for the processes and operations of the site, or by an environmental assessor registered pursuant to Section 25570.3.

(Added by Stats. 1992, Ch. 1162, Sec. 3. Effective January 1, 1993.)

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

(Added by Stats. 1992, Ch. 1162, Sec. 3. Effective January 1, 1993.)

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

(Added by Stats. 1992, Ch. 1162, Sec. 3. Effective January 1, 1993.)

Appendix III

Emission Inventory Criteria and Guidelines Regulation (portions)

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

AMENDMENTS

CHAPTER 7.6. EMISSION INVENTORY CRITERIA AND GUIDELINES

Article 1. General

93300. Purpose.

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

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

93301. Definitions.

(a) "Air emission", "emission", "air release", or "release" has the same meaning as defined in Health and Safety Code Section 44303.

(b) "ARB-adopted source test method" or "ARB-adopted method" means a procedure for performing source testing as set forth in Title 17 California Code of Regulations, Section 94100 et seq.

(c) "Device" means any article, machine, equipment or other contrivance (whether or not operated under a permit from an air pollution control district or air quality management district) which may cause the emission of a listed substance.

(d) "Emission inventory plan", "inventory plan", or "plan" means the emission inventory plan required by Health and Safety Code Sections 44340 and 44342.

(e) "Emission inventory report", "inventory report", or "report" means the emission inventory report required by Health and Safety Code Section 44341.

(f) "Emitting process" means any fugitive source or any operation within a device that involves the manufacture, formulation, use, or release of one or more of the listed substances, when the substance is present in any capacity whatsoever, including but not limited to an ingredient, product, auxiliary, or catalyst.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 2. Applicability

93303. Facilities Covered.

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

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

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

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

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

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

93304. Plan Submittal.

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

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

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44322, 44323, 44340, 44341, and 44342, Health and Safety Code.

93305. New Facilities and Facilities whose Emissions Increase.

This regulation shall also apply to facilities commencing operation or increasing emissions of total organic gases, particulate matter, nitrogen oxides, or sulfur oxides after June 1, 1989 which meet the conditions specified in Section 93303. The operator of every such facility commencing operation or increasing emissions on or before January 1 of a given year shall submit an emission inventory plan to the appropriate district by the following August 1, unless:

(a) The district notifies the facility in writing that the facility's emissions are or will be included in an industrywide emission inventory prepared by the district; or

(b) The facility is subject to earlier submission of an inventory plan pursuant to district requirements adopted in accordance with Health and Safety Code Sections 44365(b).

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44322, 44323, 44340, 44341, and 44342, Health and Safety Code.

93305.5 Facilities whose Emissions Decrease Below 10 Tons Per Year of Criteria Pollutants

(a) This regulation shall cease to apply to any facility whose emissions of total organic gases, particulate matter, nitrogen oxides, or sulfur oxides are reduced to the extent that the facility no longer satisfies the conditions specified in Section 93303(a)(1) and (b), if the facility demonstrates to the district, and the district finds and the state board concurs that the following criteria are satisfied:

(1) the facility does not satisfy the conditions specified in Sections 93303(a)(2) or 93308;

(2) the emission reductions are permanent and enforceable; and

(3) the facility poses no significant risk to public health.

(b) The operator of every facility which satisfies the criteria of subsection (a) and obtains the district's findings thereof and the state board's concurrence thereof on or before January 1 of a given year, shall not be required to comply with the update requirements that apply to that or to any subsequent year.

(c) If at any time a facility ceases to satisfy any of the criteria specified in subsection (a), the facility shall automatically become subject to this regulation. A facility must notify the district immediately if it ceases to satisfy the criteria specified in subsection (a).

NOTE: Authority cited: Sections 39600, 39601, 44320, 44342, and 44344, Health and Safety Code. Reference: Sections 44322, 44323, 44340, 44341, 44342, and 44344, Health and Safety Code.

93306. Facilities Added to District Surveys.

This regulation shall also apply to facilities added after July 1, 1988, to a toxics use or toxics air emission survey, inventory, or report released or compiled by a district and subsequently referenced in Appendix B of Title 17 California Code of Regulations, Sections 90700 through 90704. The operator of any such facility referenced in such Appendix B on or before April 1 of a given year shall submit an emission inventory plan to the appropriate district by the following August 1, unless the district notifies the facility in writing that the facility's emissions are or will be included in an industrywide emission inventory prepared by the district.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44320(b), 44323, 44340, 44341, and 44342, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93306.5 Facilities Removed from District Surveys.

(a) This regulation ceases to apply to any facility that is removed from a district's toxics use or toxics air emission survey, inventory, or report referenced in Appendix B of Title 17 California Code of Regulations, Section 90700 through 90704, if the facility demonstrates to the district, and the district finds and the state board concurs that the following criteria are satisfied:

(1) the facility does not satisfy the conditions specified in Section 93303 or 93308; and

(2) the facility poses no significant risk to public health.

(b) The operator of every such facility that satisfies the criteria of subsection (a) and is deleted from a reference in Appendix B of Title 17 California Code of Regulations, Section 90700 through 90704, on or before April 1 of a given year shall not be required to comply with the update requirements that apply to that or to any subsequent year.

(c) If at any time a facility ceases to satisfy any of the criteria specified in subsection (a), the facility shall automatically become subject to this regulation. A facility must notify the district immediately if it fails to satisfy the criteria specified in subsection (a).

NOTE: Authority cited: Sections 39600, 39601, 44320, 44342, and 44344, Health and Safety Code. Reference: Sections 44320, 44323, 44340, 44341, 44342, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93307. Updates to the List of Substances.

The operator of any facility which manufactures, formulates, uses, or releases any substance added to the list of substances on or before April 1 of a given year shall include such substance in any emission inventory plan required pursuant to this Article, or in the next update of the emission inventory required pursuant to Health and Safety Code Section 44344 and to Article 6, beginning with Section 93348, unless the district notifies the facility in writing that the facility's emissions of the substance are or will be included in an industrywide emission inventory prepared by the district.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44321, 44323, 44340, 44342, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix A.

93308. Facilities Emitting Less Than 10 Tons Per Year of Criteria Pollutants.

(a) This Section shall apply on its effective date to any facility which manufactures, formulates, uses, or releases any listed substance or any other substance which reacts to form a listed substance; and which releases less than 10 tons per year of each of total organic gases, particulate matter, nitrogen oxides, and sulfur oxides; and which falls in any class listed in Appendix E-I or Appendix E-II.

(b) Each such facility shall comply with subsections (c) and (d) below, unless:

(1) The district notifies the facility in writing that the facility's emissions are or will be included in an industrywide emission inventory prepared by the district pursuant to Health and Safety Code Section 44323; or

(2) The facility is subject to earlier submission of an inventory plan pursuant to Sections 93304, 93305, or 93306 or pursuant to district requirements adopted in accordance with Health and Safety Code Section 44365(b).

(c) Except as provided in (b), above, the operator of any such facility which falls in any class listed in Appendix E-I shall submit to the appropriate district an inventory plan and inventory report which meet all the requirements of this subchapter. The inventory plan shall be due August 1 of the year following the effective date of this subsection for any such facility in operation at the time of such effective date. For any such facility commencing operation after such effective date, the operator of every such facility commencing operation on or before January 1 of a given year shall submit an inventory plan to the appropriate district by the following August 1, except as provided in subsection (b)(1), above. The schedule specified in Health and Safety Code Sections 44340(b), 44341, and 44343, and in Sections 93320 and 93347 herein shall apply to the review, approval, and implementation of the plan and submittal of the report.

(d) Except as provided in (b), above, the operator of any such facility which does not fall in any class listed in Appendix E-I but falls in any class listed in Appendix E-II shall submit to the appropriate district, for one time only, in lieu of a plan and a report, a completed copy of the Facility Description Form and a completed copy of Form S-UP which includes all applicable substances listed in both Appendix A-I and Appendix A-II. The operator shall include on Form S-UP or on an attachment a brief description regarding the nature and approximate quantity of the indicated use, production, or other presence of each applicable substance. These completed forms shall be submitted to the district on or before August 1 of the year following the effective date of this subsection for any such facility in operation at the time of such effective date. For any such facility commencing operation after such effective date, the operator of every such facility commencing operation on or before January 1 of a given year shall submit the required forms to the appropriate district by the following August 1, except as provided in subsection (b)(1), above. The district shall forward these forms to the ARB within sixty (60) days of receipt.

(e) This regulation shall also apply to any such facility which falls in any class which is subsequently added to Appendix E-I or Appendix E-II. The operator of any such facility which falls in a class added to Appendix E-I or E-II on or before April 1 of a given year shall submit the required emission inventory plan or the completed Facility Description Form and Form S-UP, respectively, to the appropriate district by the following August 1, unless:

(1) The district notifies the facility in writing that the facility's emissions are or will be included in an industrywide emission inventory prepared by the district pursuant to Health and Safety Code Section 44323; or

(2) The facility is subject to earlier submission of an inventory plan pursuant to Sections 93304, 93305, or 93306 or pursuant to district requirements adopted in accordance with Health and Safety Code Sections 44365(b).

NOTE: Authority cited: Sections 39600, 39601, 44322, and 44342, Health and Safety Code. Reference: Sections 44321, 44322, 44323, 44340, 44341, 44342, 44343, 44344, and 44365, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix A.

93309. Facilities Emitting Less Than 10 Tons Per Year of Criteria Pollutants And No Longer Falling Within an "Any SIC" Class Description Listed in Appendix E-I.

(a) This regulation shall cease to apply to any facility at which a process is discontinued such that the facility no longer falls within an "any SIC" class listed in Appendix E-I, if the facility demonstrates to the district, and the district finds and the state board concurs that the following criteria are satisfied:

(1) the facility does not satisfy the conditions specified in Section 93303 or any other condition specified in Section 93308;

(2) the process is discontinued permanently; and

(3) the facility poses no significant risk to public health.

(b) The operator of every facility which satisfies the criteria of subsection (a) and obtains the district's findings thereof and the state board's concurrence thereof on or before January 1 of a given year, shall not be required to comply with the update requirements that apply to that or to any subsequent year.

(c) If at any time a facility ceases to satisfy any of the criteria specified in subsection (a), the facility shall automatically become subject to this regulation. A facility must notify the district immediately if it ceases to satisfy the criteria specified in subsection (a).

NOTE: Authority cited: Sections 39600, 39601, 44320, 44322, 44323, 44342, and 44344, Health and Safety Code. Reference: Sections 44321, 44322, 44323, 44340, 44341, 44342, 44343, 44344, and 44365, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix E-I.

Article 3. Requirements for Preparing Emission Inventory Plans

93310. General.

The emission inventory plan shall provide a comprehensive and detailed description of the methods that will be used to quantify air releases or potential air releases of listed substances from all points of release. The plan shall include quantification methods which shall result in an accurate and comprehensive characterization of releases and shall comply with all other applicable requirements in this regulation.

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

93311. Flow Diagram.

Each inventory plan shall include a flow diagram consisting of a comprehensive schematic drawing of the process flows which affect the nature or quantity of emissions of listed substances. If necessary, a reference document shall be attached to the drawing to include any information needed to fulfill the flow diagram requirements which cannot be included on the drawing. An existing diagram which meets the requirements of this section may be submitted. The diagram shall indicate the following:

(a) All devices associated with an emitting process within a facility, including but not limited to:

(1) Boilers
(2) IC Engines
(3) Incinerators
(4) Flares
(5) Furnaces
(6) Kilns
(7) Process Heaters
(8) Control Devices (including hoods)
(9) Storage or Process Tanks or Enclosures
(10) Cooling Towers

Each device shall be represented by a block labeled with the name and number of the device it represents.

For purposes of this section, similar small devices which are substantially equivalent may be aggregated and considered for reporting purposes as one device. The number of such devices which are so aggregated shall be reported.

(b) Specific emitting processes, each associated with a device number and numbered sequentially as an emitting process within that device number. Emittents which always occur simultaneously from the same point of release shall be considered to result from a single emitting process. Each fuel burned at a combustion device shall be reported as a separate emitting process. Each air pollution control device and process shall be reported.

For purposes of this section, similar small emitting processes which are substantially equivalent may be aggregated and considered for reporting purposes as one emitting process. The number of such emitting processes which are so aggregated shall be reported.

(c) An estimate of the numbers of valves, vents, flanges, seals, and gaskets associated with each listed substance at the general locations of fugitive emissions. The estimate shall be sufficiently accurate so calculations of emissions based on the estimate meet the degree of accuracy required in Section 93334. The estimate of such components may be indicated as an aggregation at a general location.

(d) All stacks, vents, ducted building exhaust sites, and other sites of exhaust release of a listed substance.

(e) Interconnections showing functional relationships that affect emissions or their reportable characteristics, sufficient to support evaluation of the completeness and representativeness of each required source test protocol and inventory plan, including but not limited to connections between devices, stacks, emitting processes, and control equipment. Interconnections shall be indicated by arrows labeled to identify the listed substances associated with each discrete emission point or general fugitive location.

(f) All major modifications to existing processes or devices anticipated to result in a significant change in the amount or nature of emissions which are expected to occur during the reporting period.

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

93312. Trade Secrets.

Information claimed to be a trade secret shall be denoted by use of a "black box" block on the flow diagram which is labeled with the non-proprietary name(s) of the operation(s) therein. All devices and emitting processes within the "black box" shall be identified by name and by number. Fugitive emissions of listed substances located within the black box shall be indicated.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, and 44346, Health and Safety Code, and Government Code Section 6254.7

93313. Numbering.

Numbering of devices and stacks shall be consistent throughout all parts of the plan, report, and reporting forms and with existing device and stack numbers currently used by the district to characterize the facility. For devices and stacks for which the district has not assigned numbers, the facility operator shall number the devices and stacks in a manner compatible with the existing numbering convention. In cases where a facility has one or more substantially identical activities, repetitions may be indicated with an appropriately labeled box or boxes.

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

93314. Specification of Emission Quantification Methods.

For each emission point on the flow diagram, including the general location of fugitive emissions, the facility operator shall identify the listed substances being emitted and specify in detail the estimation method, source test method or other measurement method that will be used to quantify the air releases of the listed substances as required by Sections 93336 through 93345, as appropriate. Each method shall result in an accurate and comprehensive characterization of releases.

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

93315. Source Test Protocol and Other Required Information.

The inventory plan shall include a source test protocol which describes how each source test method will be applied to each emission point where source testing is required pursuant to Section 93336 and Appendix D. The inventory plan shall propose values for the effectiveness of air pollution control equipment in accordance with the requirements of subsection 93345(c) and shall include any other documentation required to be cited pursuant to Article 5, beginning with Section 93330.

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

Article 4. Requirements for Emission Inventory Reports

93320. General.

The emission inventory report shall be submitted to the district within 180 days after approval of the plan and shall include a facility diagram; the results of all source tests, material analysis and other measurements performed; and completed copies of the necessary multiples of the four core reporting forms and the S-UP Form, or the required information in an alternative format if so required by the district. Any deficiencies or errors noted by the district, or by the ARB where applicable, shall be corrected.

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

93321. Facility Diagram.

(a) The facility diagram shall include all the information presented in the flow diagram and in the equivalent format and shall also include any specific required information which the facility chooses to designate as trade secret.

(b) Only the necessary data used to calculate emissions which are required in the facility diagram may be designated trade secret. For purposes of this regulation, "necessary data to calculate emissions" shall include process rate, operating schedule, equipment capacity, emission factors, and feed composition. "Necessary data to calculate emissions" which may be designated trade secret shall not include information previously disclosed or easily discernable, including all information which the district requires any applicant to provide before such applicant builds, alters, replaces, or operates a facility, device, or emitting process; information on the Facility Description Form, the Stack Data Form, the Device Description and Device-Stack Relations Form, and all other information on the Process and Emittents Data Form, with the exception of process description, which was not defined earlier as "necessary data to calculate emissions."

(c) Information claimed to be a trade secret shall be included on the facility diagram and reference document with a box around such information, using dashed lines and a bold letter "C" in the upper right corner of the dashed box. The designated information will be protected as a trade secret when it appears in another component of the emission inventory report only if thus denoted on the facility diagram and denoted in such other component in accordance with the provisions of this regulation.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, and 44346, Health and Safety Code, and Government Code Section 6254.7

93322. Reporting Forms.

(a) The operator of each facility subject to the regulation shall complete one Facility Description Form , an entry on a Stack Data Form for each stack or vent from which a listed substance may be released, an entry on a Device Description and Device-Stack Relations Form for each device associated with a release of a listed substance, and a Process and Emittents Data Form for each emitting process within each device. A Process and Emittents Data Form and an entry on a Device Description and Device-Stack Relations Form shall be completed for each general location of fugitive emissions.

(b) Form S-UP shall be completed for all substances set forth in Appendix A-II which are: 1) used as ingredients in any activity or process at the facility; 2) manufactured or produced as a result of any activity or process at the facility; or 3) otherwise associated with an activity or process, including but not limited to presence in a formulation operation or presence as a by-product or a reaction intermediate which appears temporarily during processing.

(c) Information designated as trade secret on the facility diagram shall be identified on the reporting forms according to the instructions set forth in Appendix B.

(d) The forms shall be available at the district office and shall be provided to facility operators upon request.

(e) Form S-UP shall also be completed for all substances set forth in Appendix A-I when required pursuant to Section 93334 (e) and for all substances set forth in Appendix A-I and Appendix A-II when required pursuant to Section 93308(c).

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, and 44345, Health and Safety Code.

93323. Other Required Data.

(a) Each inventory report shall include the results of each required source test and source test protocol, each fuel or material analysis, and any other documentation required to be submitted pursuant to Article 5.

(b) The inventory report shall include the results of any source tests performed pursuant to district regulations implementing an ARB airborne toxic control measure which was adopted pursuant to Health and Safety Code Section 39666 for the control of toxic air contaminants, where such source tests have been performed prior to the date of submittal of the inventory report.

(c) If so required by the district, the facility operator shall include with the inventory report a facility-wide emissions summary which lists for each reported substance the total of the annual emissions and the maximum hourly emissions of each listed substance from the facility. The totals for each substance shall match the sums of the annual and maximum hourly emissions, respectively, which have been reported for the substance on the Process and Emittents Data Forms for all applicable emitting processes at the facility. If such a summary is required by the district, the district shall, on request, specify a standardized format for the summary data.

(d) If so required by the district, the facility operator shall include with the inventory report information on the proximity of the source to potential receptors, including but not limited to the distance to the nearest hospital, school, daycare center, worksite, and residence. If such information is required by the district, the district shall, on request, specify a standardized format for the information.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, and 44360, Health and Safety Code.

93324. Plot Plan.

If so required by the district, the inventory report shall include a plot plan which shall show a plan view of the facility site and structure(s). The plot plan shall indicate the direction of north and shall be drawn to scale on one sheet of paper. All stacks shall be shown and referenced by stack number. The height of any buildings greater than two stories shall be noted. General locations of fugitive emissions shall be noted. The devices and operations situated in each separate building shall be designated by the corresponding name or number used on the flow diagram.

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

Article 5. Other Requirements

93330. Instructions for Record Keeping.

The facility operator shall retain copies of the following records and documentation for a period of five years from the date of submission of the emission inventory report or the date of each subsequent update required pursuant to Health and Safety Code Section 44344:

(a) Each emission inventory plan.

(b) Each emission inventory report.

(c) All documentation and results of source tests and other measurement procedures.

(d) Purchase records of all listed substances or mixtures containing listed substances used at the facility, if information regarding the purchase of such substances was used to calculate emissions of any listed substance or to determine the production, use, or other presence of any substance reported on Form S-UP.

(e) All Material Safety Data Sheets and Technical Data Sheets used to prepare the emission inventory report.

(f) Receipts and manifests associated with the transfer of each listed substance in waste to off-site locations, if information regarding such transfer was used to calculate emissions of any listed substance.

(g) All other documentation supporting the estimates of emissions, including control equipment efficiency; of amounts present of each listed substance, including information used to evaluate exempted uses and degree of accuracy requirements; and of amounts used for mass balance calculations, including amounts removed or transferred to an off-site location in finished product, by-product, waste, or any other form.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, 44344, and 44345, Health and Safety Code.

93331. Specification of Reporting Period and Averaging Intervals for Each Substance.

(a) The calendar reporting period for which emissions are to be representative shall be from January through December of the specified year, commencing January 1, 1989 for facilities required to submit inventory plans by August 1, 1989 and commencing January 1, 1990 for facilities required to submit inventory plans by August 1, 1990, and in like manner for subsequent submittal of inventory plans.

(b) Emissions of substances listed in Appendix A-I shall be reported both as maximum one hour emissions and as annual average emissions.

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

93332. Specifications for Identifying Emission Points and Substances Emitted.

(a) The facility operator shall identify and report in the inventory plan and the inventory report as a distinct emitting process or device each occurrence within the facility of the emitting processes and devices set forth in Appendices C-I and C-II (the Facility Guidelines Index, herein referred to as the "Facility Look-up Table"), and shall determine whether any listed substance is present, including but not limited to those indicated in Appendices C-I and C-II.

(b) For the devices, emitting processes, and fugitive sources set forth for all facility classes in Appendix C-I and for the applicable facility class(es) set forth in Appendix C-II, the operator shall report all emissions of substances listed in Appendix A-I and shall report the production, use, or other presence of substances listed in Appendix A-II.

(c) The facility operator shall use and cite available technical guidance as needed to identify the presence of any listed substances and to quantify and report emissions in accordance with the requirements set forth in Section 93334.

(d) Nothing in subsections (a) through (c), above, shall be construed as requiring that source testing be conducted for substances set forth in Appendix C. Further, in cases where a substance set forth in Appendix C is not in fact present at a particular facility, the facility operator shall not attempt to quantify the emissions of such substance, but shall provide adequate documentation to demonstrate to the district that the possible presence of the substance at the facility has been addressed and that there are no emissions of the substance for specified reasons.

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

93333. Exempted Uses.

The following uses of listed substances shall not be subject to this regulation:

(a) Use as a structural component of the facility.

(b) Personal use by employees or other persons of foods, drugs, cosmetics, tobacco products, and other personal items, including supplies of such products within the facility in an on-site cafeteria, store, or infirmary.

(c) Office and administrative use of products including ink, marking pens, ink pads, correction fluid, correction fluid thinner, and glue.

(d) Use of products for routine janitorial or facility grounds maintenance.

(e) Use of products for structural maintenance and repair, including WD-40 and other lubricants, sealants, touch-up paints, spray paints, and varnishes. Structural maintenance does not include maintenance and repair of process and industrial equipment.

(f) Use of products for minor maintenance and repair of process and industrial equipment, including WD-40 and other lubricants, sealants, touch-up paints, spray paints, and varnishes. Minor maintenance and repair shall not include maintenance and repair which is routinely scheduled or which is due to predictable process upsets.

(g) Use of products for the purpose of maintaining motor vehicles operated by the facility, unless vehicle maintenance is a significant function of the facility, such as in an auto repair facility or in a trucking or other business where a fleet of vehicles is maintained.

(h) Use of process water or non-contact cooling water which is drawn from municipal water supplies or from other local ground or surface water sources but is not drawn from activities at the facility.

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

93334. Emission Quantification and Degree of Accuracy.

(a) For all substances listed in Appendix A-I, the inventory report shall identify and quantify emissions from the use, manufacture, formulation, and release of the substance at all primary locations of actual or potential release.

(b) For each process for which source testing is required to quantify emissions of a listed substance pursuant to Section 93336 and Appendix D, the measured concentrations shall meet the practical quantification limit in the applicable ARB-adopted source test method. All other parameters needed to calculate emissions shall be reported to within plus or minus 10 per cent of their total values. The emission results of each source test shall be reported to the degree of accuracy consistent with the detection and accuracy limits achievable using the applicable source test method, whether or not such emissions are below the lowest applicable degree of accuracy set forth in subsection (c) below.

The sampling frequency shall provide the best practicable characterization of emissions at the facility representative of the reporting year and shall be specified in the source test protocol submitted with the inventory plan.

In cases where source testing is required to quantify emissions of a listed substance from some but not all emitting processes at the facility, total emissions from the processes for which source testing is not required shall meet the applicable limits set forth in subsection (c) below.

(c) For each substance listed in Appendix A-I, the total emissions from processes for which source testing is not required shall be reported to within plus or minus 10 per cent of the total emissions of the substance, or to within plus or minus the applicable degree of accuracy value in Appendix A-I for that substance, whichever is greater.

(d) For all substances listed in Appendix A-II, the facility operator shall identify and report each substance produced, used, or otherwise present at all primary locations of use, manufacture, formulation, or release.

(e) For all substances listed in Appendix A-I which are manufactured, formulated, used, or released but for which emissions are below the applicable limits for degree of accuracy required by subsection (c) and listed in Appendix A-I, the facility operator shall complete Form S-UP

to indicate the presence of such substances, unless a numeric estimate of such emissions is reported on a Process and Emittents Data Form for the appropriate emitting process.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44321, 44340, 44341, and 44342, Health and Safety Code, and 17 CCR Section 90700-90704, Appendix A.

93335. Reporting Mixtures and Trade Name Products.

(a) Except as provided in subsections (c) through (h), below, the emissions of each listed substance contained in any mixture shall be individually reported to the degree of accuracy required in Section 93334 and Appendix A.

(b) **Mixtures Without Emittent Identification Numbers:** Except as required in subsections (c) through (h), below, the emissions from any mixture or substance group header listed in Appendix A but for which an emittent identification number is not included shall be reported as emissions of the component listed substances.

(c) **Mixtures With Emittent Identification Numbers:** Except as required in subsections (d) through (h), below, the emissions of any listed mixture or group heading for which an emittent identification number is included in Appendix A-I shall be reported as follows:

(1) Emissions of individual substances listed under the mixture or group heading shall be reported individually. Other, unspecified substances in the mixture or group must be summed and reported under the emittent identification number for the mixture or group heading.

(2) If no individual substances are listed under the mixture or group heading, the emissions of the mixture or group heading shall be reported as total emissions of the aggregated mixture using the applicable emittent identification number. The listed mixture shall not be divided into constituent listed substances for purposes of reporting emissions on the reporting forms in Appendix B. Rather, the facility operator shall provide all reasonably obtainable information on the composition and variability of the mixture as it pertains to constituents which are listed substances, including at a minimum, each applicable Material Safety Data Sheet, Technical Data Sheet, and other data on batch composition.

(d) **Metal Compounds:** Emissions of individually listed metal compounds shall be reported as total emissions of the compound using the emittent identification number for that compound. Emissions of metal compounds for which an emittent identification number is not included in Appendix A-I, but which contains one or more listed metals, shall be reported as each listed metal's atom equivalent, using the emittent identification number for each metal or applicable metal compound group header.

(e) **Diesel and Gasoline Engine Exhaust:** Emissions of diesel engine exhaust and gasoline engine exhaust shall be reported as emissions of total particulate matter and total organic gas using the emittent identification numbers specified in Appendix A. Individually listed substances from diesel and gasoline combustion shall also be reported using the applicable emittent identification numbers.

(f) **Gasoline Vapors:** Total gasoline vapor emissions shall be reported using the applicable emittent identification number. Emissions of individual components of gasoline vapors which are listed substances shall also be reported.

(g) Source test results for polycyclic aromatic hydrocarbons (PAHs) shall include measurement of total PAHs and each of the component substances which are listed substances and to which the ARB-adopted source test method pertains. Each individual substance and total PAHs shall be reported in accordance with the instructions set forth in Appendix B.

(h) Source test results for dioxins and furans shall include measurement of total dioxins and furans and each of the component substances which are listed substances and to which the ARB-adopted source test method pertains. The results shall include the determination of total tetra-, penta-, hexa-, hepta-, and octa- PCDD/PCDF homologue groups and all the 2,3,7,8-substituted PCDD/PCDF isomers listed in the method. Each individual substance and total dioxins and furans shall be reported in accordance with the instructions set forth in Appendix B.

(i) Trade name products shall be treated as mixtures.

(j) A Material Safety Data Sheet (MSDS) or Technical Data Sheet (TDS) shall be considered sufficient to identify listed substances in a mixture or trade name product only if all listed substances can be identified to the degree of accuracy required by Section 93334 and Appendix A unless the district concurs that the presence of a particular substance in the mixture is highly unlikely. An MSDS or TDS shall not be acceptable for purposes of this regulation if trade secret information has been omitted or if it includes a mixture or a category of substances (such as "petroleum process oil") that may reasonably be expected to contain a listed substance (such as benzene), unless, by consulting the manufacturer or performing a laboratory analysis of the material, the

facility operator demonstrates that no listed substances are included in the mixture or establishes the amounts of listed substances that are present.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44321, 44340, 44341, and 44342, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix A.

93336. Source Testing and Measurement.

(a) Source testing shall be required for those sources set forth in Appendix D for the substances specified and in accordance with the measurement methods set forth therein. Exemptions and alternatives are set forth in the third column of Appendix D.

(b) The ARB-adopted test methods shall be used to fulfill the source test requirements in subsection (a) when the specified conditions exist, except that:

(1) To determine quantities of trace elements in fuel, waste, or material samples, the following methods shall be used: EPA Method 7196 for chromium (hexavalent), EPA Method 7471 for mercury, EPA Method 7740 for selenium, and EPA Method 6010 for all other trace elements, all of which are dated September 1986 and set forth in SW-846, Test Methods for Evaluating Solid Waste, Third Edition, November 1986, and all of which are incorporated by reference herein; and

(2) To determine chlorine content and sulfur content of coal and coke fuel samples, ASTM Methods D2361-85 amended as of 1985 and D3177-89 amended as of 1989, both of which are incorporated by reference herein, shall be used, respectively.

(3) To determine chlorine content and sulfur content in wood, refuse-derived, and other solid fuel, waste, or material samples, ASTM Methods E776-87 amended as of 1987 and E775-87 amended as of 1987, both of which are incorporated by reference herein, shall be used, respectively.

(4) To determine chlorine content and sulfur content in other fuel or material samples, ASTM Methods D808-87 amended as of 1987 and D129-64 amended as of 1964, both of which are incorporated by reference herein, shall be used, respectively.

(c) The facility operator may propose in the inventory plan and the district may approve equivalent sampling and analysis methods to accomplish the required source testing only if the facility operator includes in the inventory plan sufficient information to enable the Executive Officer of the ARB to determine in writing that the alternative method is substantially equivalent to the ARB-adopted method for that facility for purposes of complying with this regulation.

(d) The inventory plan may include a proposal for the use of existing source test data from the facility to satisfy the source testing requirement. The district may approve the proposal only if all conditions affecting emissions of listed substances are substantially the same, and the source test methods used are determined by the Air Pollution Control Officer or Executive Officer of the district to be substantially equivalent to the ARB-adopted test methods. The proposal must be approved in writing by the district prior to use.

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

93337. Pooled Source Testing.

(a) The operators of a group of related facilities may propose in each of their respective inventory plans to satisfy any source testing requirement by performing a limited number of representative source tests and applying the results to each of their respective facilities. Such a proposal shall be submitted for district review and approval with the source test protocol in the inventory plan.

(b) Upon receipt of a proposal for pooled source testing, the district shall ensure that all required components of information are included. Once the proposal is complete, the district shall immediately submit the proposal to the Executive Officer of the ARB for technical review and comment. To the extent practicable, the Executive Officer of the ARB shall indicate whether the proposal is acceptable. If the proposal is unacceptable, the Executive Officer shall identify those areas of the proposal which are deficient. The proposal shall be deemed acceptable to the ARB if the Executive Officer does not respond to the district within 45 days of receipt of the proposal.

(c) The district may approve the proposal for participating facilities which were not source tested but to which the results are proposed to be applied only if:

(1) The facility operator includes in the plan sufficient information regarding operating conditions, input and output streams, equipment characteristics, control equipment, and other parameters affecting emission characteristics of the operator's facility and the facility tested to enable the district to make a determination that sufficient similarity in all parameters affecting emissions of listed substances exists between the facility tested and the facility to which the results are proposed to be applied, such that emissions can be calculated to yield representative emission results to the required degree of accuracy; and

(2) If applicable, the facility operator corrects the deficiencies identified by the Executive Officer of the ARB.

(d) If the proposal is not approved, each facility shall undertake individual source testing as required.

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

93338. Alternatives to Required Source Testing.

(a) As a substitute for a required source test as set forth in Appendix D or the alternatives to it as set forth in Sections 93336 and 93337 and Appendix D, the inventory plan may include a proposal for the use of an alternative method to quantify emissions if the facility operator provides adequate documentation to demonstrate that the alternative method will result in the best technologically feasible characterization of the facility's emissions, and:

(1) the proposed alternative method:

(A) has been demonstrated in actual practice to result in a characterization of emissions which is as accurate or more accurate than that achievable by the ARB-adopted source test method, and

(B) is not to be used instead of the required source testing for combustion or incineration processes or for other processes where the mechanisms that result in emissions and the parameters which are necessary to determine the emissions cannot be quantified sufficiently to allow emissions to be estimated to meet the applicable degrees of accuracy set forth in Section 93334; or

(2) use of the required source testing is not technologically feasible because of physical circumstances at the facility, but the ARB-adopted source test method may be modified for use at the facility, in which case such modified method shall be used; or

(3) use of the required source testing is not technologically feasible because of physical circumstances at the facility and the ARB-adopted source test method cannot be modified in accordance with subsection (a)(2) above, in which case the best technologically feasible non-testing alternative may be proposed.

(b) Upon receipt of a proposal for the use of such an alternative method, the district shall ensure that all required components of information are included. Once the proposal is complete, the district shall immediately submit the proposal to the Executive Officer of the ARB for technical review and comment. To the extent practicable, the Executive Officer of the ARB shall determine whether the required source test is feasible and shall note any deficiencies in the proposal. The proposal shall be deemed acceptable to the ARB if the Executive Officer does not respond to the district within 45 days of receipt of the proposal.

(c) If the proposed alternative method is to determine emissions of arsenic or arsenic compounds, beryllium or beryllium compounds, cadmium or cadmium compounds, chromium (hexavalent), benzo(a)pyrene, or chlorinated dioxins and dibenzofurans, the district may approve the proposed alternative only if both the district and the ARB concur that the proposed alternative method complies with subsection (a) above. If the proposal is not approved, the facility shall undertake source testing as required or shall use an alternative method which is determined by the district and the ARB to meet the requirements of subsection (a).

(d) If the proposed alternative method is to determine emissions of a substance other than those identified in subsection (c), the district may approve the proposed alternative only if, after considering any comments by the Executive Officer of the ARB, the district determines that the proposed alternative method complies with subsection (a) above. If the proposal is not approved, the facility shall undertake source testing as required or shall use an alternative method which is determined by the district to meet the requirements of subsection (a).

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

93339. Source Test Protocol and Source Test Report.

For each required source test, including pooled source tests conducted pursuant to Section 93337, a proposed source test protocol shall be submitted with the inventory plan. The proposed protocol shall include the information set forth in subsections (a) through (w) below, responding to language in brackets to indicate future intent or anticipated values, and excluding information claimed to be trade secret.

For each required source test, a source test report shall be submitted with the inventory report. The source test report shall include the actual test values for the information required in subsections (a) through (w) below. Information denoted as trade secret on the facility diagram shall be so denoted in the source test report according to the procedure set forth in subsection 93321(c). Facilities participating in pooled source tests conducted pursuant to Section 93337 need only reference the source test report in their inventory report if the district already possesses a copy of the report and the facility obtains the district's findings that a further copy is not needed.

(a) Date on which the source test was [will be] performed.
(b) Name and qualifications of companies and/or persons who conducted [will conduct] the source test and analyzed [will analyze] the samples.
(c) Name of contractor.
(d) Process description.
(e) Process reactant composition and rates [approximate values or range of values for composition and rates].

(f) Fuel analysis and firing rates for combustion processes [approximate values or range of values for fuel composition and firing rates].
(g) Source test and analysis methods for all listed substances for which source testing is required [commitment to source test and analysis methods as required by Sections 93336 and Appendix D].
(h) Equipment specifications and drawings as needed to plan and interpret source test results, including but not limited to stack dimensions (including diameter and height) and port configuration.
(i) ARB independent tester Executive Order, provided pursuant to Section 91207, Title 17, California Code of Regulations, if the tester has been certified by the ARB for the proposed source test method.
(j) Typical values and allowable ranges of operating parameters (including pressure, feed rate) of the process [approximate values or range of values for operating parameters].
(k) Process operating conditions during test [approximate values or range of values anticipated during test].
(l) Stack temperature [approximate value anticipated].
(m) Concentration of any listed substances in the exhaust stream [approximate values or range of values anticipated].
(n) Mass emission rate of any listed substances [approximate values or range of values anticipated].
(o) Composition and rate of waste streams, including scrubber effluent, ash, fly ash [approximate values or range of values anticipated].
(p) Oxygen, carbon dioxide and moisture content of exhaust gas [approximate values or range of values anticipated].
(q) Exhaust gas velocity and volumetric flow rate at the point where testing is conducted [approximate values or range of values anticipated].
(r) Sampling points and number of samples [proposed points and number].
(s) Calibration data, including certification that the accuracy of calibration gases is traceable to the National Institute of Standards and Technology (NIST).
(t) Quality assurance and quality control data including analysis audit, zero and span drift, blank and spiked samples [proposed].
(u) Chain of custody document, where appropriate [proposal for provision of document].
(v) Applicable emission standards or other permit conditions affecting emissions of listed substances.
(w) The estimated limit of detection, the proposed number of test runs, and any other pretest calculations for the source test method that is used.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, and 44346, Health and Safety Code, Government Code Section 6254.7.

93340. Converting Source Test Results to Emission Rates.

(a) Source testing shall be performed under representative operating conditions for the reporting year. Representative operating conditions shall be developed in consultation with the appropriate air pollution control district and specified in the inventory plan.

(b) In consultation with the district, and in accordance with the procedures set forth in the ARB-adopted source test methods where applicable, the facility operator shall calculate and report a site-specific emission factor for the listed substance based on the mass emission rate for the listed substance measured during the source test and expressed in terms of the most representative "usage unit". The usage unit shall be the measure of operating conditions which best characterizes the dependence of the emissions of the listed substance on operating conditions. The most appropriate usage unit shall be hours of operation only when the operation undergoes very limited variation over time during the reporting year.

(c) The facility operator shall calculate annual average emissions, in pounds per year, from the site-specific emission factor and the average value of the usage unit during the reporting year.

(d) The facility operator shall calculate maximum hourly emissions, in pounds per hour, from the site-specific emission factor and the maximum value of the usage unit that can reasonably be expected in a one hour period. The maximum value shall be the best possible representation of the process conditions that produce the maximum emissions within the range of allowable conditions, under routine operation or predictable upset, but not including conditions reflecting atypical shut-down of control equipment.

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

93345. Specifications for Acceptable Estimation Methods and Emission Factors.

(a) Where emissions of substances are required to be quantified but where measurement is not required pursuant to Section 93336, the inventory plan may propose an estimation method to quantify such emissions at all primary locations of release to the degree of accuracy required by Section 93334. The district may approve a proposed method only if all of the following criteria are met:

(1) The district determines that the method is effective and reflects the best available methods and data, and will produce an accurate representation of the types and quantities of air releases at a facility;

(2) The proposed method accounts for all facets of the applicable emitting process and is based on sufficient data about the air toxics emission characteristics under the full range of relevant conditions to characterize the emissions to the degree of accuracy required by Section 93334; and

(3) Standard calculations for mass balance, emission factor application, and engineering calculations comply with the following requirements:

(A) Mass balance calculations are acceptable when no adequate emission factors are available or when a more accurate estimate will be obtained by the use of a mass balance than by the use of available emission factors. All mass balance calculations must account for all routes of inflow and outflow and all accumulations sufficiently to characterize air releases to the degree required.

(B) Proposed emission factors must have been generated under substantially similar conditions for substantially similar facilities or equipment as those to which the emission factors will be applied, to the extent technologically feasible. For purposes of this Section, if the ARB has published, pursuant to Health and Safety Code Section 39650 et seq., an emission factor for a listed substance which is applicable to the emitting process at the facility, the most recent such emission factor shall be used to estimate emissions of the substance.

(C) Engineering calculations shall be based on sufficient data about the air toxics emission characteristics at all relevant conditions to characterize the emissions to the degree of accuracy required by Section 93334.

(b) The estimation method included in the inventory plan may include a proposal to use available data and data from substantially similar facilities or equipment. The district shall not approve the proposal unless the criteria set forth in subsections (a)(1) and (2) are met.

(c) The effects of all air pollution control equipment or process conditions which are adjusted to control air pollution shall be quantified for each listed substance affected by the equipment or process. The facility operator shall propose in the inventory plan a value for the effectiveness of each air pollution control device affecting the emissions of each listed substance and shall cite the justification for the value of control effectiveness for each listed substance under actual operating conditions.

NOTE: Authority cited: Sections 39600, 39601, and 44342, Health and Safety Code. Reference: Sections 44340, 44341, 44342, and 44345, Health and Safety Code.

93346. Format for Reports and Presentation of Data.

(a) The operator of each facility subject to this regulation shall complete the core reporting forms and the S-UP form in accordance with the formats and instructions set forth in Appendix B, except that the required information shall be submitted in an alternative format if so required by the district.

(b) The core Facility Description Form shall be the first page of the required emission inventory report. Other core forms shall be in sequence by device number. The required source test report and other documentation supporting the emission calculations shall be attached after the core reporting forms and in an order corresponding to the core reporting forms for the applicable devices, stacks, or emitting processes.

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

93347. Other Procedures.

Within 90 days of approval of the inventory report, the district shall transmit to the ARB staff all data required on the core and S-UP forms in a format approved by the ARB staff for transmittals via paper or electronic media.

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

Article 6. Updates

93348. Update Requirements

(a) Facility operators required to report pursuant to Sections 93304, 93305, 93306, or 93308(b)(1) or (c) are subject to update requirements as specified by Sections 93348-93355. Every facility operator shall submit either an Update Summary Form or an update plan and report, as specified in subsections (b-g) below. Facility operators shall comply with these requirements pursuant to the schedule specified in Section 93353. In the following subsections the terms "significant risk facility", "high priority facility", "intermediate priority facility", and "low priority facility" are used as specified in Health and Safety Code Sections 44360(a) and 44362(b). In addition, facility priority categorization, as used in Sections 93348-93353, shall reflect emissions from the most recent facility emission inventory approved by the district.

(b) **Significant Risk Facilities:** Every four years the operator of any facility whose health risk assessment indicates that there is a significant health risk associated with emissions from the facility, as determined by the district pursuant to Health and Safety Code Section 44362(b), shall submit to the district an update plan and report, as specified in Sections 93350-93353. Operators subject to this part shall identify and report all changes in emissions for those devices which constitute, at a minimum, the upper 80 percent of the facility's risk, such that the aggregated risk of devices not identified does not exceed either one cancer in a million or a noncancer hazard index of one, in the judgment of the district. Devices shall be identified with the concurrence of the district. Alternatively, facility operators subject to this part may, at their option, submit update plans and reports which show all changes to all devices at the facility.

(c) **High Priority, Not Significant Risk Facilities:** Every four years the operator of any facility which is categorized by a district as high priority pursuant to Health and Safety Code Section 44360(a), and whose emissions do not present a significant health risk as determined by the district, shall complete and submit to the district for review the Update Summary Form as specified in Section 93349. Based on data reported on Part C of the Update Summary Form, any facility that experienced a significant increase in facility activity since the facility's previous emission inventory report was submitted shall submit an update plan and report, as specified in Sections 93350-93353. The update plan and report shall include updated information for those devices which experience significant increases in activity.

(1) **Significant Increases.** For facility operators subject to this subsection, significant increases in facility activity shall be defined as a 10 percent or greater increase in device activity. Devices may be identified as described in either (i) or (ii) below:

(i) **Any Devices.** Any device whose activity (as measured by increases in throughput, fuel usage or type, feed rates, emissions, or process rates) has increased by 10 percent or greater since the facility's previous emission inventory report was submitted; or

(ii) **Substantial Risk Devices.** Those devices which constitute, at a minimum, the upper 80 percent of the facility's risk, such that the aggregated risk of devices not identified does not exceed either one cancer in a million or a noncancer hazard index of one, in the judgment of the district. Devices shall be identified with the concurrence with the district. Facility operators shall provide updated data in an update plan and report for any of the identified devices with activity increases of 10 percent or more (as measured by increases in throughput, fuel usage or type, feed rates, emissions, or process rates).

(2) **Consolidated Device Data:** At their option, facility operators may consolidate devices for the purpose of quantifying increases in device activity when reporting on the Update Summary Form. All devices, so consolidated, must be within the same Source Classification Code (SCC). Increases shall be in comparison to the activity for comparable devices as reported in the facility's most recently submitted and approved emission inventory report. When the sum of the changes in activity for all consolidated devices within an SCC exceeds a 10 percent increase, an updated Process and Emittents (PRO) Form must be submitted by the facility operator for any individual device or grouped devices (reported on the same PRO Form) whose activity increases by 10 percent or more.

(3) **Other Criteria:** Based upon data reported in Part B of the Update Summary Form or other information required by the district, districts may require a facility operator to submit an emission inventory update plan and report for the facility as specified in Sections 93350-93353.

(d) **Low or Intermediate Priority Facilities:** Every four years the operator of any facility which was categorized by a district as low or intermediate priority pursuant to Health and Safety Code Section 44360(a) and which is not subject to Section 93348(b), shall complete and submit to the district for review Parts A and B of the Update Summary Form as specified in Section 93349. The Update Summary Form shall meet the update requirements for facilities subject to this subsection unless, based upon data reported on the Update Summary Form or other information required by the district, the district requires the facility operator to submit an emission inventory update plan and report for the facility as specified in Sections 93350-93353.

(e) **Facilities Not Yet Prioritized:** Every four years, the operator of any facility that has not been prioritized by a district pursuant to Health and Safety Code Section 44360(a) shall complete and submit to the district Part A of the Update Summary Form as specified in Section 93349. The Update Summary Form shall meet the update requirements of facilities subject to this subsection. For any facility prioritized by December 1 of a given year, this part no longer applies to the facility for that year or for any subsequent year.

(f) **Voluntary Updates:** Any facility operator may voluntarily submit an update plan and report, following approval and scheduling by the district.

(g) **Data Revised for Prioritizations or Risk Assessments:** If a facility operator requests, and a district allows a facility operator to use revised inventory data for prioritization or risk assessment, the facility operator shall submit an update report to the district which reflects any changes from the previously submitted and approved emission inventory report. The district shall submit this updated inventory to the ARB.

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360, and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93349. Update Summary Form

(a) Operators of facilities identified in Sections 93348(c-e) shall complete and submit the Update Summary Form for the applicable update reporting year based on the schedule specified in Section 93353.

(b) Districts shall review the Update Summary Form and respond to the facility operator as specified in Section 93354. The Update Summary Form shall satisfy a facility's update requirements for facilities specified in Sections 93348(d-e) unless the operator is notified by the district that an update plan and report is required as specified in Sections 93350-93353.

(c) In reviewing Update Summary Forms to determine whether to require the facility to submit an update plan and report, districts may take into account factors including, but not necessarily limited to:

(1) increases in throughput, fuel usage, process rate changes, or emissions;
(2) changes in types of fuels or substances used at the facility;
(3) determinations that previous source test data are inadequate;
(4) addition of new processes or equipment to the facility which cause increases in emissions;
(5) issuance of new permits or changes in permit conditions;
(6) emissions of any listed substances not previously reported, including newly listed substances;
(7) emissions of listed substances whose potency values have increased or whose acceptable exposure levels have decreased;
(8) facility status as it pertains to current or future air pollution control measures;
(9) reductions in the distance from the facility to the nearest receptor;
(10) changes in emission factors.

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360, and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93350. Update Plans and Update Reports.

(a) The operator of any facility which is subject to this subchapter shall submit to the appropriate district an update plan and update report according to the schedules specified in Section 93353. The update plan and report need only update changes in information contained in the previously submitted emission inventory plan and emission inventory report for the facility in order to represent the most current values of the information required pursuant to Sections 93310 through 93347 and Appendices A through E. Such information includes but is not limited to any applicable substances added to Appendix A pursuant to Section 93307, which have not previously been addressed in the plan or report.

(b) Except as provided in Section 93351, at least the following updated information shall be submitted as part of the update plan and report:

(1) For those facilities subject to this section pursuant to Section 93348(b), updated information shall be submitted for all components of the plan and report as may be necessary to reflect any change in any parameter which affects the nature or quantity of emissions of a listed substance from the facility for all devices identified pursuant to Section 93348(b).

(2) For those facilities subject to this section pursuant to Section 93348(c), updated information shall be submitted for those components of the plan and report which may be necessary to describe emission increases (including emissions of previously unreported listed substances) for all devices identified pursuant to Section 93348(c).

(3) For those facilities subject to this section pursuant to Section 93348(d), updated information shall be submitted only if required by the district following district review of the Update Summary Form or other information.

(c) Updated information, when required, may include but is not limited to: the effects of changes in the emission controls affecting the process, changes in input materials used, changes in the nature or quantity of any emitting process, and changes in the proposed method of quantifying emissions. A revised process flow diagram and facility diagram shall only be submitted when new components or processes not reflected in the prior diagrams have been added at the facility. Each such change shall be clearly marked.

(d) As required, updated information shall be provided for each applicable component of a plan and report to address any new operation, process, or listed substance at the facility, and to account for any revised or additional requirements pursuant to this subchapter which apply to the facility, including but not limited to any applicable substances added to Appendix A pursuant to Section 93307.

(e) For any revision proposed in an update plan which reflects a reduction in emissions, the facility operator shall include in the update plan adequate documentation to demonstrate to the district the basis and magnitude of the reduction.

(f) An update report shall include all applicable report components as required pursuant to Article 4, beginning with Section 93320, except that only the reporting forms which reflect revised information shall be submitted, with each addition, deletion, and change indicated as specified in Appendix B. The report shall include the results of any additional source test(s) and any other supporting documentation for updates, as specified in Section 93323, including any new or updated source test results pursuant to Section 93323(b) where such tests have been performed prior to the date of submittal of the update report.

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360, and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93351. Use of Previously Submitted Information.

(a) Except as specified for previous source test results in subsections (b), (c), and (d), below, the facility operator may propose in an update plan to use an applicable component of a previously submitted plan or report to satisfy the update requirement for that component, and the district may approve the proposal, if the facility operator provides adequate documentation to demonstrate to the district that:

(1) no change has occurred since the last update which would affect the accuracy of the previously reported information; or

(2) the previously reported information characterizes the current emissions to within the required degree of accuracy.

(b) Except as specified in subsection (c), below, the facility operator may propose in the update plan to use the results of a previous source test conducted pursuant to Sections 93336, 93337 or 93338, to fulfill the update requirements for a source test required pursuant to Section 93336 and Appendix D provided that:

(1) the test meets the requirements for use of previous source tests specified in Section 93336(d); and

(2) the test meets all other applicable requirements specified in Sections 93336, 93337, and 93338.

Such a proposal to use the "results of a previous source test" may include a proposal to apply the site-specific emission factor developed pursuant to Section 93340, together with current values of the applicable "usage units", to calculate a revised emission result, provided that the current values of the relevant process parameters do not exceed the range of values characterized by the previous source test and that all applicable provisions in subsections (b) and (c) are met.

(c) Unless exempted by the district, the results of a previous source test shall not be used to fulfill update requirements for a source test required pursuant to Section 93336 and Appendix D if:

(1) a major change, including but not limited to: shutdown or startup of equipment, change in air pollution control equipment, or change in the input materials affecting listed substances, has occurred in the operation of the facility which affects the emitting process for which testing is required; or,

(2) the facility has been cited by the district for a violation of any rule limiting or controlling a listed toxic substance associated with the emitting process for which testing is required; or

(3) the previous source test data submitted by the facility has been determined by the district or the Executive Officer of the Air Resources Board to be invalid or inadequate to accurately assess emissions for the tested process(es).

(d) The district may approve a proposal to use the results of a previous source test to fulfill an update of a required source test if the district determines that the requirements specified in subsections (b) and (c), above, are met. The district may require a new test to update a previous source test if the district has reason to believe that conditions affecting the emissions of listed substances have changed or if the district determines that significantly improved emission quantification is technologically feasible and appropriate for the particular facility.

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360, and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93352. Update Reporting Year.

(a) Information required on the Update Summary Form shall reflect facility operations for the calendar year (the update year) prior to the year the Update Summary Form is due. Information required on the Update Summary Form which describes changes at a facility shall be referenced to either the previously submitted emissions inventory report or to the previous update year, as specified for individual questions on the form.

(b) Emissions data in any update plan and update report shall reflect facility operations during the calendar year prior to the year in which the plan is due (the update year).

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360, and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93353. Schedule for Update Submittal.

(a) Update submittals shall be due according to the following schedule unless the district specifies in writing in advance an alternative schedule within the same year.

(1) For any facility which is subject to the requirements of this subchapter pursuant to Section 93304(a) and to Section 93348(b), the update plan shall be due by August 1, 1994, and every four years thereafter.

(2) For any facility which is subject to the requirements of this subchapter pursuant to Section 93304(a) and to Section 93348(c), (d), or (e), the Update Summary Form shall be due by February 1, 1994, and every four years thereafter. If the district requires that the facility prepare an update plan, such plan shall be due August 1 of the year the Update Summary Form is due.

(3) For any facility which is subject to the requirements of this subchapter pursuant to Section 93304(b) and to Section 93348(b), the update plan shall be due by August 1, 1995, and every four years thereafter.

(4) For any facility which is subject to the requirements of this subchapter pursuant to Section 93304(b) and to Section 93348(c), (d), or (e), the Update Summary Form shall be due by February 1, 1995, and every four years thereafter. If the district requires that the facility prepare an update plan, such plan shall be due August 1 of the year the Update Summary Form is due.

(5) For any facility which is subject to the requirements of this subchapter pursuant to Section 93305 or 93306 and to Section 93348(b), the update plan shall be due by August 1 of the year which is four years after the year the initial plan submittal was required, and every four years thereafter.

(6) For any facility which is subject to the requirements of this subchapter pursuant to Section 93305 or 93306 and to Section 93348(c), (d), or (e), the Update Summary Form shall be due by February 1 of the year which is four years after the year the initial plan submittal was required and every four years thereafter. If the Update Summary Form indicates that the facility must prepare an update plan, such plan shall be due August 1 of the same year the Update Summary Form is due.

(7) For any facility which is subject to the requirements of this subchapter pursuant to Section 93308(b)(1) or (c) and to Section 93348(b), the update plan shall be due by August 1, 1994 and every four years thereafter.

(8) For any facility which is subject to the requirements of this subchapter pursuant to Section 93308(b)(1) or (c) and to Section 93348(c), (d), or (e), the Update Summary Form shall be due by February 1, 1994, and every four years thereafter. If the district requires that the facility prepare an update plan, such plan shall be due August 1 of the year the Update Summary Form is due.

(b) Except as provided in subsection (c), below, the schedule specified for the inventory plan and report in Health and Safety Code Sections 44340(b), 44341, and 44343, and in Sections 93320 and 93347 herein shall apply to the review, approval, and implementation of the update plan and update report.

(c) Nothing in subsection (b), above, shall preclude an operator from submitting a proposed update report at the same time as the update plan provided that all applicable revisions are included in the update report and that no new source testing was required for the facility. If upon review of the update plan, the district requires the operator to revise the update plan, the operator shall implement the revised plan and incorporate all applicable revisions to the update report.

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360 and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93354. Schedule for Update Summary Form Review.

(a) Districts shall review facility Update Summary Forms. Following review, districts shall notify facility operators in writing if the facility operator must submit an emissions inventory update plan and report as specified in Sections 93348-93353. Districts shall notify facilities of the requirement to perform an update by May 1 of the year the Update Summary Form was submitted, or within 90 days of receipt of the form if an alternative submittal schedule was specified by the district.

(b) If the district does not respond to the facility operator as specified in Section 93354(a), the Update Summary Form shall meet the facility's update requirements for the update year. However, failure of the district to respond does not prevent the district from requiring updated information if the district determines that information provided on the Update Summary Form is erroneous, incomplete, or the existing facility emissions inventory does not adequately characterize facility emissions.

NOTE: Authority cited: Sections 39600, 39601, 44340, 44342, 44344, 44360, and 44362, Health and Safety Code. Reference: Sections 44320, 44322, 44323, 44340, 44341, 44342, 44343, and 44344, Health and Safety Code, and 17 CCR Sections 90700-90704, Appendix B.

93355. Change in Ownership or Company Name.

The update requirements in this subchapter shall apply to any facility which had been subject to this subchapter pursuant to the provisions of Health and Safety Code Sections 44320 and 44322, which subsequently changed ownership or company name.

NOTE: Authority cited: Sections 39600, 39601, 44342, and 44344, Health and Safety Code. Reference: Sections 44320, 44342, and 44344, Health and Safety Code.

APPENDIX A

SUBSTANCES TO BE INVENTORIED

A-I
LIST OF SUBSTANCES FOR WHICH EMISSIONS MUST BE QUANTIFIED

A-II
LIST OF SUBSTANCES FOR WHICH PRODUCTION, USE, OR OTHER PRESENCE MUST BE REPORTED

APPENDIX A-I
Substances For Which Emissions Must Be Quantified

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
75070	Acetaldehyde		a	100	1 2 3 4	
60355	Acetamide		a	100	1 2 3 4	
67641	Acetone	06/91		100	1	
75058	Acetonitrile	06/91		100	1 2	
98862	Acetophenone	06/91		100	1 2	
53963	2-Acetylaminofluorene [PAH-Derivative, POM]		a	100	1 2 4 5	
107028	Acrolein			10	1 2	
79061	Acrylamide		a	100	1 2 3 4	
79107	Acrylic acid	06/91		100	1 2	
107131	Acrylonitrile		a	100	1 2 3 4 5	
107051	Allyl chloride		a	100	1 2 4	
7429905	Aluminum	06/91		100	1	
1344281	Aluminum oxide (fibrous forms)	06/91		100	7	
117793	2-Aminoanthraquinone [PAH-Derivative, POM]		a	100	1 2 4 5	
92671	4-Aminobiphenyl [POM]		a	100	1 2 3 4 5	
61825	Amitrole		a	100	3 4 5	
7664417	Ammonia			100	1 2	
6484522	Ammonium nitrate	06/91		100	1	
7783202	Ammonium sulfate	06/91		100	1	
62533	Aniline	09/90	a	100	1 2 4	
90040	o-Anisidine		a	100	1 2 3 4 5	
-	Anthracene [PAH, POM], (see PAH)					
7440360	Antimony	06/91		100	7	
*	Antimony compounds	06/91		100	1 2	[7]
	Including but not limited to:					
1309644	Antimony trioxide	09/90	a	100	1 2 3 4	[7]
7440382	Arsenic		a	1	1 2 3 4 5	
1018	Arsenic compounds (inorganic)		a	1	1 2 3 4 5	[7]
	Including but not limited to:					
7784421	Arsine			10	1 2 7	[7]
1017	Arsenic compounds (other than inorganic)	06/91		100	1	[7]
7440393	Barium	06/91		100	7	
*	Barium compounds	06/91		100	1	[7]
-	Benz[a]anthracene [PAH, POM], (see PAH)					
71432	Benzene		a	10	1 2 3 4 5	
92875	Benzidine (and its salts) [POM]		a	10	1 2 3 4 5	
1020	Benzidine-based dyes [POM]		a	10	1 2 3	
	Including but not limited to:					
1937377	Direct Black 38 [PAH-Derivative, POM]		a	10	1 2 4 5	
2602462	Direct Blue 6 [PAH-Derivative, POM]		a	10	1 2 4 5	
16071866	Direct Brown 95 (technical grade) [POM]	09/89	a	10	1 2 4	
-	Benzo[a]pyrene [PAH, POM], (see PAH)					
-	Benzo[b]fluoranthene [PAH, POM], (see PAH)					
271896	Benzofuran	06/91	a	100	4	
98077	Benzoic trichloride [Benzotrichloride]		a	10	1 2 4 5	

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
-	Benzo[j]fluoranthene [PAH, POM]. (see PAH)					
-	Benzo[k]fluoranthene [PAH, POM]. (see PAH)					
98884	Benzoyl chloride	06/91		100	1	
94360	Benzoyl peroxide	06/91		100	7	
100447	Benzyl chloride		c	10	1 2 4	
7440417	Beryllium		c	1	1 2 3 4 5	
*	Beryllium compounds	09/89	c	1	1 2 3 4 5	[7]
92524	Biphenyl [POM]	06/91		100	1 2	
111444	Bis(2-chloroethyl) ether [DCEE]	09/89	c	100	1 2 4	
542881	Bis(chloromethyl) ether		c	10	1 2 3 4 5	
103231	Bis(2-ethylhexyl) adipate	06/91		100	1	
7726956	Bromine			100	2	
*	Bromine compounds (inorganic) including but not limited to:			100	1 2	[7]
7758012	Potassium bromate			100	1 3 4	[7]
75252	Bromoform	06/91		100	1 2 4	
106990	1,3-Butadiene		c	10	1 2 3 4 5	
141322	Butyl acrylate	06/91		100	1	
71363	n-Butyl alcohol	06/91		100	1	
78922	sec-Butyl alcohol	06/91		100	1	
75650	tert-Butyl alcohol	06/91		100	1	
85687	Butyl benzyl phthalate	06/91		100	1	
7440439	Cadmium		c	1	1 2 3 4 5	
*	Cadmium compounds		c	1	1 2 3 4 5	[7]
156627	Calcium cyanamide	06/91		100	1 2	
105602	Caprolactam	06/91		100	1 2	
2425061	Captafol	09/89	c	100	4	
133062	Captan	09/90	c	100	1 2	
63252	Carbaryl [PAH-Derivative, POM]	06/91		100	1 2 4	
1050	Carbon black extracts		c	100	1 3 4	
75150	Carbon disulfide	09/89		100	1 2 4	
56235	Carbon tetrachloride		c	10	1 2 3 4 5	
463581	Carbonyl sulfide	06/91		100	1 2	
1055	Carrageenan (degraded)		c	100	3 4	
120809	Catechol	06/91		100	1 2	
133904	Chloramben	06/91		100	1 2	
56757	Chloramphenicol		c	100	3 4	
57749	Chlordane	09/89	c	10	1 2 4	
108171262	Chlorinated paraffins (average chain length, C12; approximately 60% chlorine by weight)	09/89	c	100	3 4 5	
7782505	Chlorine			10	1 2	
10049044	Chlorine dioxide	06/91		100	1	
79118	Chloroacetic acid	06/91		100	1 2	
532274	2-Chloroacetophenone	06/91		100	1 2	

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
1058	Chlorobenzenes	06/91		100	1	
	Including but not limited to:					
108907	Chlorobenzene			100	1 2	
25321226	Dichlorobenzenes (mixed isomers)	06/91		100	1 7	
	Including:					
95501	1,2-Dichlorobenzene	06/91		100	1 7	
541731	1,3-Dichlorobenzene	06/91		100	1 7	
106467	p-Dichlorobenzene [1,4-Dichlorobenzene]		c	100	1 2 3 5	
120821	1,2,4-Trichlorobenzene	06/91		100	1 2	
510156	Chlorobenzilate [POM] [Ethyl-4,4'-dichlorobenzilate]	09/90	c	100	1 2 4	
13909096	1-(2-Chloroethyl)-3-(4-methylcyclohexyl)-1-nitrosourea [Methyl CCNU]		c	100	3	
67663	Chloroform		c	10	1 2 3 4 5	
107302	Chloromethyl methyl ether (technical grade)		c	100	1 2 4 5	
1060	Chlorophenols		c	100	1 3	
	Including but not limited to:					
120832	2,4-Dichlorophenol	06/91	c	100	1 7	
87865	Pentachlorophenol	09/90	c	100	1 2 4	
95954	2,4,5-Trichlorophenol	06/91	c	100	1 2	
88062	2,4,6-Trichlorophenol		c	100	1 2 4	
95830	4-Chloro-o-phenylenediamine		c	100	3 4 5	
76062	Chloropicrin			10	7	
126998	Chloroprene			100	1 2	
95692	p-Chloro-o-toluidine		c	100	3 4	
7440473	Chromium	06/91		100	7	
*	Chromium compounds (other than hexavalent)	06/91		100	1 2	[7]
18540299	Chromium, hexavalent (and compounds)		c	.1	1 2 3 4 5	[7]
	Including but not limited to:					
10294403	Barium chromate	06/91	c	.1	1 2 5	[7]
13765190	Calcium chromate	06/91	c	.1	1 2 5	[7]
1333820	Chromium trioxide	06/91	c	.1	1 2 5	[7]
7758976	Lead chromate	06/91	c	.1	1 2 5	[7]
10588019	Sodium dichromate	06/91	c	.1	1 2 5	[7]
7789062	Strontium chromate	06/91	c	.1	1 2 5	[7]
-	Chrysene [PAH, POM], (see PAH)					
7440484	Cobalt	06/91		100	7	
*	Cobalt compounds	06/91		100	1	[7]
1066	Coke oven emissions		c	100	1 2 3 4 5	
7440508	Copper			100	2	
*	Copper compounds	09/89		100	1 2	[7]
1070	Creosotes		c	100	1 3 4	
120718	p-Cresidine		c	100	3 4 5	

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
1319773	Cresols (mixtures of) [Cresylic acid]			100	1 2	
	Including:					
108394	m-Cresol	86/91		100	1 2	
95487	o-Cresol	86/91		100	1 2	
106445	p-Cresol	86/91		100	1 2	
98828	Cumene	86/91		100	1 2	
80159	Cumene hydroperoxide	86/91		100	1	
135206	Cupferron		c	100	4 5	
1073	Cyanide compounds	86/91		100	1 2	[8]
	Including but not limited to:					
74908	Hydrocyanic acid			10	2	
110827	Cyclohexane	86/91		100	1	
66819	Cyclohexamide			100	6	
1163195	Decabromodiphenyl oxide [POM]	86/91		100	1 2	
1075	Dialkylnitrosamines			100	1	
	Including but not limited to:					
924163	N-Nitrosodi-n-butylamine		c	1	1 3 4 5	
1116547	N-Nitrosodiethanolamine		c	100	1 3 4 5	
55185	N-Nitrosodiethylamine		c	1	1 3 4 5	
62759	N-Nitrosodimethylamine		c	1	1 2 3 4 5	
621647	N-Nitrosodi-n-propylamine		c	100	1 3 4 5	
10595956	N-Nitrosomethylethylamine		c	100	1 3 4	
615054	2,4-Diaminoanisole		c	100	3 4	
1078	Diaminotoluenes (mixed isomers)	89/90	c	100	1 4	
	Including but not limited to:					
95807	2,4-Diaminotoluene [2,4-Toluenediamine]		c	100	1 2 3 4 5	
334883	Diazomethane	86/91	c	100	1 2	
226368	Dibenz[a,h]acridine [POM]		c	100	1 2 3 4 5	
224420	Dibenz[a,j]acridine [POM]		c	100	1 2 3 4 5	
-	Dibenz[a,h]anthracene [PAH, POM], (see PAH)					
194592	7H-Dibenzo[c,g]carbazole		c	100	1 2 3 4 5	
-	Dibenzo[a,e]pyrene [PAH, POM], (see PAH)					
-	Dibenzo[a,h]pyrene [PAH, POM], (see PAH)					
-	Dibenzo[a,i]pyrene [PAH, POM], (see PAH)					
-	Dibenzo[a,l]pyrene [PAH, POM], (see PAH)					
132649	Dibenzofuran [POM]	86/91		100	1 2	
-	Dibenzofurans (chlorinated) (see Polychlorinated dibenzofurans) [POM]					
96128	1,2-Dibromo-3-chloropropane [DBCP]		c	100	1 2 3 4 5	
84742	Dibutyl phthalate	86/91		100	1 2	
-	p-Dichlorobenzene [1,4-Dichlorobenzene] (see Chlorobenzenes)					
91941	3,3'-Dichlorobenzidine [POM]		c	10	1 2 3 4 5	
72559	Dichlorodiphenyldichloroethylene [DDE] [POM]	89/89	c	100	1 2 4	
75343	1,1-Dichloroethane [Ethylidene dichloride]	89/90	c	100	1 2 4	

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
94757	Dichlorophenoxyacetic acid, salts and esters [2,4-D]	88/91		100	1 2	
78875	1,2-Dichloropropane [Propylene dichloride]	89/90	c	100	1 2 4	
542756	1,3-Dichloropropene		c	10	1 2 3 4 5	
62737	Dichlorovos [DDVP]	89/89	c	100	1 2 4	
115322	Dicofol [POM]	88/91		100	1 2	
- -	Diesel engine exhaust	89/90	c		1 3 4	[9]
9901	Diesel engine exhaust, particulate matter	89/90	c	100	1 3 4	[9]
9902	Diesel engine exhaust, total organic gas	89/90	c	100	1 3 4	[9]
#	Diesel fuel (marine)	88/91	c		3	
111422	Diethanolamine	88/91		100	1 2	
117817	Di(2-ethylhexyl) phthalate [DEHP]		c	100	1 2 3 4 5	
64675	Diethyl sulfate		c	100	1 2 3 4 5	
119904	3,3'-Dimethoxybenzidine [POM]		c	100	1 2 3 4 5	
60117	4-Dimethylaminoazobenzene [POM]		c	100	1 2 3 4 5	
121697	N,N-Dimethylaniline	88/91		100	1 2	
57976	7,12-Dimethylbenz[a]anthracene [PAH-Derivative, POM]	89/90	c	1	1 2 4	
119937	3,3'-Dimethylbenzidine [o-Tolidine] [POM]		c	10	1 2 3 4 5	
79447	Dimethyl carbamoyl chloride		c	100	1 2 3 4 5	
68122	Dimethyl formamide	89/90	c	100	1 2 3 -	
57147	1,1-Dimethylhydrazine		c	100	1 2 3 4 5	
131113	Dimethyl phthalate	88/91		100	1 2	
77781	Dimethyl sulfate		c	100	1 2 3 4 5	
534521	4,6-Dinitro-o-cresol (and salts)	88/91		100	1 2	
51285	2,4-Dinitrophenol	88/91		100	1 2	
42397648	1,6-Dinitropyrene [PAH-Derivative, POM]	88/91	c	100	1 2 3 4	
42397659	1,8-Dinitropyrene [PAH-Derivative, POM]	88/91	c	100	1 2 3 4	
25321146	Dinitrotoluenes (mixed isomers)	88/91		100	7	
	including but not limited to:					
121142	2,4-Dinitrotoluene	89/89	c	100	1 2 4	
606202	2,6-Dinitrotoluene	88/91		100	7	
123911	1,4-Dioxane		c	100	1 2 3 4 5	
-	Dioxins (Chlorinated dibenzodioxins) (see Polychlorinated dibenzo-p-dioxins) [POM]					
630933	Diphenylhydantoin [POM]		c	100	1 2 4	
122667	1,2-Diphenylhydrazine [Hydrazobenzene] [POM]		c	100	1 2 4 5	
1090	Environmental Tobacco Smoke		c	100	1 3 4	
106898	Epichlorohydrin		c	100	1 2 3 4 5	
106887	1,2-Epoxybutane	88/91		100	1 2	
1091	Epoxy resins	89/89		100	6	
140885	Ethyl acrylate		c	100	1 2 3 4 5	
100414	Ethyl benzene	88/91		100	1 2	
75003	Ethyl chloride [Chloroethane]			100	1 2 4	
-	Ethyl-4,4'-dichlorobenzilate (see Chlorobenzilate)					
74851	Ethylene	88/91		100	7	

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
106934	Ethylene dibromide [1,2-Dibromoethane]		c	1	1 3 4 5 6	
107062	Ethylene dichloride [1,2-Dichloroethane]		c	10	1 2 3 4 5	
107211	Ethylene glycol	06/91		100	1 2	
151564	Ethyleneimine [Aziridine]	06/91		100	1 2	
75218	Ethylene oxide		c	10	1 2 3 4 5 6	
96457	Ethylene thiourea		c	100	1 2 3 4 5	
1101	Fluorides and compounds	09/89		100	2	
	Including but not limited to:					
7664393	Hydrogen fluoride			10	1 2 7	
1103	Fluorocarbons (brominated)			100	6	[10]
1104	Fluorocarbons (chlorinated)			100	1 6	[10]
	Including but not limited to:					
76131	Chlorinated fluorocarbon [CFC-113]			100	2 6	
50000	Formaldehyde		c	100	1 2 3 4 5 6	
- -	Gasoline engine exhaust	09/90	c		3	[9]
	Including but not limited to:					
- -	Gasoline engine exhaust (condensates & extracts)	06/91	c		4	[9]
9910	Gasoline engine exhaust, particulate matter	09/90	c	100	3 4	[9]
9911	Gasoline engine exhaust, total organic gas	09/90	c	100	3 4	[9]
1110	Gasoline vapors		c	100	1 2 3 4	[11]
111308	Glutaraldehyde			100	1 6	
1115	Glycol ethers and their acetates			100	1 2 6	
	Including but not limited to:					
111466	Diethylene glycol	09/90		100	1 6	
111966	Diethylene glycol dimethyl ether	09/90		100	1 2 6	
112345	Diethylene glycol monobutyl ether	09/90		100	1 2 6	
111900	Diethylene glycol monoethyl ether	09/90		100	1 2 6	
111773	Diethylene glycol monomethyl ether	09/90		100	1 2 6	
25265718	Dipropylene glycol	09/90		100	1 6	
34590948	Dipropylene glycol monomethyl ether	09/90		100	1 6	
629141	Ethylene glycol diethyl ether	09/90		100	1 2 6	
110714	Ethylene glycol dimethyl ether	09/90		100	1 2 6	
111762	Ethylene glycol monobutyl ether	09/90		100	1 2 6	
110805	Ethylene glycol monoethyl ether	09/89		100	1 2 6	
111159	Ethylene glycol monoethyl ether acetate	09/90		100	1 2 6	
109864	Ethylene glycol monomethyl ether	09/89		100	1 2 6	
110496	Ethylene glycol monomethyl ether acetate	09/90		100	1 2 6	
2807309	Ethylene glycol monopropyl ether	09/90		100	1 2 6	
107982	Propylene glycol monomethyl ether	09/90		100	1 6	
108656	Propylene glycol monomethyl ether acetate	09/90		100	1 6	
112492	Triethylene glycol dimethyl ether	09/90		100	1 2 6	
126078	Griseofulvin		c	100	3 4	
76448	Heptachlor	09/89	c	100	1 2 4	
118741	Hexachlorobenzene		c	1	1 2 3 5	
87683	Hexachlorobutadiene	06/91		100	1 2	

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
1128	Hexachlorocyclohexanes including but not limited to:		c	1	1 3 4 5	
58899	Lindane	09/90	c	1	1 2 4	
77474	Hexachlorocyclopentadiene			100	1 2	
67721	Hexachloroethane	09/90	c	100	1 2 4	
680319	Hexamethylphosphoramide		c	100	1 2 3 4 5	
110543	Hexane	06/91		100	1 2	
302012	Hydrazine		c	100	1 2 3 4 5	
7647010	Hydrochloric acid			100	1 2	
-	Hydrocyanic acid (see Cyanide compounds)					
7783064	Hydrogen sulfide			100	1 2	
123319	Hydroquinone	06/91		100	1 2	
-	Indeno[1,2,3-cd]pyrene [PAH, POM], (see PAH)					
1125	Isocyanates including but not limited to:			100	6	
822060	Hexamethylene-1,6-diisocyanate	06/91		100	1 2	
101688	Methylene diphenyl diisocyanate [MDI] [POM]	06/91		100	1 2	
624839	Methyl isocyanate			100	1 2	
-	Toluene-2,4-diisocyanate (see Toluene diisocyanates)					
-	Toluene-2,6-diisocyanate (see Toluene diisocyanates)					
78591	Isophorone	06/91		100	1 2	
67630	Isopropyl alcohol	06/91		100	1	
80057	4,4'-Isopropylidenediphenol [POM]	06/91		100	1 2	
7439921	Lead		c	10	1 4 6	
1128	Lead compounds (inorganic) including but not limited to:		c	10	1 3	[7]
301042	Lead acetate		c	10	1 2 4 5	[7] [12]
-	Lead chromate (see Chromium, hexavalent)					
7446277	Lead phosphate		c	10	1 4 5	[7]
1335326	Lead subacetate	09/90	c	10	1 2 4	[7] [12]
1129	Lead compounds (other than inorganic)	06/91		10	1 2	[7]
108316	Maleic anhydride			100	1 2	
7439965	Manganese			100	1 2	
*	Manganese compounds	09/89		100	1 2	[7]
7439976	Mercury			10	1 2 4 6	
*	Mercury compounds including but not limited to:	09/89		10	1 2 4	[7]
7487947	Mercuric chloride			10	2	[7]
593748	Methyl mercury [Dimethylmercury]			10	2	[7]
67561	Methanol			100	1 2	

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
72435	Methoxychlor [POM]	06/91		100	1 2	
75558	2-Methylaziridine [1,2-Propyleneimine]		c	100	1 2 3 4	
74839	Methyl bromide [Bromomethane]			100	1 2 6	
74873	Methyl chloride [Chloromethane]	06/91		100	1 2	
71556	Methyl chloroform [1,1,1-Trichloroethane]			100	1 2 6	
56495	3-Methylcholanthrene [PAH-Derivative, POM]	09/90	c	1	1 2 4	
3697243	5-Methylchrysene [PAH-Derivative, POM]		c	100	1 2 3 4 5	
101144	4,4'-Methylene bis(2-chloroaniline) [MOCA] [POM]		c	100	1 2 3 4 5	
75092	Methylene chloride [Dichloromethane]		c	100	1 2 3 4 5 6	
101779	4,4'-Methylenedianiline (and its dichloride) [POM]		c	100	1 2 3 4 5	
78933	Methyl ethyl ketone [2-Butanone]	06/91		100	1 2	
60344	Methyl hydrazine	06/91		100	1 2	
74884	Methyl iodide [Iodomethane]		c	100	1 2 4 5	
108101	Methyl isobutyl ketone [Hexone]	06/91		100	1 2	
80626	Methyl methacrylate			100	1 2 6	
1634044	Methyl tert-butyl ether	06/91		100	1 2	
443481	Metronidazole		c	100	3 4 5	
90948	Michler's ketone [POM]		c	100	1 2 4 5	
1136	Mineral fibers (fine, manmade)	06/91	c	100	1 2 7	
	(fine mineral fibers which are manmade and are airborne particles of a respirable size greater than 5 microns in length, less than or equal to 3.5 microns in diameter, with a length to diameter ratio of 3:1)					
	Including but not limited to:					
1056	Ceramic fibers	09/89	c	100	1 2 3 4	
1111	Glasswool fibers	09/89	c	100	1 2 3 4	
1188	Rockwool fibers	09/89	c	100	1 2 3	
1181	Slagwool fibers	09/89	c	100	1 2 3	
1135	Mineral fibers (other than manmade)			100	2 7	
	Including but not limited to:					
1332214	Asbestos		c	100	1 2 3 4 5	
12510428	Erionite		c	100	2 3 4	
1190	Talc containing asbestiform fibers		c	100	2 3 4	
1313275	Molybdenum trioxide	06/91		100	1	
-	Naphthalene [PAH, POM]. (see PAH)					
7440020	Nickel		c	1	1 2 3 4 5	
*	Nickel compounds		c	1	1 2 3 4 5	[7]
	Including but not limited to:					
373024	Nickel acetate	06/91	c	1	1 2 5	[7]
3333393	Nickel carbonate	06/91	c	1	1 2 5	[7]
13463393	Nickel carbonyl		c	1	1 2 4 5	[7]
12054487	Nickel hydroxide	06/91	c	1	1 2 5	[7]
1271289	Nickelocene	06/91	c	1	1 2 5	[7]

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
1313991	Nickel oxide	06/91	o	1	1 2 5	[7]
12035722	Nickel subsulfide		o	1	1 2 4 5	[7]
1148	Nickel refinery dust from the pyrometallurgical process	09/89	o	1	4	
61574	Niridazole		o	100	3 4	
7697372	Nitric acid	06/91		100	1	
139139	Nitrilotriacetic acid		o	100	1 4 5	
98953	Nitrobenzene			100	1 2	
92933	4-Nitrobiphenyl [POM]	09/89	o	100	1 2 4	
7496028	6-Nitrochrysene [PAH-Derivative, POM]	06/91	o	100	1 2 3 4	
607578	2-Nitrofluorene [PAH-Derivative, POM]	06/91	o	100	1 2 3 4	
302705	Nitrogen mustard N-oxide		o	100	3 4	
100027	4-Nitrophenol	06/91		100	1 2	
79469	2-Nitropropane		o	100	1 2 3 4 5	
5522430	1-Nitropyrene [PAH-Derivative, POM]	06/91	o	100	1 2 3 4	
156105	p-Nitrosodiphenylamine [POM]		o	100	1 2 4 5	
684935	N-Nitroso-N-methylurea		o	100	1 2 4 5	
59892	N-Nitrosomorpholine		o	100	1 2 3 4 5	
100754	N-Nitrosopiperidine		o	100	3 4 5	
930552	N-Nitrosopyrrolidine		o	1	3 4 5	
- -	PAHs (Polycyclic aromatic hydrocarbons) [POM] including but not limited to:				1 2	[13]
1151	PAHs, total, w/o individ. components reported			100	1 2	
1150	PAHs, total, with individ. components also reported			100	1 2	
120127	Anthracene	06/91		100	1 2 7	
56553	Benz[a]anthracene		o	100	1 2 3 4 5	
50328	Benzo[a]pyrene		o	1	1 2 3 4 5	
205992	Benzo[b]fluoranthene		o	100	1 2 3 4 5	
205823	Benzo[j]fluoranthene		o	100	1 2 3 4 5	
207089	Benzo[k]fluoranthene		o	100	1 2 3 4 5	
218019	Chrysene	09/90	o	1	1 2 4	
53703	Dibenz[a,h]anthracene		o	100	1 2 3 4 5	
192654	Dibenzo[a,e]pyrene		o	100	1 2 3 4 5	
189640	Dibenzo[a,h]pyrene		o	100	1 2 3 4 5	
189559	Dibenzo[a,i]pyrene		o	100	1 2 3 4 5	
191300	Dibenzo[a,l]pyrene		o	100	1 2 3 4 5	
193395	Indeno[1,2,3 -cd]pyrene		o	100	1 2 3 4 5	
91203	Naphthalene			100	1 2	
#	PAH-Derivatives (Polycyclic aromatic hydrocarbon derivatives) [POM] (including but not limited to those substances listed in Appendix A with the bracketed designation [PAH-Derivative, POM])	06/91			1 2 7	[14]
56382	Parathion	06/91		100	1 2	
1336363	PCBs (Polychlorinated biphenyls) [POM]		o	1	1 2 3 4 5 6	

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
82688	Pentachloronitrobenzene [Quintobenzene]	06/91		100	1 2	
79210	Peracetic acid	06/91		100	1	
127184	Perchloroethylene [Tetrachloroethane]		c	100	1 2 3 4 5 6	
50066	Phenobarbital		c	100	3 4	
108952	Phenol			100	1 2	
106503	p-Phenylenediamine	06/91		100	1 2	
90437	2-Phenylphenol [POM]	06/91		100	1 2	
75445	Phosgene			100	1 2	
7723140	Phosphorus			100	1 2	
- -	Phosphorus compounds:	09/89			2	
7803512	Phosphine			10	1 2 7	
7664382	Phosphoric acid	09/89		100	1 2	
10025873	Phosphorus oxychloride	09/89		100	2	
10026138	Phosphorus pentachloride	09/89		100	2	
1314563	Phosphorus pentoxide	09/89		100	2	
7719122	Phosphorus trichloride	09/89		100	2	
126738	Tributyl phosphate	09/89		100	2	
78400	Triethyl phosphine	09/89		100	2	
512561	Trimethyl phosphate	09/89		100	2	
78308	Triorthocresyl phosphate [POM]	09/89		100	1 2	
115866	Triphenyl phosphate [POM]	09/89		100	1 2	
101020	Triphenyl phosphite [POM]	09/89		100	1 2	
85449	Phthalic anhydride	/		100	1 2	
- -	Polychlorinated dibenzo-p-dioxins [PCDDs or Dioxins] [POM] Including but not limited to:		c		1 2	
1086	Dioxins, total, w/o individ. isomers reported [PCDDs]		c	.1	1 2	
1085	Dioxins, total, with individ. isomers also reported [PCDDs]		c	.1	1 2	
1746016	2,3,7,8-Tetrachlorodibenzo-p-dioxin [TCDD] [POM]		c	.1	1 2 3 4 5	
40321764	1,2,3,7,8-Pentachlorodibenzo-p-dioxin [POM]		c	.1	1 2	
39227286	1,2,3,4,7,8-Hexachlorodibenzo-p-dioxin [POM]		c	.1	1 2 4	
57653857	1,2,3,6,7,8-Hexachlorodibenzo-p-dioxin [POM]		c	.1	1 2	
19408743	1,2,3,7,8,9-Hexachlorodibenzo-p-dioxin [POM]		c	.1	1 2	
35822469	1,2,3,4,6,7,8-Heptachlorodibenzo-p-dioxin [POM]		c	.1	1 2	
- -	Polychlorinated dibenzofurans [PCDFs or Dibenzofurans] [POM] Including but not limited to:		c		1 2	
1080	Dibenzofurans (Polychlorinated dibenzofurans) [PCDFs] [POM]		c	.1	1 2	
51207319	2,3,7,8-Tetrachlorodibenzofuran [POM]		c	.1	1 2	
57117416	1,2,3,7,8-Pentachlorodibenzofuran [POM]		c	.1	1 2	
57117314	2,3,4,7,8-Pentachlorodibenzofuran [POM]		c	.1	1 2	
70648269	1,2,3,4,7,8-Hexachlorodibenzofuran [POM]		c	.1	1 2	
57117449	1,2,3,6,7,8-Hexachlorodibenzofuran [POM]		c	.1	1 2	

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
72918219	1,2,3,7,8,9-Hexachlorodibenzofuran [POM]		c	.1	1 2	
60851345	2,3,4,6,7,8-Hexachlorodibenzofuran [POM]		c	.1	1 2	
67562394	1,2,3,4,6,7,8-Heptachlorodibenzofuran [POM]		c	.1	1 2	
55673897	1,2,3,4,7,8,9-Heptachlorodibenzofuran [POM]		c	.1	1 2	
#	POM (Polycyclic organic matter) (including but not limited to those substances listed in Appendix A with the bracketed designation of [POM], [PAH, POM], or [PAH-Derivative, POM])	89/89			1 2	[15]
57830	Progesterone		c	100	3 4 5	
1120714	1,3-Propane sultone		c	100	1 2 3 4 5	
57578	beta-Propiolactone		c	10	1 2 3 4 5	
123386	Propionaldehyde	88/91		100	1 2	
114261	Propoxur [Baygon]	88/91		100	1 2	
115071	Propylene			100	1 2	
75569	Propylene oxide		c	100	1 2 3 4 5	
-	1,2-Propylenelmine (see 2-Methylaziridine)					
110861	Pyridine	88/91		100	7	
91225	Quinoline	88/91		100	1 2	
106514	Quinone	88/91		100	1 2	
1165	Radionuclides		c	100	1 2 4	[16]
	Including but not limited to:					
24267569	Iodine-131	89/89	c	100	1 2 4	
1166	Radon and its decay products	89/89	c	100	1 4	
50555	Reserpine [POM]		c	100	1 2 4 5	
#	Residual (heavy) fuel oils	88/91	c		3 4	
7782492	Selenium			100	2	
*	Selenium compounds			100	1 2	[7]
	Including but not limited to:					
7446346	Selenium sulfide	89/90	c	100	2 4 5	[7]
1175	Silica, crystalline		c	100	1 3 4	
7440224	Silver	88/91		100	7	
*	Silver compounds	88/91		100	1	[7]
1310732	Sodium hydroxide			100	1 2	
100425	Styrene		c	100	1 2 3 6	
96093	Styrene oxide		c	100	1 2 3 4	
7664939	Sulfuric acid	88/91		100	1	
100210	Terephthalic acid	88/91		100	1	
79345	1,1,2,2-Tetrachloroethane	89/90	c	10	1 2 4	
7440280	Thallium	88/91		100	7	
*	Thallium compounds	88/91		100	7	[7]
62555	Thioacetamide		c	100	3 4 5	
62566	Thiourea		c	100	1 3 4 5	
7550450	Titanium tetrachloride	88/91		100	1 2	
108883	Toluene			100	1 2 4 6	
-	2,4-Toluenediamine (see 2,4-Diaminotoluene)					

Substances For Which Emissions Must Be Quantified (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Applicable Degree of Accuracy (lbs/yr) (Note [5])	Source List(s) (Note [6])	Other Notes(s)
1284	Toluene diisocyanates	88/91	c	10	1 3	
	Including but not limited to:					
584849	Toluene-2,4-diisocyanate		c	10	1 2 3 5	
91087	Toluene-2,6-diisocyanate		c	10	1 2 3 5	
95534	o-Toluidine		c	10	1 2 3 4 5	
8001352	Toxaphene (Polychlorinated camphenes)		c	100	1 2 3 4 5	
79005	1,1,2-Trichloroethane (Vinyl trichloride)	88/91	c	100	1 2 4	
-	1,1,1-Trichloroethane (see Methyl chloroform)					
79016	Trichloroethylene		c	100	1 2 4	
-	2,4,6-Trichlorophenol (see Chlorophenols)					
121448	Triethylamine	88/91		100	1 2	
1582098	Trifluralin	88/91		100	1 2	
95638	1,2,4-Trimethylbenzene	88/91		100	1	
540841	2,2,4-Trimethylpentane	88/91		100	1 2	
51796	Urethane (Ethyl carbamate)		c	100	1 2 3 4 5	
7440622	Vanadium (fume or dust)	88/91		100	7	[17]
108054	Vinyl acetate	88/91		100	1 2	
593602	Vinyl bromide		c	10	1 2 3 4	
75014	Vinyl chloride		c	100	1 2 3 4 5	
75354	Vinylidene chloride			100	1 2	
1288	Wood preservatives (containing arsenic and chromate)	89/89		100	6	
1210	Xylenes (mixed xylenes)			100	1 2 6	
	Including:					
108383	m-Xylene	88/91		100	1 2	
95476	o-Xylene	88/91		100	1 2	
106423	p-Xylene	88/91		100	1 2	
7440666	Zinc			100	2	
*	Zinc compounds	89/89		100	1 2	[7]
	Including but not limited to:					
1314132	Zinc oxide			100	2	[7]

APPENDIX A-II

Substances For Which Production, Use, Or Other Presence Must Be Reported

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [6])	Other Notes(s)
26148685	A-alpha-C [2-Amino-9H-pyrido[2,3-b]indole]	89/89	c	3 4	[18]
34256821	Acetochlor	89/89	c	4	
546883	Acetohydroxamic acid	89/90		4	
62476599	Acifluorfen [POM]	89/90	c	1 2 4	
50760	Actinomycin D	89/90	c	4	
23214928	Adriamycin [PAH-Derivative, POM]		c	1 2 3 4 5	
3688537	AF-2		c	3 4	
1000	Aflatoxins		c	3 4 5	
15972608	Alachlor	89/89	c	4	
309002	Aldrin	89/89	c	4	
107186	Allyl alcohol	86/91		7	
28981977	Alprazolam [POM]	89/90		1 2 4	
38831555	Amikacin sulfate	89/90		4	
60093	p-Aminoazobenzene [4-Aminoazobenzene] [POM]		c	1 2 3 4	
97563	o-Aminoazotoluene [POM]		c	1 2 3 4 5	
6109973	3-Amino-9-ethylcarbazole hydrochloride [POM]	89/89	c	1 2 4 5	
125848	Aminoglutethimide	89/90		4	
82280	1-Amino-2-methylanthraquinone [PAH-Derivative, POM]		c	1 2 4 5	
68006837	2-Amino-3-methyl-9H-pyrido(2,3-b) indole [MeA-alpha-C]	89/89	c	3 4	
712685	2-Amino-5-(5-nitro-2-furyl)-1,3,4-thiadiazole		c	3 4	
54626	Aminopterin			4	
-	2-Amino-9H-pyrido(2,3-b)indole (see A-alpha-C)				
1005	Analgesic mixtures containing phenacetin		c	3 4 5	
1010	Androgenic (anabolic) steriods		c	3 4	
	including but not limited to:				
58184	Methyltestosterone	89/90		4	
434071	Oxymetholone		c	4 5	
58220	Testosterone and its esters	89/89		4	
	including but not limited to:				
315377	Testosterone enanthate	89/90		4	
134292	o-Anisidine hydrochloride		c	4 5	
104949	p-Anisidine	86/91		7	
140578	Aramite		c	3 4	
50782	Aspirin	86/91		4	
492808	Auramine [POM]		c	1 2 3 4 5	
115828	Azaserine		c	3 4	
446866	Azathioprine		c	3 4 5	
103333	Azobenzene [POM]	89/90	c	1 2 4	
98873	Benzal chloride	86/91		7	
55210	Benzamide	86/91		7	
5411223	Benzphetamine hydrochloride [POM]	89/90		1 2 4	
1694093	Benzyl violet 4B [POM]		c	1 2 3 4	
1025	Betel quid with tobacco		c	3 4	

Substances For Which Production, Use, Or Other Presence Must Be Reported (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [6])	Other Notes(s)
494031	N-N-Bis(2-chloroethyl)-2-naphthylamine [Chlornaphazine] [PAH-Derivative, POM]		c	1 2 3 4 5	
154938	Bischloroethyl nitrosourea		c	3 4	
108601	Bis(2-chloro-1-methylethyl) ether	06/91		7	
1030	Bitumens, extracts of steam-refined and air-refined bitumens		c	3 4	
1035	Bleomycins		c	3	
75274	Bromodichloromethane	09/90	c	4	
1689845	Bromoxynil	06/91		4	
55981	1,4-Butanediol dimethanesulfonate [Busulfan Myleran]		c	3 4 5	
25013165	Butylated hydroxyanisole [BHA]		c	3 4	
123728	Butyraldehyde	06/91		7	
3068880	beta-Butyrolactone		c	3 4	
630080	Carbon monoxide	09/89		4	
41575944	Carboplatin	09/90		4	
474259	Chenodiol	09/90		4	
305033	Chlorambucil		c	3 4 5	
1620219	Chlorcyclizine hydrochloride [POM]			1 2 4	
143500	Chlordecone [Kepone]		c	3 4	
6164983	Chlordimeform	09/89	c	4	
115286	Chlorendic acid	09/88	c	3 4 5	
124481	Chlorodibromomethane	09/90	c	4	
13010474	1-(2-Chloroethyl)-3-cyclohexyl-1-nitrosourea [CCNU]		c	3 4 5	
563473	3-Chloro-2-methylpropene	09/89	c	4 5	
1065	Chlorophenoxy herbicides		c	3	
1897456	Chlorothalonil	09/89	c	4	
1059	p-Chloro-o-toluidine (strong acid salts)	06/91	c	3	
4680788	C. I. Acid Green 3 [POM]	06/91		1 2 7	
569642	C. I. Basic Green 4 [POM]	06/91		1 2 7	
989388	C. I. Basic Red 1 [POM]	06/91		1 2 7	
569619	C. I. Basic Red 9 monohydrochloride [POM]	09/89	c	1 2 4 5	
2832408	C. I. Disperse Yellow 3 [POM] (NOTE: "C. I." means "color Index")	06/91		1 2 7	
87296	Cinnamyl anthranilate [POM]	09/89	c	1 2 4 5	
15663271	Cisplatin		c	3 4	
6358538	Citrus Red No. 2 [POM]		c	1 2 3 4	
50419	Clomiphene citrate [POM]	09/90		1 2 4	
8007452	Coal tars	09/89	c	3 4 5	
21725462	Cyanazine	09/90		4	
14901087	Cycasin		c	3 4	
50180	Cyclophosphamide		c	3 4	
13121705	Cyhexatin	09/89		4	
147944	Cytarabine	09/89		4	

Substances For Which Production, Use, Or Other Presence Must Be Reported (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [6])	Other Notes(s)
3468631	D and C Orange No. 17 [PAH-Derivative, POM]	89/98	c	1 2 4	
81889	D and C Red No. 19 [POM]	89/98	c	1 2 4	
2092568	D and C Red No. 8 [PAH-Derivative, POM]	86/91	c	1 2 4	
5160021	D and C Red No. 9 [PAH-Derivative, POM]	89/98	c	1 2 4	
4342034	Dacarbazine		c	3 4 6	
1596845	Daminozide	89/98	c	4	
17230885	Danazol	89/98		4	
20830813	Daunomycin [PAH-Derivative, POM]		c	1 2 3 4	
23541506	Daunorubicin hydrochloride [PAH-Derivative, POM]	89/98		1 2 4	
50293	DDT [1,1,1-Trichloro-2,2-bis(p-chlorophenyl)ethane] [POM]		c	1 2 3 4 5	
613354	N,N'-Diacetylbenzidine [POM]		c	1 2 3 4	
2303164	Diallate	86/91			7
39156417	2,4-Diaminoanisole sulfate		c	4 5	
101804	4,4'-Diaminodiphenyl ether [POM]		c	1 2 3 4 5	
764410	1,4-Dichloro-2-butene	89/98	c	4	
28434868	3,3'-Dichloro-4,4'-diaminodiphenyl ether [POM]	89/89	c	1 2 3 4	
72548	Dichlorodiphenyldichloroethane [DDD] [POM]	89/89	c	1 2 4	
540590	1,2-Dichloroethylene	86/91			7
78886	2,3-Dichloropropene	86/91			7
60571	Dieldrin	89/89	c	4	
84173	Dienestrol [POM]	89/98	c	1 2 4	
1464535	Diepoxybutane		c	3 4 5	
1615801	1,2-Diethylhydrazine		c	3 4	
84662	Diethyl phthalate	86/91			7
101906	Diglycidyl resorcinol ether [DGRE]		c	3 4 5	
94586	Dihydrosafrole		c	3 4	
20325400	3,3'-Dimethoxybenzidine dihydrochloride [POM]	86/91	c	1 2 4	
55738540	trans-2-[(Dimethylamino)methylimino]-5-[2-(5-nitro-2-furyl)vinyl-1,3,4-oxadiazol		c	3 4	
540738	1,2-Dimethylhydrazine		c	3 4	
105679	2,4-Dimethylphenol [2,4-Xylenol]	86/91			7
513371	Dimethylvinylchloride [DMVC]	89/89	c	4 5	
25154545	Dinitrobenzenes (mixtures of)	89/98		4	7
	including:				
99650	m-Dinitrobenzene	86/91			7
528290	o-Dinitrobenzene	86/91			7
100254	p-Dinitrobenzene	86/91			7
39300453	Dinocap	89/98		4	
88857	Dinoseb	89/89		4	
117840	n-Dioctyl phthalate	86/91			7
2475458	Disperse Blue 1 [PAH-Derivative, POM]	86/91	c	1 2 3 4	
564250	Doxycycline	89/98		4	
379793	Ergotamine tartrate [POM]	89/98		1 2 4	

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [6])	Other Notes(s)
1095	Estrogens, non-steroidal		o	3 5	
	Including but not limited to:				
56531	Diethylstilbestrol [POM]		o	1 2 3 4 5	
1100	Estrogens, steroidal		o	3 5	
	Including but not limited to:				
1088	Conjugated estrogens	89/90	o	4	
50282	Estradiol 17 beta		o	4 5	
53167	Estrone		o	4 5	
57636	Ethinyl estradiol		o	4 5	
72333	Mestranol		o	4 5	
541413	Ethyl chloroformate			3 4 5	
62500	Ethyl methanesulfonate	88/91			7
33419420	Etoposide [POM]		o	3 4	
54350480	Etretinate	89/90		2	
2164172	Fluometuron			4	
51218	Fluorouracil	88/91			7
76437	Fluoxymesterone	89/89		4	
13311847	Flutamide	89/90		4	
133073	Folpet	89/90		4	
3570750	2-(2-Formylhydrazino)-4-(5-nitro-2-furyl)thiazole	89/89	o	4	
67458	Furazolidone		o	3 4	
60568050	Furmecyclox	89/90	o	4	
67730114	Glu-P-1 [2-Amino-6-methyldipyrido[1,2-a:3',2'-d]imidazole]	89/90	o	4	
			o	3 4	
67730103	Glu-P-2 [2-Aminodipyrido[1,2-a:3',2'-d]imidazole]		o	3 4	
765344	Glycidaldehyde		o	3 4	
556525	Glycidol	89/90	o	4	
16568028	Gyromitrin [Acetaldehyde methylformylhydrazone]		o	4	
2784943	HC Blue 1	89/89	o	4 5	
23092173	Halazepam [POM]	89/90		1 2 4	
1024573	Heptachlor epoxide	89/89	o	4	
1335871	Hexachloronaphthalene [PAH-Derivative, POM]	88/91		1 2	7
10034932	Hydrazine sulfate		o	4 5	
3778732	Ifosfamide	89/90		4	
76180966	IQ [2-Amino-3-methylimidazo[4,5-f]quinoline]		o	3 4	
9004664	Iron dextran complex		o	3 4 5	
78842	Isobutyraldehyde	88/91			7
120581	Isosafrole	89/90	o	4	
4759482	Isotretinoin			4	
77501634	Lactofen [POM]	89/89	o	1 2 4	
303344	Lasiocarpine	89/89	o	3 4	
554132	Lithium carbonate	88/91		4	
919164	Lithium citrate	88/91		4	
846491	Lorazepam [POM]	89/90		1 2 4	

Substances For Which Production, Use, Or Other Presence Must Be Reported (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [6])	Other Notes(s)
1131	Lubricant base oils and derived products, specifically vacuum distillates, acid treated oils, aromatic oils, mildly solvent-refined oils, mildly hydrotreated-oils and used engine oils.	89/89	c	3 4 5	
8018017	Mancozeb	89/90	c	4	
12427382	Maneb	89/90	c	4	
595335	Megestrol acetate	86/91		4	
148823	Melphalan		c	3 4 5	
9002680	Menotropins	89/90		4	
6112761	Mercaptopurine	89/90		4	
531760	Merphalan	89/89	c	4	
3963959	Methacycline hydrochloride	86/91		4	
60560	Methimazole	89/90		4	
59052	Methotrexate	89/89		4	
15475566	Methotrexate sodium	89/90		4	
484208	5-Methoxypsoralen		c	3	
96333	Methyl acrylate	86/91		7	
590965	Methylazoxymethanol	89/90	c	4	
592621	Methylazoxymethanol acetate	89/89	c	3 4	
101611	4,4'-Methylene bis (N,N-dimethyl) benzenamine [POM]		c	1 2 4 5	
838880	4,4'-Methylene bis(2-methylaniline) [POM]	89/89	c	1 2 3 4	
74953	Methylene bromide	86/91		7	
66273	Methyl methanesulfonate		c	3 4	
129157	2-Methyl-1-nitroanthraquinone (uncertain purity) [PAH-Derivative, POM]		c	1 2 3 4	
-	N-Methyl-N-nitrosourethane [see N-Nitroso-N-methylurethane]				
70257	N-Methyl-N'-nitro-N-nitrosoguanidine		c	3 4	
924425	N-Methylolacrylamide	89/90	c	4	
56042	Methylthiouracil		c	3 4	
9006422	Metiram	89/90		4	
59467968	Midazolam hydrochloride [POM]	89/90		1 2 4	
1148	Mineral oils (untreated and mildly treated oils; and those used in occupations such as mulespinning, metal machining, and jute processing).		c	3 4 5	
2385855	Mirex		c	3 4 5	
62015398	Misoprostol	89/90		4	
50077	Mitomycin C		c	3 4	
70476823	Mitoxantrone hydrochloride [PAH-Derivative, POM]	89/90		1 2 4	
315220	Monocrotaline		c	3 4	
139913	5-(Morpholinomethyl)-3-[(5-nitrofurfurylidene)amino]-2-oxazolidinone		c	3 4	
505602	Mustard gas (Sulfur mustard)		c	3 4 5	
86220420	Nafarelin acetate [PAH-Derivative, POM]	89/90		1 2 4	
3771195	Nafenopin [POM]		c	1 2 3 4	

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [6])	Other Notes(s)
134327	1-Naphthylamine [PAH-Derivative, POM]	89/90	a	1 2 4	
91598	2-Naphthylamine [PAH-Derivative, POM]		a	1 2 3 4 5	
1405103	Neomycin sulfate	89/90		4	
56391572	Netilmicin sulfate	89/90		4	
54115	Nicotine	89/90		4	
1148	Nitrilotriacetic acid (salts) including but not limited to:	88/91	a	3	
18662538	Nitrilotriacetic acid, trisodium salt monohydrate	88/91	a	4	
602879	5-Nitroacenaphthene [PAH-Derivative, POM]		a	1 2 3 4	
99592	5-Nitro-o-anisidine		a	4 5	
1836755	Nitrofen (technical grade)		a	3 4 5	
67209	Nitrofurantoin	88/91	a	4	
59870	Nitrofurazone	89/90	a	4	
555840	1-[(5-Nitrofurfurylidene)amine]-2-imidazolidinone		a	3 4	
531828	N-[4-(5-Nitro-2-furyl)-2-thiazolyl]acetamide		a	3 4	
51752	Nitrogen mustard (Mechlorethamine)		a	3 4 5	
55867	Nitrogen mustard hydrochloride	89/89	a	4 5	
55630	Nitroglycerin	88/91		7	
88755	2-Nitrophenol	88/91		7	
57835924	4-Nitropyrene [PAH-Derivative, POM]	88/91	a	1 2 3 4	
86306	N-Nitrosodiphenylamine [POM]	89/89	a	1 2 4	
759739	N-Nitroso-N-ethylurea		a	4 5	
60153493	3-(N-Nitrosomethylamino)propionitrile		a	3 4	
64091914	4-(N-Nitrosomethylamino)-1-(3-pyridyl)-1-butenone (NNK)		a	3 4	
615532	N-Nitroso-N-methylurethane (N-Methyl-N-nitrosourethane)		a	3 4	
4549400	N-Nitrosomethylvinylamine		a	3 4 5	
16543558	N-Nitrosonornicotine		a	3 4 5	
13256229	N-Nitrososarcosine		a	3 4 5	
6533002	Norgestrel	89/90		4	
303479	Ochratoxin A [POM]	89/90	a	1 2 4	
2234131	Octachloronaphthalene [PAH-Derivative, POM]	88/91		1 2 7	
2646175	Oil Orange SS [PAH-Derivative, POM]		a	1 2 3 4	
20816120	Osmium tetroxide	88/91		7	
79572	Oxytetracycline	88/91		4	
794934	Panfuran S (Dihydroxymethylfuratrizine)		a	3 4	
115673	Paramethadione	89/90		4	
52675	Penicillamine	88/91		4	
57338	Pentobarbital sodium	89/90		4	
63989	Phenacemide	89/90		4	
62442	Phenacetin		a	3 4 5	
94780	Phenazopyridine hydrochloride		a	3 4 5	
3546109	Pheneterin	89/89	a	4 5	
59961	Phenoxybenzamine [POM]	89/89	a	1 2 4	

Substances For Which Production, Use, Or Other Presence Must Be Reported (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [6])	Other Notes(s)
63923	Phenoxybenzamine hydrochloride [POM]	89/90	a	1 2 3 4 5	
122601	Phenyl glycidyl ether	89/90	c	3 4	
57410	Phenytoin [POM]		a	1 2 3 4 5	
88891	Picric acid	86/91		7	
54911	Pipobroman	89/90		4	
18378897	Plicamycin [PAH-Derivative, POM]	89/90		1 2 4	
1155	Polybrominated biphenyls [PBBs] [POM]		a	1 2 3 4 5	
53973081	Polygeenan	89/89	a	4	
3761533	Ponceau MX [PAH-Derivative, POM]		a	1 2 3 4	
3564098	Ponceau 3R [PAH-Derivative, POM]		a	1 2 3 4	
366701	Procarbazine hydrochloride		a	3 4 5	
1160	Progestins		a	3	
	Including but not limited to:				
71589	Medroxyprogesterone acetate		a	3 4	
68224	Norethisterone		a	4 5	
51525	Propylthiouracil		a	3 4 5	
302794	all-trans-Retinoic acid	89/89		4	
1167	Retinol/retinyl esters	89/89	a	4	
36791045	Ribavirin	89/90		4	
81072	Saccharin		a	3 4 5	
94597	Safrole		a	3 4 5	
1180	Shale oils		a	3 4	
132274	Sodium o-phenylphenate [POM]		a	1 2 3 4	
128449	Sodium saccharin	89/89	a	4	
1185	Soots		a	3 4	
10048132	Sterigmatocystin [POM]		a	1 2 3 4	
3810740	Streptomycin sulfate	86/91		4	
18883664	Streptozotocin		a	3 4 5	
95807	Sulfallate		a	3 4 5	
54965241	Tamoxifen citrate [POM]	89/90		1 2 4	
846504	Temazepam [POM]	89/90		1 2 4	
5216251	p-alpha,alpha,alpha-Tetrachlorotoluene	89/90	a	4	
961115	Tetrachlorvinphos	86/91		7	
64755	Tetracycline hydrochloride	86/91		4	
509148	Tetranitromethane	89/90	a	4	
50351	Thalidomide			4	
139651	4,4'-Thiodianiline [POM]		a	1 2 3 4	
154427	Thioguanine	89/90		4	
1314201	Thorium dioxide		a	4 5	
1200	Tobacco products, smokeless		a	3 4	
49842071	Tobramycin sulfate	89/90		4	
1205	alpha-chlorinated Toluenes		a	3	
636215	o-Toluidine hydrochloride		a	4 5	
106490	p-Toluidine	89/90	a	4	
299752	Treosulfan		a	3 4	

Substances For Which Production, Use, Or Other Presence Must Be Reported (cont.)

Emittent ID (Note [1])	Substance Name (Note [2])	Add Date (Note [3])	Carcinogen (Note [4])	Source List(s) (Note [6])	Other Notes(s)
28911015	Triazolam [POM]	89/90		1 2 4	
52686	Trichlorfon	86/91		7	
13647353	Trilostane	89/90		4	
127480	Trimethadione	86/81		4	
68768	Tris(aziridinyl)-p-benzoquinone [Triaziquone]	89/90	a	4	
52244	Tris(1-aziridinyl) phosphine sulfide [Thiotepa]		a	3 4 5	
126727	Tris(2,3-dibromopropyl)phosphate	89/89	a	4	
62450880	Trp-P-1 [3-Amino-1,4-dimethyl-5H-pyrido[4,3-b]indole]		a	3 4	
62450871	Trp-P-2 [3-Amino-1-methyl-5H-pyrido[4,3-b]indole]		a	3 4	
72571	Trypan blue [PAH-Derivative, POM]		a	1 2 3 4	
66751	Uracil mustard		a	3 4	
28995915	Urofollitropin	89/90		4	
99661	Valproate			4	
143679	Vinblastine sulfate [POM]	89/90		1 2 4	
2068782	Vincristine sulfate [POM]	89/90		1 2 4	
106876	4-Vinyl-1-cyclohexene diepoxide [Vinyl cyclohexene dioxide]	89/90	a	4	
81812	Warfarin [POM]			1 2 4	
87627	2,6-Xylidene	86/91		4	
12122677	Zineb	89/90	a	4	

NOTES TO APPENDIX A:

Note	Text of Note
[1]	Emittent ID (the emittent identification number) is the Chemical Abstract Service (CAS) number where available, or an ARB-assigned 4-digit emittent ID code. A dash ("-") is shown for the Emittent ID for substances which are alphabetized under a group header or synonym elsewhere on the list. Refer to the cross reference indicated in parenthesis, "( )". A double dash ("- -") is shown for the Emittent ID to indicate that the entry is a non-reportable group header for the substances immediately following it. An asterisk ("*") is shown for the Emittent ID to indicate that the emissions of unspecified metal compounds shall be reported as the metal atom equivalent. See Note [7]. A pound sign ("#") is shown for the Emittent ID to indicate that the individual, component listed substances must be reported for this mixture or group.
[2]	Individual substances listed under a group heading must be reported individually. Other, unspecified substances in the group must be summed and reported using the emittent ID of the group heading. The square bracket designation, "[ ]", indicates that the substance is a component of the chemical group heading(s) within the brackets. The braces designation, "{ }", indicates a synonym for the substance listed.
[3]	The date the Board approved addition of the substance to the original list. The original list was approved by the Board in July 1988.
[4]	The letter "c" indicates that for purposes of this section the substance shall be treated as a human carcinogen or potential human carcinogen.
[5]	Applicable degree of accuracy (in lbs/year except where noted). Radionuclides must be reported in Curie units, and the accuracy must be considered accordingly. Refer to Section 93334.
[6]	Substances are required to be included on the AB 2588 list based on the following lists cited in Health & Safety Code Section 44321: 1=California Air Resources Board; 2=Environmental Protection Agency; 3=International Agency for Research on Cancer; 4=Governor's List of Carcinogens and Reproductive Toxicants (HSC Section 25249.8); 5=National Toxicology Program; 6=Hazard Evaluation System and Information Service; 7=Added pursuant to HSC Section 44321 (f). Substances from lists 1, 2, 6, or 7 may not be removed from the AB 2588 list. Refer to H&SC Section 44321.

Note	Text of Note
[7]	Emissions of unspecified metal compounds shall be reported as the amount of the metal atom equivalent, using the metal emittent identification number for the metal itself (or the emittent identification number indicated on the table, such as for reporting inorganic versus other-than-inorganic arsenic compounds). For unspecified metal compounds which contain two or more listed metals (e.g., zinc chromate), each component metal shall be reported as the amount of the appropriate metal atom equivalent (i.e., the zinc portion of the weight as zinc equivalent and the chromate portion as hexavalent chromium equivalent). For specific, individually listed metal compounds (e.g., Lead chromate), emissions shall be reported for the compound (as pounds of whole compound), using the emittent identification number for that compound.
[8]	Compounds of the form "X-CN", where formal dissociation can occur. Report as the amount of Cyanide equivalent in the compound using an emittent identification code of 1073.
[9]	Emissions of these mixtures shall be reported as emissions of total particulate matter and total organic gas, using the following emittent identification numbers: 9901 Diesel exhaust, particulate matter 9902 Diesel exhaust, total organic gas 9910 Gasoline exhaust, particulate matter 9911 Gasoline exhaust, total organic gas Individually listed substances from diesel and gasoline exhaust must also be reported.
[10]	The emittent identification number 1185 has been discontinued for all facilities reporting for the first time and for all biennial updates. Use the listed replacement emittent identification codes 1183 and 1184.
[11]	Emissions of the individual, component listed substances must be reported in addition to the total gasoline vapors emissions.
[12]	These lead compounds are listed here so that the inorganic lead fraction will be quantified and reported if these individual compounds cannot be quantified.
[13]	PAH: (Polycyclic Aromatic Hydrocarbon) – An organic compound consisting of a fused ring structure containing at least two (2) benzene rings, and which may also contain additional fused rings not restricted exclusively to hexagonal rings. The structure does not include any heteroatoms or substituent groups. The structure includes only carbon and hydrogen. PAHs are a subgroup of POM and have a boiling point of greater than or equal to 100°C.
[14]	PAH-DERIVATIVE: (Polycyclic Aromatic Hydrocarbon Derivative) – An organic compound consisting of a fused ring structure containing at least two (2) benzene rings, and which may also contain additional fused rings not restricted exclusively to hexagonal rings. The fused ring structure does not contain heteroatoms. The structure does contain one or more substituent groups. PAH-Derivatives are a subgroup of POM and have a boiling point of greater than or equal to 100°C.
[15]	POM: (Polycyclic Organic Matter) – Includes organic compounds with more than one benzene ring, and which have a boiling point of greater than or equal to 100°C.

Note	Text of Note
[16]	Radionuclides and other radioactive substances shall be reported in units of Curies per year (for annual average emissions) and in units of milliCuries per hour (for maximum hourly emissions).
[17]	Emissions of Vanadium (fume or dust) shall be reported as the amount of the vanadium atom equivalent, using the identification number 7440622.
[18]	The emittent identification number 1001 has been replaced with the CAS number 26148685.

APPENDIX E

REQUIREMENTS FOR CLASSES OF FACILITIES EMITTING LESS THAN 10 TPY OF CRITERIA POLLUTANTS

E-I

CLASSES OF FACILITIES EMITTING LESS THAN 10 TPY FOR WHICH THE FACILITY OPERATORS MUST PREPARE COMPLETE PLANS AND REPORTS

E-II

CLASSES OF FACILITIES EMITTING LESS THAN 10 TPY FOR WHICH THE FACILITY OPERATORS MUST COMPLETE A SURVEY OF PRODUCTION, USE, OR OTHER PRESENCE

NOTES TO APPENDIX E

a Except facilities using less than four pounds of ethylene oxide per year.

b Except facilities using solvents for cold cleaning and vapor degreasing in the following quantities:

(1) less than 55-gallon (drum) quantities per year of a listed substance which is designated as a human carcinogen or potential human carcinogen; and

(2) less than 55-gallon (drum) quantities per month of a listed substance which is not designated as a human carcinogen or potential human carcinogen.

c Any facility at which asbestos removal occurs on a routine and predictable basis for a period of at least one year.

d Any treatment, storage, disposal, and recycling facility (as defined by "hazardous waste facility" in Health and Safety Code, Section 25117.1 and in Title 22, California Code of Regulations (CCR), Section 66096) except:

(1) transfer stations (as defined in Title 22, CCR, Section 66212) that do not pump or package hazardous waste; and

(2) storage facilities (as defined in Health and Safety Code, Section 25123.3) that store only containerized waste.

e Only the described portions of the SIC are included.

f [ ] Indicates an SIC formerly used by the Executive Office of the President, Office of Management and Budget, which has been reassigned.

APPENDIX E-I

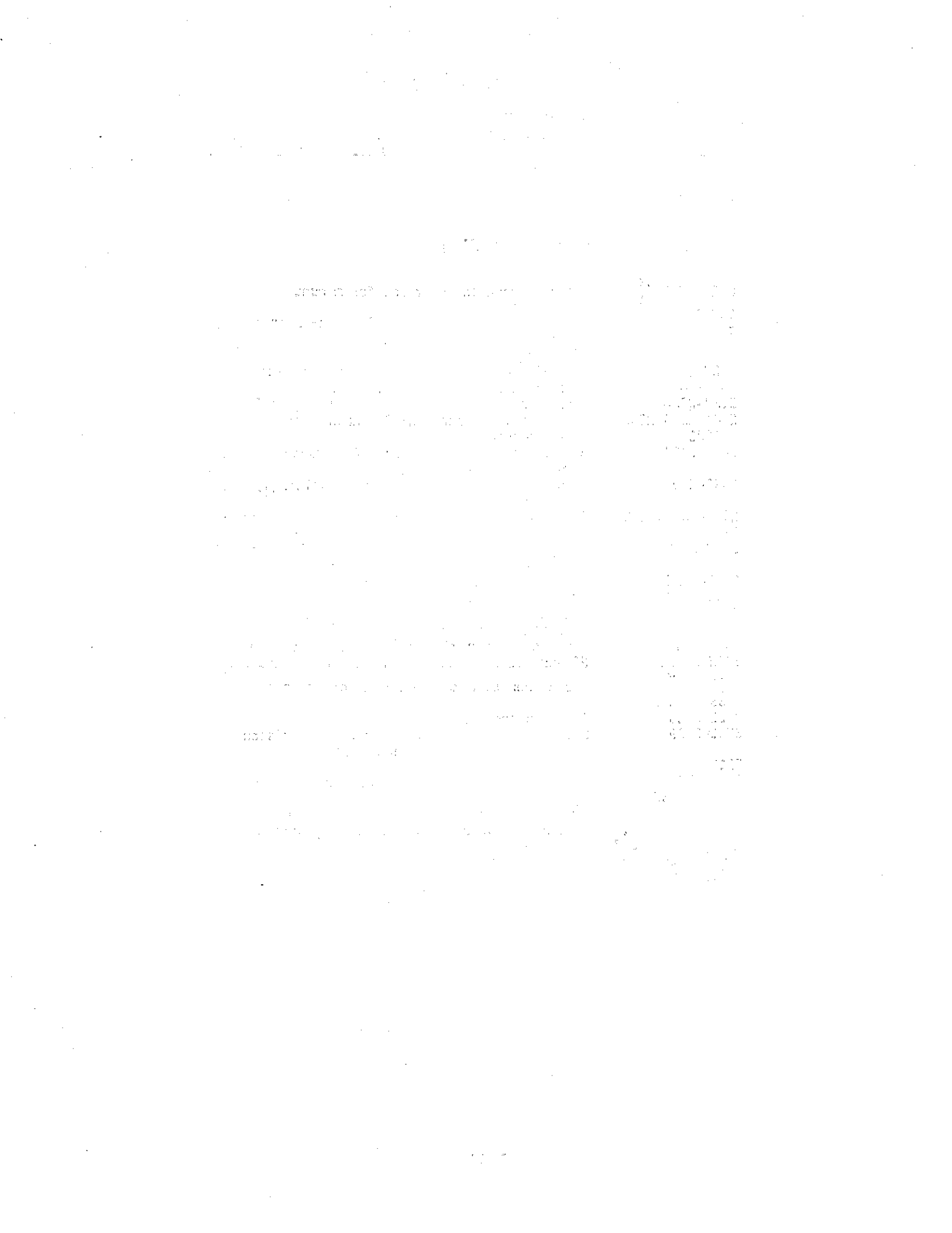
Classes of Facilities Emitting Less Than 10 tpy of Criteria Pollutants for Which the Facility Operators Must Prepare Complete Emission Inventory Plans and Reports

Standard Industrial Classification Code (SIC)	Description of Class
Any SIC	Metal platers using cadmium or chromium
Any SIC	Facilities using ethylene oxide for sterilization[a]
Any SIC	Facilities with cooling towers using hexavalent chromium
Any SIC	Facilities that perform degreasing[b]
Any SIC	Facilities using incinerators that burn hazardous, municipal, or biomedical waste, or burning tires
Any SIC	Long term asbestos removal (over one year)[c]
Any SIC	Treatment, storage, disposal, and recycling facilities (TSDFs; TSDR facilities)[d]
2221,[e]3229[e]	Fiberglass and various fiberglass materials and products manufacturing facilities within SICs 2221 and 3229
2611,2621,[2631][f]	Pulp and paper mills
2711-2771, 2782	Printing and publishing including printshops and miscellaneous commercial printing
2812-2899	Chemicals and allied products manufacturing
2911-2999	Petroleum refining and related industries
3011-3089, [3293],[f][3555][f]	Rubber and miscellaneous plastics products manufacturing
3471-3479	Miscellaneous plating, polishing, coating, engraving, and allied services
3674	Semiconductors and related devices manufacturing
3731-3732	Boat and ship building and repair
4952	Wastewater treatment facilities (including publicly owned treatment works, POTWs)
5171-5172	Petroleum bulk stations and terminals and related
5511-5521, [7531],[f]7532, [7535][f]	Auto body shops (including new and used car dealers where body work occurs)
5541	Gasoline stations
7216	Dry cleaners
7261[e]	Funeral services with crematories

APPENDIX E-II

Classes of Facilities Emitting Less Than 10 tpy of Criteria Pollutants for Which the Facility Operators Must Complete a Survey of Production, Use, or Other Presence of Listed Substances

Standard Industrial Classification Code (SIC)	Description of Class
0723,[0729][f]	Crop preparation services for market
0724,[0729][f]	Cotton ginning
1311	Crude petroleum and natural gas extraction
1321	Natural gas liquids plants
1381	Drilling oil and gas wells
1422-1429	Miscellaneous crushed and broken stone mining
1442-1446	Construction sand and gravel mining
2033-2034	Canned and dehydrated fruits and vegetables
2041,2044,2046, 4221	Grain mill products manufacturing and warehousing
2434-2439	Veneer, plywood, structural wood members, and related manufacturing
2441-2499	Miscellaneous wood containers, buildings, and products manufacturing
2511-2599,7641	Furniture or cabinet manufacturing and repair
3241	Hydraulic cement manufacturing
3292-3296	Asbestos and miscellaneous nonmetallic mineral products manufacturing
3312-3325	Blast furnaces and steel mills
3341-3369	Primary metal industries and secondary smelting
3411-3469, 3482-3499	Miscellaneous fabricated metal products manufacturing
3511-3537	Various industrial machinery manufacturing
3612-3672, [3673][f], 3675-3699	Electronic and other electrical equipment and components, except computer equipment
3721-3728	Aircraft and parts
3761-3769	Guided missile and space vehicle propulsion units and propulsion unit parts
7218	Industrial launderers
7533-7534, 7537-7539	General automotive repair shops and related
8062	General medical and surgical hospitals
8731,8733-8734, [7391][f],[7397][f], [8922][f]	Research, development, and testing services



Appendix IV

Governor's Proposed Budget for the Air Toxics Hot Spots Program

Governor's Proposed Budget
for the Air Toxics Hot Spots Program

BASE ACTIVITIES	ARB PYs	ARB STAFF DOLLARS	ARB CONTRACTS	ARB TOTAL	OEHHA PYs	OEHHA STAFF DOLLARS	OEHHA CONTRACTS	OEHHA TOTAL	TOTAL ARB & OEHHA PYs	TOTAL ARB & OEHHA STAFF DOLLARS	TOTAL ARB & OEHHA CONTRACTS	TOTAL ARB & OEHHA TOTAL
METHODS DEVELOPMENT/EMISSION INVENTORY/ REGULATORY DEVELOPMENT & IMPLEMENTATION												
Regulatory Development & Implementation	3.0	227	0	227	0.0	0	0	0	3.0	227	0	227
Methods Development & Review	3.0	227	0	227	0.0	0	0	0	3.0	227	0	227
Air Toxics Emission Database	4.0	303	175	478	0.0	0	0	0	4.0	303	175	478
Emission Data Collection, Validation	5.0 a/	378	59	437	0.0	0	0	0	5.0	378	59	437
Subtotal	15.0	1,135	234	1,369	0.0	0	0	0	15.0	1,135	234	1,369
HEALTH RISK ASSESSMENT												
Health Risk Assessment Review	0.0	0	0	0	5.0	401	500	901	5.0	401	500	901
Develop Health Guidance Values, Noncancer Methods, Acute Effects Database	0.0	0	0	0	6.0	481	370	851	6.0	481	370	851
Risk Assessment Assistance	2.0	152	0	152	0.0	0	0	0	2.0	152	0	152
Develop/Maintain/Administer New Facility Risk Assessment Guidelines	0.0	0	0	0	8.0	779	250	1,029	8.0	779	250	1,029
Subtotal	2.0	152	0	152	19.0	1,661	1,120	2,781	21.0	1,813	1,120	2,933
PUBLIC NOTIFICATION												
Assist Districts & Facilities with Public Notification Procedures & Public Meetings	3.0 b/	227	0	227	0.0	0	0	0	3.0	227	0	227
Participate in Public Notification Hearings	0.0	0	0	0	1.0	80	0	80	1.0	80	0	80
Subtotal	3.0	227	0	227	1.0	80	0	80	4.0	307	0	307
RISK REDUCTION												
Develop Risk Reduction Guidelines and Checklists	5.0	378	0	378	0.0	0	0	0	5.0	378	0	378
TOTAL PROGRAM COSTS	25.0	1,892	234	2,126	20.0	1,741	1,120	2,861	45.0	3,633	1,354	4,987

a/ 0.5 PY redirected internally to inventory regulation.
b/ 1.0 PY redirected internally to risk assessment assistance.

Appendix V

Fee Basis and Calculations

Fee Basis and Calculations

This Appendix contains descriptions of the facility program categories and resource indexes used as the fee basis. The method for calculating the distribution of the State's costs and facility fees is also described with examples.

A. Proposed Fee Basis

1. Hot Spots Facility Program Category Method

The Air Resources Board (ARB) staff is proposing to use the same fee basis for fiscal year 1994-95 that was developed for fiscal year 1993-94 with minor modifications. This facility program category method uses the number of facilities in each of the various Hot Spots Program categories. Facilities are classified into a program category according to the Air Toxics Hot Spots Program requirements and Source Classification Codes (SCCs). The basic program categories are Survey, Industrywide, Plan and Report, Risk Assessment, Notification, and Audit and Plan. Resource indexes (ratios) are used to distribute State core and risk assessment costs, and local air pollution control and air quality management district (districts) costs among the program categories.

The fee basis has a relationship to the resources expended by the State and districts on a facility, and the health risk priority of that facility. Based on the districts' and State's experience, the range of complexity and the time required to accomplish the Hot Spots Program (Program) requirements varies, even among facilities in the same Program category. There is a significant range of effort required based primarily on the complexity of the facility. For example, the time and resources required by the district to carry out Program requirements and review documents for a facility submitting a plan and report for a small number of emission points is much less than the effort required to carry out the Program requirements and to review documents for a facility submitting a plan and report for multiple processes and multiple emission points. The same relationship holds true for facilities completing health risk assessment requirements. To account for this range of complexity, last year we divided the Plan and Report and Risk Assessment Categories into subcategories. Source Classification Codes are used to identify facilities as simple, intermediate, or complex.

There is a specific workload associated with each facility subject to the Program requirements. This specific workload is generally when a facility submits updated emission data or when a risk assessment requires

review. However, there are many other programmatic functions which are ongoing and affect all facilities. Examples of this type of work are emission inventory quality assurance, development of the Fee Regulation, development of health guidance values, source test method development and review, and risk assessment guidelines development. These are ongoing costs incurred by the State. State law also mandates that fees be based on toxic emissions. In years when facilities in the Program are not submitting emission data updates or risk assessments, they continue to emit toxics. For these reasons, facilities are assessed an annual fee.

For fiscal year 1994-95, the definitions to subdivide the fee categories to account for complexity remain the same. We define a facility with one or two processes (SCCs) as simple; a facility with three, four, or five processes as intermediate; and a facility with more than five processes as complex. Information regarding how a facility should be categorized was supplied by the districts. The definitions of the facility Program categories are found in section 90701 of the Fee Regulation (Title 17, California Code of Regulations).

Risk assessment facilities are further subdivided into Risk Assessment-District and Risk Assessment-State. During the initial risk assessment review, resources are expended at the district as the air dispersion modeling is reviewed. Much of the State's resource effort occurs when the Office of Environmental Health Hazard Assessment (OEHHA) reviews the health risk assessment. Following the OEHHA's review, the resource effort is again concentrated at the district, until the health risk assessment is approved. For the Risk Assessment-State category, a one year period is specified to ensure that a facility is only assessed a fee for this category once. For the Risk Assessment-District category, we include facilities that have been notified by the district by April 1, prior to the applicable fiscal year that they must prepare a risk assessment.

The use of Program categories as the basis for distributing the State's cost and assigning facility fees is in accordance with both the direction of the ARB and Senate Bill 1378 (McCorquodale; Statutes of 1992, Chapter 375). This fee basis meets the legislative requirement, because the Program categories are determined by toxics releases and health risk priority. The modifications we are proposing enable us to further address this mandate, as well as comments from the districts and affected industry.

2. Major Changes to Fee Basis

We are proposing to increase the resource indexes for the Notification and Audit and Plan categories. This proposal is in accordance with the Senate Bill 1378 mandate. The facilities required to notify the public of their emissions and those required to prepare audits and develop plans to reduce emissions are the highest risk facilities in the Program. Assessing them the highest State cost is not wholly related to workload or facility complexity. We propose they be assessed the highest costs because their emissions potentially pose the greatest risk to the public's health.

Another change we are proposing is to assign a small State cost to facilities categorized as Industrywide. Some districts and members of the Fee Regulation Committee requested this change. Industry representatives have also indicated their support for this proposal. In previous years, none of the State's cost was allotted to these facilities. However, in fiscal year 1994-95 the State will be reviewing emissions data, developing risk assessment procedures, and developing guidance on reducing toxics emissions from Industrywide facilities. For these reasons, a small resource index is assigned to these facilities for both core and risk assessment Program costs.

B. Resource Indexes

1. Current Indexes

The three types of per facility costs (core program, risk assessment, and district) are based on unit costs which are calculated using resource indexes. These indexes account for the differing resource requirements and varying complexity of facilities in the various categories. The resource indexes are a method of balancing workload, toxicity of emissions, health risk priority, and complexity among categories. A different set of indexes is used for each type of unit cost. Table V-1 shows the resource indexes for these three types of costs.

The resource index is used as a weighting factor or ratio in the fee calculations. To obtain each of the three divisions of unit costs, the numbers of facilities in the appropriate Program categories are multiplied by the appropriate indexes. The sum of these products is divided into the total cost associated with that division to arrive at a unit cost. The unit cost is multiplied again by each index to arrive at the per facility cost.

The resource indexes for the State's cost reflect the resource requirements of both the ARB and OEHHA. Chapter III of this report contains a detailed description of the State's activities. Indexes were established last year and are based on the State's experience with the Program since 1988. We also considered the relative toxicity of emissions and the health risk priority of facilities in the Program as indicated by the category. The resource indexes used for districts' costs are based on information received from the districts.

2. Proposed Index Changes

This is a summary of proposed index changes. The following sections will describe the changes in more detail. In past fiscal years, any fees assessed Industrywide facilities were used by the districts to help recover their costs for resources expended on these facilities. No portion of those fees was forwarded to help defray the State's costs. For fiscal year 1994-95, we are proposing to assign a small resource index for both core and risk assessment Program costs to Industrywide facilities. Discussions with the Fee Regulation Committee and districts indicated that this would be

Table V-1
Resource Indexes

Program Category	State Core Program Index	State Risk Assessment Index	District Index
Survey			
Industrywide	0.014	0.0312	Flat
Plan and Report			Flat
Simple	1		1
Intermediate	1.5		3
Complex	2		10
Risk Assessment - Under Review by the District*			
Simple	1		2
Intermediate	1.5		5
Complex	2		15
Risk Assessment - Under Review by the State**			
Simple	1	1	2
Intermediate	1.5	10	3
Intermediate (Prepared by District)+	1.5	$800	3
Complex	2	25	10
Complex (Prepared by District)+	2	$800	10
Notification			
Simple	2	15	20
Intermediate	2	22	20
Complex	2	25	20
Audit and Plan			
Simple	2	20	25
Intermediate	2	27	25
Complex	2	30	25

* Risk Assessment-District. The facility was notified by the district by April 1, 1994 to prepare a risk assessment.

** Risk Assessment-State. Risk assessment submitted to OEHHA for review between April 1, 1993 and March 31, 1994.

\+ The facility had its risk assessment prepared by the district using an automated computer program approved by the ARB.

equitable because some of the State's resources are directed towards these facilities. Comments from representatives of larger businesses also indicate that they support the allocation of some of the State's cost to the Industrywide facilities.

We believe it is reasonable to assign a small resource index to Industrywide facilities to recover both core and risk assessment costs. Core costs are programmatic functions that are ongoing and affect all facilities, including Industrywide facilities. Additionally, industrywide risk assessment procedures and guidelines are being developed to assist these smaller businesses reduce their toxic emissions.

In fiscal year 1993-94, Notification and Audit and Plan facilities were not subdivided by SCCs as were the other categories. For fiscal year 1994-95 we are proposing to subdivide these two categories into simple, intermediate, and complex based on the same SCC counts used for the other categories. However, this breakdown is not wholly workload and complexity related. The indexes are based on facility health risk priority and are divided into simple, intermediate, and complex to lessen the economic burden on smaller facilities in these categories. The core index for all Notification and Audit and Plan facilities remains, as it was last year, at two. This index is related to workload.

We are also proposing to assign a district index of 2 for Risk Assessment-District (Simple) and Risk Assessment-State (Simple). This index is based on statewide average index information received from the districts. Last year we fixed the district cost for these facilities at $500. We believe assigning them this index is a better reflection of actual district workload for these facilities.

Districts representatives requested that the district indexes for the other risk assessment categories be modified to better reflect workload. Therefore, we are proposing that the indexes for state risk assessment categories be lowered to the corresponding Plan and Report district indexes. While under review by the OEHHA, the district effort is reduced.

3. State Core Program Indexes

a. Current Core Program Indexes

In developing resource indexes to distribute State core program costs, we considered facility complexity, workload, and economic impact. In general, the resources required to review emissions data and other documents increase with the number of emission points. State core program costs are generally programmatic in nature and affect all facilities. The core program indexes reflect this.

To account for differences in workload for facilities other than Industrywide facilities, we assigned an index of one to the Plan and Report (Simple) and Risk Assessment (Simple) categories. For the Plan and Report (Intermediate) and Risk Assessment (Intermediate) categories, we assigned a

core program index of one and a half. These facilities require more of the State's resources based on complexity than do simple facilities.

The core program indexes for Plan and Report (Complex), Risk Assessment-District (Complex), Notification and Audit and Plan facilities remain at two. In general, facilities in these categories are the most complex and require more of the State's resources for review of their data. All of these core program resource indexes are the same as in fiscal year 1993-94 and are shown in Table V-1.

b. Proposed Core Program Index Changes

The proposed core program index for Industrywide facilities is 0.014. Although this low index is related to workload, relative to the other simple categories, the main consideration was to limit the amount of cost allotted to these smaller facilities.

4. State Risk Assessment Indexes

a. Current Risk Assessment Indexes

In developing the resource indexes for State risk assessment related work, we considered the following: complexity, workload, facility risk priority, and economic impact. We assigned a score to each of these categories, ranging from zero to 20. The scores were summed to arrive at a facility category total score. We solicited input from the Fee Regulation Committee, the OEHHA, and the districts in developing these factors. Facilities in the Industrywide, Risk Assessment-State, Notification, and Audit and Plan categories receive indexes for State risk assessment related work.

A simple risk assessment facility is a facility having one or two different processes. This type of risk assessment, because of the small number of processes, requires considerably less of the State's resources. Because many of these facilities have only a single process, the review of the risk assessment is generally straight forward. In light of these considerations, these facilities were assigned scores for complexity and workload of one each. These facilities received a priority score of one because of the small number of processes. We assumed that most of these simple risk assessment facilities are small businesses. In light of this, a score of zero was assigned for economic impact. This brings the total score for Risk Assessment-State (Simple) facilities to three.

An intermediate risk assessment facility is defined as having three to five different processes. These risk assessments require a significant amount of the State's resources. Each process may emit different toxic pollutants and must be reviewed individually. The facility's total risk from the aggregate emissions of all processes must also be reviewed. These facilities received scores for complexity and workload of three and four, respectively. Because these facilities have been required to prepare a health risk assessment, they are high priority facilities. With fewer

processes, however, we have assigned them a risk priority score of two. We assumed that many of these facilities may be small or medium-sized businesses. For economic impact, these facilities received a score of one. The total aggregate score is ten for Risk Assessment-State (Intermediate) facilities.

A facility with more than five processes is defined as complex. Therefore, these facilities were assigned a score of eight for complexity. In ranking workload, the greatest cost incurred by the State is in reviewing a complex risk assessment. For workload, these complex facilities received a score of nine. These facilities have more than five different processes, each of which may emit different toxic air pollutants and cause different or cumulative adverse impacts on human health. The calculations for each individual process are reviewed to verify the overall potential to cause acute and chronic health effects. For health risk priority, complex risk assessment facilities received a score of three. Due to complexity it is assumed that these facilities may pose a greater potential health risk than other risk assessment facilities in other categories, and are therefore, higher health risk priority. It is also assumed that these complex facilities will be least burdened by paying this cost. Therefore, a score of three was assigned for economic impact. The total aggregate score for Risk Assessment-State (Complex) facilities is 23.

In finalizing the indexes, we gave further consideration to the economic impact on small businesses. The cost to be assessed to small, simple facilities required to prepare a risk assessment may be an economic burden. In consideration of this, the Risk Assessment-State (Simple) score was reduced from three to one and the index for Risk Assessment-State (Complex) facilities was increased from 23 to 25. The resource indexes for distribution of the State's risk assessment costs are shown in Table V-1.

The ten categories of facilities that were assigned a resource index for risk assessment cost also receive a core program cost resource index. Therefore, the resulting unit costs from applying the two indexes are summed to determine the State's total cost for these facilities.

b. Proposed Risk Assessment Index Changes

We are proposing to assign a small risk assessment index to Industrywide facilities. The proposed index is 0.0312. This index is not assigned based on facility complexity or risk priority. It is related to workload and economic impact. We are now working on industrywide risk assessment procedures. Therefore, this small index will help defray the cost of the State's effort in this area, without causing an economic burden on these facilities.

The Risk Assessment-State (Intermediate) or Risk Assessment-State (Complex) facilities within the Santa Barbara County APCD that had their risk assessments prepared for them by the district, using an automated computer program approved by the ARB, will be assessed a fixed cost for review of its risk assessment. We propose to set this cost at $800. The

cost of $800 was calculated by taking a weighted average of the estimated time it takes OEHHA to review the Santa Barbara risk assessments (8 hours) times a cost of $100 per hour. The hourly rate of $100 was based on the rates charged by consultants with appropriate qualifications.

We propose to divide Notification and Audit and Plan facilities into three categories based on SCC counts. However, this division into simple (one or two processes), intermediate (three to five processes), and complex (more than five processes) is not wholly related to workload and complexity. These facilities are assigned relatively high risk priority indexes because these facilities are among the highest risk priority facilities in the State. One of the objectives of the Program is to identify any high risk facilities. We believe it is appropriate that they should be assessed the highest State cost. By assigning these facilities higher indexes, we are following the Senate Bill 1378 mandate to base fees on toxic emissions and health risk priority to the extent possible. The lower indexes for simple and intermediate facilities are assigned because these may be smaller facilities who could suffer an economic burden by paying higher fees.

With our proposal, all three Notification categories are assigned risk priority indexes of ten and workload indexes of three. This risk priority index was assigned because they are potentially higher priority facilities than are risk assessment facilities. The State's workload for these facilities is not as great as with most risk assessment facilities. Therefore a workload index of three is appropriate. Although we are subdividing these categories by SCCs, to account for complexity, this is partially done in consideration of smaller facilities that could suffer an economic burden from being assessed this higher cost. Therefore, complexity scores of one for simple facilities, four for intermediate, and five for complex were assigned. In further consideration of possible economic impacts, simple, intermediate, and complex facilities were assigned economic impact scores of one, five, and seven, respectively. Summing these scores yields indexes of 15 for simple, 22 for intermediate, and 25 for complex Notification facilities.

The highest priority facilities are required to audit their emissions and prepare plans to lower their emissions below a level of significance. These are the highest priority facilities in the State and are assigned a risk priority score of seventeen. Workload and complexity scores for these facilities were combined into a single score. The scores are related to the number of processes at a facility and the varying levels of effort to review their emission audits and plans. The combined workload and complexity scores for these facilities are two for simple, five for intermediate, and six for complex facilities. The more processes there are at a facility the more review time required to verify that the emission reduction plan will achieve the required emission reductions. The potential economic impact scores are the same as for Notification facilities, one for simple, five for intermediate, and seven for complex. Summing these scores yields indexes of 20 for simple, 27 for intermediate, and 30 for complex Audit and Plan facilities.

5. District Indexes

a. Current District Indexes

Last year, we developed resource indexes to distribute districts' costs to facilities for those districts requesting the ARB to adopt their fee schedules. Results from a survey of districts were used to assign an index for each category of facility based on workload, complexity, toxicity, and risk priority. The district indexes for all Plan and Report categories, as well as the Notification and Audit and Plan indexes remain unchanged for fiscal year 1994-95. The district resource indexes are shown in Table V-1.

b. Proposed Changes to District Indexes

District personnel have indicated that the resource indexes assigned to Risk Assessment-District and Risk Assessment-State facilities in fiscal year 1993-94 were not indicative of the districts' workload for risk assessment review. To address this, district resource indexes for Risk Assessment-State (Intermediate) and Risk Assessment-State (Complex) facilities were decreased to match the index in the corresponding Plan and Report category. This results in increasing the district cost for Risk Assessment-District facilities, and more closely matches resource efforts. The district resource indexes are shown in Table V-1.

We are proposing to delete the flat cost of $500 for district review of a simple risk assessment. A resource index of two is being proposed for both Risk Assessment-State and District (Simple) facilities. This index is based on statewide average index information received from the districts. We believe assigning this index for this category is a better reflection of actual district workload for these facilities.

6. Fee Caps

Some small businesses may be found in categories assigned higher indexes. To minimize the potential economic impact these facilities may qualify to have their fees reduced if they meet the definition for small business contained in section 90701 of the Fee Regulation. Last year we established a small business fee cap of $700. This year we are proposing to lower the cap for small businesses to $300. In discussions with representatives of small businesses, we determined this was a more affordable and equitable fee. The reduction in the small business cap by approximately 57 percent will also pass along some of the Program cost savings to this category of facilities.

Another fee cap is available for the Plan and Report (Simple) facilities. Last year, at the district's option, the Plan and Report (Simple) fee was capped at $1,000, provided this did not result in a shortfall. This year we propose to lower this cap to $800. This will ease the economic burden on smaller businesses that may not qualify for the small business fee cap. The reduction in the fee cap by 20 percent is approximately the same percentage reduction as the decrease in Program costs

for the State and districts. this proposed change will pass along some of the Program cost savings to this category of facilities.

In consideration of the possible economic burden for smaller businesses required to prepare risk assessments, we are proposing to cap the fee for Risk Assessment-District (Simple) at $2,000. This cap will be a district option provided it results in no shortfall in revenue. This fee cap would keep the fee for this category closer to the fee for the same category for the previous year, and would reduce the overall economic impact of changes in the fee schedules for facilities in this category.

C. Fee Calculation Method

The method used to distribute the State's costs and calculate facility fees for the Air Toxics Hot Spots Program is described below with sample calculations. This basic method is the same as was used for calculating the distribution of the State's costs and calculating facility fees in fiscal year 1993-94. The proposed modifications to this method have been described in the earlier sections. The State's costs are distributed based on the number of facilities a district has in each Hot Spots Program category. For districts requesting ARB adoption of facility fees, the Hot Spots Program category of each facility will also be used. Employing the same method for allocation of the State's costs and for facility fees allows for greater consistency and equity.

The facility numbers used to distribute the State's costs and calculate facility fees are based on information the districts have supplied to the ARB staff. The examples calculated here may differ slightly from values shown in Tables 1-4 of the Fee Regulation due to rounding. In the sample calculations that follow, the equations used are numbered (in parentheses) for easy reference. The facility Program categories used for calculating fees in the equations below are defined in section 90701 of the Fee Regulation.

1. Distribution of State and District Costs

The State's costs to be recovered are the total amount reasonably anticipated by the ARB and the OEHHA to implement and administer the Air Toxics Hot Spots Program for the specified fiscal year. The districts' costs are used only in calculating facility fees for the districts requesting ARB adoption of fee schedules. The Health and Safety Code requires that the Fee Regulation provide for the recovery of these costs.

For districts requesting the ARB to adopt fee schedules for them, flat fees are established for facilities in the 19 Program categories. Districts would specify the fee amounts for the facilities in two of the categories, Survey and Industrywide. Fees for facilities in the other 17 categories would be calculated by adding the appropriate State cost per facility for the category to the district cost per facility. The districts' Program costs to be recovered by the regulation are distributed among facilities in all 17 categories by means of a flat district cost per facility for each of the Program categories.

Districts requesting ARB adoption of fee schedules were given an option for assessing the proposed State cost for Industrywide facilities. Districts may include the State's cost in the district's Industrywide fee or assess this cost to the other district facilities.

The total State's cost is separated into two portions proportionate to the State's resource effort. The two portions are: (1) core program related costs and (2) risk assessment costs. The total State cost per facility is the sum of the core program cost per facility and the risk assessment cost per facility if applicable. The district's portion of the State's costs is the sum of the individual State cost per facility for all the facilities in the district.

The core program portion includes costs associated with method development, emission inventory, and regulatory development; health guidance values, noncancer risk assessment methods and acute toxicity database development; risk assessment guideline development; and risk reduction guidance to small businesses. Costs associated with audit and plan evaluation are redirected to the risk assessment guidelines development for fiscal year 1994-95 and are distributed as core program costs. These tasks are generally programmatic in nature and affect all facilities. In 18 of the 19 Program categories the core program cost is distributed among all facilities by means of a flat core program cost per facility for each category. The State's costs are not distributed among facilities in the Survey category.

The State risk assessment portion includes costs associated with health risk assessment review, risk assessment assistance and public notification. These tasks are more directly related to the individual facilities required to prepare risk assessments, so the associated costs are allocated only among those facilities. Facilities in the Industrywide, Notification and Audit and Plan categories are included as "risk assessment" facilities. The State's risk assessment costs are distributed among the following 12 Program categories: Industrywide, Risk Assessment-State (Simple), Risk Assessment-State (Intermediate), Risk Assessment-State (Intermediate) with risk assessment prepared by the district, Risk Assessment-State (Complex), Risk Assessment-State (Complex) with risk assessment prepared by the district, Notification (Simple), Notification (Intermediate), Notification (Complex), Audit and Plan (Simple), Audit and Plan (Intermediate), and Audit and Plan (Complex). The risk assessment costs are distributed among these categories by means of a flat risk assessment cost per facility for each of the 12 categories.

2. Table 1 of the Fee Regulation: Revenues to be Remitted to Cover the State's Costs

The State's costs to be recovered are the total amount reasonably anticipated by the ARB and the OEHHA to administer the Air Toxics "Hot Spots" Information and Assessment Act for the specified fiscal year. For fiscal year 1994-95 the proposed State's costs are $4,987,000, or including a five percent adjustment factor, $5,236,350. This represents a decrease in the

State's overall Program costs of $183,000. However, savings accrued from prior fiscal years are being carried forward to reduce costs for fiscal year 1994-95. We are proposing to carry forward $750,000 to reduce fiscal year 1994-95 costs to $4,237,000, or with contingency, $4,448,850. This amount may differ from the amount shown in Table 1 of the Fee Regulation due to rounding. This is a one time cost reduction. The total reduction in the State's costs for fiscal year 1994-95 is $933,000. The State's costs are divided into two categories: 1) $3,913,350 for core program related work, and, 2) $535,500 for risk assessment related work (adjustment factor included).

a. Core Program State Costs

The cost for core program related work is divided among the total number of facilities (includes risk assessment facilities but not Survey facilities) to arrive at a State cost per facility in each Program category. For fiscal year 1994-95, the number of facilities categorized as Plan and Report, Risk Assessment-District, Risk Assessment-State, Notification, and Audit and Plan is 5,818. Industrywide facilities total 24,135. The total number of facilities is 29,953. The number of facilities in each Program category is multiplied by the appropriate index. The sum of these products is divided into the State's core program costs to arrive at a core program unit cost of $490. This unit cost is multiplied by each index to arrive at a flat State cost for each facility in a Program category. The core program categories, the indexes, and the calculations to arrive at a cost per facility are shown in equation 1.

(1) Calculation of the core program unit cost and non-risk assessment cost per facility:

A Program Category	B Total Facilities	C Index	D Product	E Cost/Facility *
IW	24135	0.014	338	$ 7
PRs	2911	1	2911	$490
PRi	1647	1.5	2470	$735
PRc	712	2	1424	$980
RAs D	123	1	123	$490
RAs S	22	1	22	$490
RAi D	176	1.5	264	$735
RAi S	28	1.5	42	$735
RAi S DP	8	1.5	12	$735
RAc D	152	2	304	$980
RAc S	18	2	36	$980
RAc S DP	2	2	4	$980
NOTs	1	2	2	$980
NOTi	1	2	2	$980
NOTc	3	2	6	$980
APs	0	2	0	$980
APi	5	2	10	$980
APc	9	2	18	$980
Total	29953		7988	

* THESE COSTS MAY VARY SLIGHTLY FROM THOSE SHOWN IN THE STAFF REPORT DUE TO ROUNDING

Where:

IW = Industrywide

PRs = Plan and Report (Simple)

PRi = Plan and Report (Intermediate)

PRc = Plan and Report (Complex)

RAs = Risk Assessment (Simple)

RAi = Risk Assessment (Intermediate)

RAc = Risk Assessment (Complex)

NOTs = Notification (Simple)

NOTi = Notification (Intermediate)

NOTc = Notification (Complex)

APs = Audit and Plan (Simple)

APi = Audit and Plan (Intermediate)

APc = Audit and Plan (Complex)

D = District

S = State

DP = Risk Assessment Prepared by District with ARB Approved Software

a) Facilities (Column B) X Index (Column C) = Product (Column D)

Example: Total PRi facilities = 1647
Index = 1.5
Product = 2470

b) Core Program Cost / sum of column D = Unit Cost for Core Program
$3,913,350 / 7988 = $490

c) Core Program Unit Cost X Index = Cost per Facility

$490 X 0.014 = $7

$490 X 1 = $490

$490 X 1.5 = $735

$490 X 2 = $980

b. Risk Assessment State Cost

The cost for risk assessment related work is divided among Industrywide facilities, Notification facilities, Audit and Plan facilities and by the total number of facilities whose risk assessment was submitted to the OEHHA between April 1, 1993 and March 31, 1994. During this time period a total of 78 simple, intermediate, and complex risk assessments were submitted to the OEHHA. There are five Notification and 14 Audit and Plan facilities divided among the simple, intermediate, and complex categories. To obtain a flat State cost for ten of the risk assessment facility categories, an index was developed that accounts for facility complexity, workload, health risk priority, and economic impact. Each index is multiplied by the number of facilities in the corresponding category. These ten products are summed and are divided into the State's cost for risk assessment to arrive at a risk assessment unit cost. The unit cost for State risk assessment work is $261. This unit cost is then multiplied by each index to arrive at a State risk assessment cost for each facility in a Program category. The risk assessment Program categories, the indexes, and the calculations to arrive at a risk assessment cost per facility are shown below.

Any Risk Assessment-State (Intermediate) or Risk Assessment-State (Complex) facility that had its risk assessment prepared for them by its district, using an automated computer program approved by the ARB, will be assessed a fixed cost for review of its risk assessment. We propose to set this cost at $800. These risk assessment facilities are subtracted from the facilities shown in Column B below. The cost to be recovered from them is subtracted from the total risk assessment cost prior to calculating the unit cost.

(2) Calculation of State risk assessment unit cost and a State risk assessment cost per facility.

A Program Category	B Total Facilities	C Index	D Product	E * Cost/Facility
IW	24135	0.0312	753	$ 8
RAs S	22	1	22	$ 261
RAi S	28	10	280	$2610
RAi S DP	8	Flat	---	$ 800
RAc S	18	25	450	$6525
RAc S DP	2	Flat	---	$ 800
NOTs	1	15	15	$3915
NOTi	1	22	22	$5742
NOTc	3	25	75	$6525
APs	0	20	0	$5220
APi	5	27	135	$7047
APc	9	30	270	$7830
Total	24232		2022	

a) Facilities (Column B) X Index (Column C) = Product (Column D)

Example: Total APc Facilities = 9
Index = 30
Product = 270

b) Risk Assessment Cost - amount to be collected from district prepared risk assessments / sum of column D = Risk Assessment Unit Cost

$535,500 - ($800 * 10) / 2022

$527,500 / 2022 = $261

c) Risk Assessment Unit Cost X Index = Risk Assessment Cost per Facility

$261 X 0.0312 = $8 $261 X 1 = $261 $261 X 10 = $2610

$261 X 25 = $6525 $261 X 15 = $3915 $261 X 22 = $5742

$261 X 25 = $6525 $261 X 20 = $5220 $261 X 27 = $7047

$261 X 30 = $7830

* THESE COSTS ARE ROUNDED TO THE NEAREST DOLLAR AND MAY VARY SLIGHTLY FROM COSTS IN THE STAFF REPORT DUE TO ROUNDING

A risk assessment submitted by a facility may be under review at the district only and therefore incurs no State risk assessment cost. For purposes of distributing the State's costs, these facilities are counted as Plan and Report facilities. Only those risk assessments submitted to the OEHHA by a district within the previously mentioned time period, as well as

Industrywide, Notification and Audit and Plan facilities, will incur State risk assessment costs.

For the 12 risk assessment facility categories, the State cost per facility is obtained by adding the risk assessment facility cost to the core program facility cost. The total cost per risk assessment facility is shown below.

c. Calculation of Total State Cost per Risk Assessment Facility

(3) Core Program Cost per Facility + Risk Assessment Cost per Facility = Risk Assessment Facility Cost

Risk Assessment Program Category	Core Program Cost/Facility	Risk Assessment Cost/Facility	Total *
IW	$ 7	$ 8	$ 15
RAs S	$490	$ 261	$ 751
RAi S	$735	$2610	$3345
RAi S DP	$735	$ 800	$1535
RAc S	$980	$6525	$7505
RAc S DP	$980	$ 800	$1780
NOTs	$980	$3915	$4895
NOTi	$980	$5742	$6722
NOTc	$980	$6525	$7505
APs	$980	$5220	$6200
APi	$980	$7047	$8027
APc	$980	$7830	$8810

* THESE COSTS MAY VARY SLIGHTLY FROM THOSE SHOWN IN THE STAFF REPORT DUE TO ROUNDING

a) IW = $7 + $8

= $15

b) RAs S = $490 + $261

= $751

c) RAi S = $735 + $2610

= $3345

d) RAi S DP = $735 + $800

= 1535

e) RAc S = $980 + $6525

= $7505

f) RAc S DP = $980 + $800

= $1780

g) NOTs = $980 + $3915

= $4895

h) NOTi = $980 + $5742

= $6722

i) NOTc = $980 + $6525

= $7505

j) APs = $980 + $5220 = $6200

k) APi = $980 + $7047 = $8027

l) APc = $980 + $7830 = $8810

d. Total District Share of State's Costs

The total share of the State's costs for a district is obtained by multiplying the number of facilities in each Program category by the State cost per facility. These products are summed to arrive at a district's portion of the State's costs.

(4) Total District Portion of State's Costs = (# IW X IW uc) + (# PRs X PRs uc) + (# PRi X PRi uc) + (# PRc X PRc uc) + (# RAs D X RAs D uc) + (# RAi D X RAi D uc) + (# RAc D X RAc D uc) + (# RAs S X RAs S uc) + (# RAi S X RAi S uc) + (# RAc S X RAc S uc) + (# NOTs X NOTs uc) + (# NOTi X NOTi uc) + (# NOTc X NOTc uc) + (# APs X APs uc) + (# APi X APi uc) + (# APc X APc uc).

Where: # = Number Facilities uc = unit cost

OR:

If the district prepared the risk assessments for the facilities, and those risk assessments are being reviewed by the State:

Total District Portion of State's Costs = (# IW X IW uc) + (# PRs X PRs uc) + (# PRi X PRi uc) + (# PRc X PRc uc) + (# RAs D X RAs D uc) + (# RAi D X RAi D uc) + (# RAc D X RAc D uc) + (# RAs S X RAs S uc) + (# RAi S DP X RAi S DP uc) + (# RAc S DP X RAc S DP uc) + (# NOTs X NOTs uc) + (# NOTi X NOTi uc) + (# NOTc X NOTc uc) + (# APs X APs uc) + (# APi X APi uc) + (# APc X APc uc).

Example: San Joaquin Valley Unified Air Pollution Control District (APCD) has the following number of facilities in the various Program categories:

Program Category	Facilities	Cost/Facility	Total *
IW	2257	$ 15	$ 33855
PRs	142	$ 490	$ 69580
PRi	201	$ 735	$147735
PRc	185	$ 980	$181300
RAs D	1	$ 490	$ 490
RAs S	2	$ 751	$ 1502
RAi D	7	$ 735	$ 5145
RAi S	7	$3345	$ 23415
RAc D	22	$ 980	$ 21560
RAc S	7	$7505	$ 52535
NOTs	0	$4895	$ 0
NOTi	0	$6722	$ 0
NOTc	0	$7505	$ 0
APs	0	$6200	$ 0
APi	4	$8027	$ 32108
APc	8	$8810	$ 70480
Total Facilities	2843		
		Total State Cost	$639705

* THESE COSTS MAY VARY SLIGHTLY FROM THOSE SHOWN IN THE STAFF REPORT OR FEE REGULATION DUE TO ROUNDING

3. Table 2 of the Fee Regulation: District Costs to be Recovered Through the Fee Regulation

The districts' Program costs shown in Table 2 of the Fee Regulation are provided by each district. The amounts shown in Table 2 do not include the portion of the districts' costs that are to be recovered from Survey and/or Industrywide facilities. A five percent adjustment factor is added by the ARB to the districts' costs shown in Table 2 of the Fee Regulation.

4. Table 3 of the Fee Regulation: Calculation of District Cost per Facility

For districts requesting the ARB to adopt its fee schedule, a fee is assigned based on the Program category of a facility. All facilities in a district in the same Program category will pay the same flat fee. The following calculations are based on numbers each district supplied to the ARB.

In previous fiscal years districts subtracted the amount of money they would collect from Industrywide facilities before we distributed their district's cost among the other facilities in the district. This year, because of the State's proposal to assess districts a small cost for each Industrywide facility, we will determine the amount to be subtracted from the

total of the district's cost. If a district decides to waive the fee for Industrywide facilities, other facilities in the district will be recovering the industrywide costs.

In determining the flat fee schedule, indexes were developed from information received from the districts which account for workload, priority, complexity, and toxicity. Districts indicated that the workload associated with risk assessments being reviewed by the districts is greater than for those being reviewed by the State. Therefore, we propose that the indexes for Risk Assessment-State (Intermediate) and Risk Assessment-State (Complex) be reduced to the corresponding Plan and Report district index. The net result of this is a lower district cost for State reviewed risk assessments and a higher district cost for risk assessments being reviewed by the districts. The other proposed change to district indexes is to assign a resource index of two for simple risk assessments reviewed by the district and by the State. This index ensures that the Plan and Report facilities will pay a lower cost than simple risk assessment facilities. From the information received from districts, the State developed a resource index for each Program category. These indexes are shown in Table V-I and below:

Program Category Indexes (District)

Industrywide	Flat
Plan & Report (Simple)	1
Plan & Report (Intermediate)	3
Plan & Report (Complex)	10
Risk Assessment- District (Simple)	2
Risk Assessment-State (Simple)	2
Risk Assessment-District (Intermediate)	5
Risk Assessment-State (Intermediate)	3
Risk Assessment-District (Complex)	15
Risk Assessment-State (Complex)	10
Notification	20
Audit & Plan	25

The number of facilities in each Program category is multiplied by the corresponding index. These products are summed and the district cost shown in Table 2 of the Fee Regulation is divided by this sum to arrive at a unit cost (Equation 5). The unit cost is the district cost for a Plan and Report (Simple) facility. All other facility fees are a multiple of the Plan and Report (Simple) unit cost. The Plan and Report (Simple) unit cost is multiplied by each index to arrive at a cost per facility in the other Program categories (Equations 6-15).

(5) Unit Cost = DISTRICT COST / (1 X # PRs) + (3 X # PRi) + (10 X # PRc) + (2 X # RAs D) + (2 X # RAs S) +(5 X # RAi D) + (3 X # RAi S) + (15 X # RAc D) + (10 X # RAc S) + (20 X # NOT) + (25 X # AP).

Once the unit cost is calculated, other facility Program category fees are calculated by multiplying the appropriate index by the unit cost, which is the PRs cost, as shown in the equations below:

(6) PRi = 3 X PRs (7) PRc = 10 X PRs

(8) RAs D = 2 X PRs (9) RAs S = 2 X PRs

(10) RAi D = 5 X PRs (11) RAi S = 3 X PRs

(12) RAc D = 15 X PRs (13) RAc S = 10 X PRs

(14) NOT = 20 X PRs (15) AP = 25 X PRs

EXAMPLE: South Coast Air Quality Management District (AQMD) lists 1652 PRs, 766 PRi, 207 PRc, 99 RAs D, 10 RAs S, 126 RAi D, 10 RAi S; 84 RAc D, 5 RAc S, 0 NOT, and 0 AP facilities. This district's cost to be recovered is $3,230,571 (includes a five percent adjustment factor). The South Coast AQMD will not be charging their industrywide facilities. Therefore, the State's cost to be assessed for Industrywide facilities is added to its district cost and distributed among the other facilities in the district. Applying these facility numbers into equation (5), the cost for a Plan and Report (Simple) facility (unit cost) is:

PRs = $3,230,571 + (14000 * $15) / [(1 X 1652 PRs) + (3 X 766 PRi) + (10 X 207 PRc) + (2 X 99 RAs D) + (2 X 10 RAs S) + (5 X 126 RAi D) + (3 X 10 RAi S) + (15 X 84 RAc D) + (10 X 5 RAc S) + (20 X 0 NOT) + (25 X 0 AP)]

= $3,230,571 + $210,000 / 8208

= $3,440,571 / 8208

= $419

The cost per facility for the other Program categories is calculated by multiplying the appropriate index by the PRs unit cost of $419 as follows:

PRi = 3 X $419 PRc = 10 X $419

= $1,257 = $4,190

RAs D = 2 X $419 RAs S = 2 X $419

= $838 = $838

RAi D = 5 X $419 = $2,095

RAi S = 3 X $419 = $1,257

RAc D = 15 X $419 = $6,285

RAc S = 10 X $419 = $4,190

NOT = 20 X $419 = $8,380

AP = 25 X $419 = $10,475

5. Facility Fees

For the districts whose fee schedules are included in the Fee Regulation, the total cost per facility is the sum of the flat district Program category cost added to the flat State Program category cost. From the table below:

(16) Facility Fee = District (Column C) + State Cost (Column D)

Example: PRs Facility Fee = $419 + $490

= $909

Example: Using the district facility fees calculated for the South Coast AQMD above and the flat State cost per facility, the following facility fees are obtained.

A Program Category	B Number of Facilities	C District Cost	D State Cost	E Facility Fee Total	F Total *
PRs	1652	$ 419	$ 490	$ 909	$1501668
PRi	766	$ 1257	$ 735	$ 1992	$1525872
PRc	207	$ 4190	$ 980	$ 5170	$1070190
RAs D	99	$ 838	$ 490	$ 1328	$ 131472
RAs S	10	$ 838	$ 751	$ 1589	$ 15890
RAi D	126	$ 2095	$ 735	$ 2830	$ 356580
RAi S	10	$ 1257	$3345	$ 4602	$ 46020
RAc D	84	$ 6285	$ 980	$ 7265	$ 610260
RAc S	5	$ 4190	$7505	$11695	$ 58475
NOTs	0	$ 8380	$4895	$13275	$ 0
NOTi	0	$ 8380	$6722	$15102	$ 0
NOTc	0	$ 8380	$7505	$15885	$ 0
APs	0	$10475	$6200	$16675	$ 0
APi	0	$10475	$8027	$18502	$ 0
APc	0	$10475	$8810	$19285	$ 0
Totals	2959				$5,316,427

* THESE COSTS ARE DIFFERENT FROM THOSE SHOWN IN TABLE 3 OF THE REGULATION DUE TO THE SMALL BUSINESS FEE CAP

To calculate the total cost a district is to recover for both State and district costs, the number of facilities (Column B) is multiplied by the total facility cost (Column E). These products are summed to obtain the total cost recovered, as shown in Column F.

6. Small Business Fee Cap Calculation

The Fee Regulation includes a provision to cap the fee of any business meeting the small business definition contained in section 90701(ab) at $300. This definition only applies to districts requesting ARB adoption of fee schedules. Districts have provided us with the number of facilities in each category that would qualify for this fee cap.

To provide this exemption, other facilities in the district are assessed the difference between the actual Program category fee and the $300 fee cap. The number of small businesses in a district multiplied by the difference between the fee and $300 is added to the district cost. The district fee calculation is redone after subtracting these facilities.

(17) DISTRICT COST + small business exemption cost / (1 X # PRs)

+ (3 X # PRi) + (10 X # PRc) + (2 X # RAs D) + (2 X # RAs S) + (5 X # RAi D)

+ (3 X # RAi S) + (15 X # RAc D) + (10 X # RAc S) +(20 X # NOT) + (25 X # AP)

= Unit Cost.

The resulting unit cost from this calculation replaces the unit cost calculated in equation (5). This new unit cost is added to each state cost per category to arrive at new facility fees. Districts that have supplied information on small businesses include: Tuolumne and Santa Barbara County APCDs, San Joaquin Valley Unified APCD, and the South Coast, Great Basin, and Mojave Desert AQMDs.

7. Plan and Report Fee Cap of $800

Districts having their fee schedules calculated by the ARB may also request to cap their Plan and Report (Simple) fee at $800. The state cost for a Plan and Report (Simple) facility is subtracted from $800. This is the amount of district cost that can be recovered from Plan and Report (Simple) facilities. This amount multiplied by the number of Plan and Report (Simple) facilities becomes a fixed cost to be subtracted from the total district cost to be recovered. The district cost equation is rerun without the Plan and Report (Simple) facilities.

(18)

a) $800 - state PRs cost of $490

= Amount of district cost to be collected from each PRs.

= $310

b) # PRs X $310 = Amount to subtract from district cost total.

c) DISTRICT COST - (b) / (3 X # PRi) + (10 X # PRc) + (2 X # RAs D) + (2 X # RAs S) + (5 X # RAi D) + (3 X # RAi S) + (15 X # RAc D) + (10 X # RAc S) +(20 X # NOT) + (25 X # AP).

The district cost per facility calculated by the above equation (18 c) replaces the district cost calculated in equation (5) or equation (17). This new district cost per facility is added to the state cost per category to arrive at a facility fee of $800. Districts that have chosen to cap the Plan and Report (Simple) fee at $800 include the Mendocino County APCD, the San Joaquin Valley Unified APCD, and the Mojave Desert AQMD.

8. Risk Assessment-District (Simple) Fee Cap of $2,000

Districts having their fee schedules calculated by the ARB may also request to cap their Risk Assessment-District (Simple) fee at $2,000. The state cost for a Risk Assessment-District (Simple) facility is subtracted from $2,000. This is the amount of district cost that can be recovered from Risk Assessment-District (Simple) facilities. This amount multiplied by the number of Risk Assessment-District (Simple) facilities becomes a fixed cost to be subtracted from the total district cost to be recovered. The district cost equation is rerun without the Risk Assessment-District (Simple) facilities.

(19)

a) $2,000 - state RAs D cost of $490

= Amount of district cost to be collected from each RAs D.

= $1,510

b) # RAs D X $1,510 = Amount to subtract from district cost total.

c) DISTRICT COST - (b) / (1 X # PRs) + (3 X # PRi) + (10 X # PRc) + (2 X # RAs S) + (5 X # RAi D) + (3 X # RAi S) + (15 X # RAc D) + (10 X # RAc S) +(20 X # NOT) + (25 X # AP).

The district cost per facility calculated by the above equation (19 c) replaces the district cost calculated in equation (5), (17) or (18). This new district cost per facility is added to the state cost per category to arrive at a facility fee of $2,000. The Mojave Desert AQMD has chosen to cap the Risk Assessment-District (Simple) fee at $2,000.

If a district chooses to cap both the Risk Assessment-District (Simple) and Plan and Report (Simple) fees, the equation is:

(20)

a) $2,000 - state RAs D cost of $490

= Amount of district cost to be collected from each RAs D.

= $1,510

$800 - state PRs cost of $490

= Amount of district cost to be collected from each PRs.

= $310

b) (# RAs D X $1,510) + (# PRs X $310) = Amount to subtract from district cost total.

c) DISTRICT COST - (b) / (3 X # PRi) + (10 X # PRc) +

(2 X # RAs S) + (5 X # RAi D) + (3 X # RAi S) + (15 X # RAc D) +

(10 X # RAc S) +(20 X # NOT) + (25 X # AP).

Appendix VI

Public Workshop Announcements

(Enclosures to the Public Workshop Announcements
are available upon request from ARB staff)

STATE OF CALIFORNIA—CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

PETE WILSON *Governor*

AIR RESOURCES BOARD
020 L STREET
O. BOX 2815
SACRAMENTO, CA 95814-2815

Public Workshop Notice

March 30, 1994

Dear Sir/Madam:

The Air Resources Board (ARB) staff will be holding three public workshops to discuss proposed changes to the Air Toxics Hot Spots Fee Regulation (Fee Regulation) for fiscal year 1994-95. Enclosure 1, contains a summary of the proposed changes. The Fee Regulation is required by the Air Toxics "Hot Spots" Information and Assessment Act (Act) of 1987, and the regulation provides for recovery of State and local agencies costs to comply with the Hot Spots Act's requirements.

The public workshops will be held at the following times and locations:

April 26, 1994
10:30 AM
Room 1036
Fresno State Building
2550 Mariposa Mall
Fresno, California

April 27, 1994
10:00 AM
Board Hearing Room, Lower Level
Air Resources Board Building
2020 L Street
Sacramento, California

April 28, 1994
1:30 PM
Room 1122
Junipero Serra State Building
107 South Broadway
Los Angeles, California

Background

The Fee Regulation is required by the Act (Health and Safety Code sections 44300-44394) to recover State and local agencies costs to operate the Hot Spots Program (Program). The Act establishes a Program to inventory emissions of toxic air pollutants and to assess the potential risk to public health caused by these emissions. The State agencies that administer the Program are the Office of Environmental Health Hazard

Assessment (OEHHA), and the ARB. The local agencies that administer the Program are the Air Pollution Control Districts. Annual amendments to the Fee Regulation are necessary to reflect changing Program costs. Amendments are also needed to revise the status of facilities in the Program.

What Are Some Features of the Regulation?

- o Low fees for facilities in Survey and Industrywide categories.
  - Fees range from $25 to $250, depending on the district (see Table 4).
  - Provision for waiver of fees (see Section 90704(d)).
- o $700 cap on fees for small businesses (see Section 90704(e)(2)).
- o Flat fees for various program categories (see Table 3).
  - Program categories defined (see Section 90701).
- o Fees reflect major reduction (over $900,000) in State costs. Of the total, $183,000 is a permanent reduction. The remainder is a carryover of savings from previous years.

What Are The Proposed Changes To The Regulation?

Enclosure 1, provides a discussion of the proposed changes to the Fee Regulation for fiscal year 1994-95. Enclosure 2, contains the Fee Regulation with the proposed changes underlined, and the text to be removed shown struck. The fees contained in the Fee Regulation are draft fees based on preliminary numbers. The fees may either increase or decrease as updated information is received from the districts.

How Can We Comment On The Proposed Changes?

You may provide written or oral comments or both. You may present oral comments at the staff workshops listed in this announcement. If you wish to submit written comments, please address them to Ms. Genevieve Shiroma, Chief, Toxic Air Contaminant Identification Branch, Stationary Source Division, P.O. Box 2815, Sacramento, CA 95812.

The proposed changes to the Fee Regulation may be revised further before the Fee Regulation is considered by the ARB at a noticed public hearing. However, please note that comments received before the 45-day notice period prior to the ARB's hearing need not be included in the official record for this item.

How May I Obtain Further Information?

If you have questions regarding our Fee Regulation workshops or the proposed changes to the Fee Regulation, please call Mr. Roger Korenberg or Ms. Carla Takemoto, Special Projects Section, at (916) 327-5634 or (916) 327-0647.

Sincerely,

Genevieve Shiroma

Genevieve Shiroma, Chief
Toxic Air Contaminant Identification Branch
Stationary Source Division

Enclosures

cc: Air Pollution Control Officers (w/Enclosure)

Stewart J. Wilson (w/Enclosure)
Executive Director
California Air Pollution Control Officers Association
3232 Western Drive
Cameron Park, CA 95682

Roger Korenberg
Air Resources Engineering Associate
Toxic Air Contaminant Identification Branch
Stationary Source Division
Air Resources Board

Carla Takemoto
Air Pollution Specialist
Toxic Air Contaminant Identification Branch
Stationary Source Division
Air Resources Board

Appendix VII

Economic Impact Analysis

Economic Impacts of the Amended Fee Regulation

Introduction

Districts have the option to either adopt district Air Toxics Hot Spots fee rules or to request that ARB adopt a fee schedule for them. Twenty-two of the 34 districts have elected to adopt district fee rules. For the 22 districts adopting their own fee schedules, fees were estimated using their draft or adopted fee rules. For the 12 districts for which the ARB is calculating fees, the fees are based on the proposed program category in which the facilities are included and draft fees.

This Appendix evaluates the potential economic impact on California businesses of the proposed amendments to the Fee Regulation. A recent amendment to Section 11346.53 of the Government Code requires that, in proposing to adopt or amend any administrative regulation, state agencies shall assess not only the potential for adverse economic impacts on California business enterprises and individuals, but also the ability of California businesses to compete with businesses in other states. Also, a new section to the Government Code (Section 11346.54) requires state agencies to assess the potential impact of their regulations on California jobs and on business expansion, elimination, or creation.

This economic impact analysis is based on a comparison of the return on owners' equity (ROE) for affected businesses before and after the inclusion of the amended fees. The analysis also uses publicly available information to assess the impact on competitiveness, jobs, and business expansion, elimination, or creation. The results are intended to provide an indication of the potential economic impact of the amended fees on businesses and individuals in California.

Affected Business

Any business which manufactures, formulates, uses, or releases any listed substance or any other substance which reacts to form a listed substance and emits ten or more tons per year of criteria pollutants (total organic gases, particulate matter, nitrogen oxides, or sulfur oxides) is affected by the amended regulation. Also affected are businesses listed on a district toxic inventory, report, or survey as referenced in Appendix A to the Fee Regulation or any business which releases less than ten tons per year of criteria pollutants and falls within a class listed in Appendix E to the Emission Inventory Criteria and Guidelines Regulation (Appendix III

to this report). Table 1 provides a list of industries with affected businesses.

Table 1

List of Industries with Affected Businesses

SIC Code	Industry
0723	Crop Preparation Services for Market, Except Cotton Ginning
1041	Gold Ores
1311	Crude Petroleum and Natural Gas
1381	Drilling Oil and Gas Wells
1422	Crushed and Broken Limestone
1429	Crushed and Broken Stone, Not Elsewhere Classified
1442	Construction Sand and Gravel
1611	Highway and Street Construction, Except Elevated Highways
1623	Water, Sewer, Pipeline, Communications and Power Line Construction
1629	Heavy Construction, Not Elsewhere Classified
1721	Painting and Paper Hanging
1799	Special Trade Contractors, Not Elsewhere Classified
2023	Dry, Condensed, and Evaporated Dairy Products
2033	Canned Fruits, Vegetables, Preserves, Jams, & Jellies
2034	Dried and Dehydrated Fruits, Vegetables, and Soup Mixes
2041	Flour and Other Grain Mill Products
2048	Prepared Feeds and Feed Ingredients for Animals and Fowl, Except Dogs and Cats
2051	Bread and Other Bakery Products, Except Cookies and Crackers
2063	Beet Sugar
2077	Animal and Marine Fats and Oils
2084	Wines, Brandy, and Brandy Spirits
2096	Potato Chips, Corn Chips and Similar Snacks
2099	Food Preparations, Not Elsewhere Classified
2273	Carpets and Rug
2295	Coated Fabrics, Not Rubberized
2299	Textile Goods, Not Elsewhere Classified
2421	Sawmills and Planing Mills, General
2426	Hardwood Dimension and Flooring Mills

2431	Millwork
2434	Wood Kitchen Cabinets
2491	Wood Preserving
2499	Wood Products, Not Elsewhere Classified
2511	Wood Household Furniture, Except Upholstered
2512	Wood Household Furniture, Upholstered
2514	Metal Household Furniture
2519	Household Furniture, Not Elsewhere Classified
2521	Wood Office Furniture
2522	Office Furniture, Except Wood
2541	Wood Office and Store Fixtures, Partitions, Shelving, and Lockers
2542	Office and Store Fixtures, Partitions, Shelving, and Lockers, Except Wood
2591	Drapery Hardware and Window Blinds and Shades
2599	Furniture and Fixtures, Not Elsewhere Classified
2621	Paper Mills
2631	Paperboard Mills
2653	Corrugated and Solid Fiber Boxes
2657	Folding Paperboard Boxes, Including Sanitary
2672	Coated and Laminated Paper, Not Elsewhere Classified
2711	Newspapers: Publishing, or Publishing and Printing
2752	Commercial Printing, Lithographic
2759	Commercial Printing, Not Elsewhere Classified
2819	Industrial Inorganic Chemicals, Not Elsewhere Classified
2821	Plastics Materials, Synthetic Resins, and Non-vulcanizable Elastomers
2834	Pharmaceutical Preparations
2841	Soap and Other Detergents, Except Specialty Cleaners
2844	Perfumes, Cosmetics, and Other Toilet Preparations
2851	Paints, Varnishes, Lacquers, Enamels & Allied Products
2869	Industrial Organic Chemicals, Not Elsewhere Classified
2891	Adhesives and Sealants
2911	Petroleum Refining
2951	Asphalt Paving Mixtures and Blocks
2952	Asphalt Felts and Coatings
3061	Molded, Extruded, and Lathe-Cut Mechanicals Rubber Goods
3069	Fabricated Rubber Products, Not Elsewhere Classified
3081	Unsupported Plastics Film and Sheet
3083	Laminated Plastics Plate, Sheet, and Profile Shapes
3086	Plastics Foam Products
3089	Plastics Products, Not Elsewhere Classified
3211	Flat Glass

3229	Pressed and Blown Glass and Glassware, Not Elsewhere Classified
3241	Cement, Hydraulic
3255	Clay Refractories
3272	Concrete Products, Except Block and Brick
3295	Minerals and Earths, Ground or Otherwise Treated
3312	Steel Works, Blast Furnaces, and Rolling Mills
3315	Steel Wiredrawing and Steel Nails and Spikes
3321	Gray and Ductile Iron Foundries
3324	Steel Investment Foundries
3341	Secondary Smelting and Refining of Non-ferrous Metals
3354	Aluminum Extruded Products
3365	Aluminum Foundries
3366	Copper Foundries
3398	Metal Heat Treating
3411	Metal Cans
3412	Metal Shipping Barrels, Drums, Kegs, and Pails
3429	Hardware , Not Elsewhere Classified
3432	Plumbing Fixture Fittings and Trim
3442	Metal Doors, Sash, Frames, Molding, and Trim
3443	Fabricated Plate Work (Boiler Shops)
3444	Sheet Metal Work
3446	Architectural and Ornamental Metal Work
3452	Bolts, Nuts, Screws, Rivets, and Washers
3462	Iron and Steel Forgings
3469	Metal Stampings, Not Elsewhere Classified
3471	Electroplating, Plating, Polishing, Anodizing and Coloring
3479	Coating, Engraving, and Allied Services, Not Elsewhere Classified
3499	Fabricated Metal Products, Not Elsewhere Classified
3537	Industrial Trucks, Tractors, Trailers, and Stackers
3585	Air-Conditioning and Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment
3599	Industrial and Commercial Machinery and Equipment, Not Elsewhere Classified
3645	Residential Electric Lighting Fixtures
3672	Printed Circuit Boards
3674	Semiconductors and Related Devices
3679	Electronic Components, Not Elsewhere Classified
3714	Motor Vehicle Parts and Accessories
3715	Truck Trailers
3721	Aircraft
3724	Aircraft Engine and Engine Parts

3728	Aircraft Parts and Auxiliary Equipment, Not Elsewhere Classified
3732	Boat Building and Repairing
3829	Measuring and Controlling Devices, Not Elsewhere Classified
3841	Surgical and Medical Instruments and Apparatus
3842	Orthopedic, Prosthetic, and Surgical Appliances and Supplies
3861	Photographic Equipment and Supplies
3949	Sporting and Athletic Goods, Not Elsewhere Classified
4581	Airports, Flying Fields, and Airport Terminal Services
4612	Crude Petroleum Pipelines
4911	Electric Services
4923	Natural Gas Transmission and Distribution
4931	Electric and Other Services Combined
4961	Steam and Air-Conditioning Supply
5093	Scrap and Waste Materials
5171	Petroleum Bulk Stations and Terminals
5511	Motor Vehicle Dealers (New and Used)
6531	Real Estate Agents and Managers
7216	Drycleaning Plants, Except Rug Cleaning
7218	Industrial Launderers
7532	Top, Body, and Upholstery Repair Shops and Paint Shops
7538	General Automotive Repair Shops
7996	Amusement Parks
8062	General Medical and Surgical Hospitals
8731	Commercial Physical and Biological Research

Study Approach

This study covers a total of 131 industries with affected businesses. The approach used in evaluating the potential economic impact of the amended fees on these businesses is outlined as follows:

(1) A sample of one to three businesses with the potential to have the highest fees from each affected industry was selected from the ARB's 1991 list of facilities reporting emissions of criteria pollutants.

(2) Fees were estimated for each of these businesses.

(3) The estimated fees were adjusted for taxes.

(4) The Return on Owner's Equity (ROE) was calculated for each of these businesses by dividing the net profit by the net worth. The adjusted fees were then subtracted from net profit data. The results were used to calculate an adjusted ROE. The adjusted ROE was then compared with the ROE before the subtraction of the adjusted fees to determine the impact on the profitability of the businesses. A reduction of more than 10 percent in profitability is considered to indicate a potential for significant adverse economic impacts.

The threshold value of 10 percent has been used consistently by the ARB staff to determine impact severity. This threshold is consistent with the thresholds used by the United States Environmental Protection Agency and others.

Assumptions

Since financial data for individual businesses were not available, this study used 1993 Dun and Bradstreet financial data for a nationwide typical business in each industry. Using the 1993 nationwide financial data, the ROEs before and after the subtraction of the adjusted fees were calculated for industries listed in Table 1. The calculations were based on the following assumptions:

(1) A typical business on a nationwide basis in each industry is representative of a typical California business in that industry.

(2) All affected businesses are subject to federal and state tax rates of 35 percent and 9.3 percent respectively.

(3) Affected businesses do not increase the prices of their products or lower their costs of doing business through short run cost-cutting measures.

Given the limitation of available data, staff believes these assumptions are reasonable for most businesses; however, they will not be applicable to all businesses.

Potential Impact On Businesses

Typical California businesses are affected by the amended fees to the extent that the implementation of the amended fees would change their profitability. Using ROE to measure profitability, we found that the average ROE of sample businesses in the industries listed in Table 1 changed

by less than 1 percent from an average of 17.7 percent to 17.1 percent. This represents a minor change in the average profitability of typical businesses in California.

The change in profitability of individual industries with affected businesses, however, varied widely from the industry averages. For the 131 industries listed in Table 1, for example, the change in profitability ranged from a high of 8.51 percent to a low of 0.03 percent. This variation in the impact of the amended fees can be attributed mainly to two factors. First, some businesses are subject to higher fees due to the type of industry in which they are involved, the type and number of their devices and emitting processes, and the location of the business. For instance, the estimated fees for sample businesses in the industries listed in Table 1 ranged from a high of $16,638 to a low of $767. Second, the performance of businesses may differ from year to year. Hence, the 1993 nationwide financial data used may not be representative of a typical-year performance for some businesses.

The potential impacts estimated here may be high for the following reasons. First, the Hot Spots Program fees are not new to affected businesses. The impact of the fee as estimated here tends to be more severe than what it would be if we had used the incremental changes in fees rather than the total fees. Second, affected businesses probably would not absorb all of the increase in their costs of doing business. They might be able to either pass some of the cost on to consumers in the form of higher prices, reduce their costs, or both.

Potential Impact on Consumers

No noticeable change in consumer prices is expected from the amended fees because the fees would have only a minor impact on the profitability of affected business. We project the maximum increase in product prices would be less than a quarter of one percent if affected businesses are able to pass the fees on fully to consumers. Price increases, however, would vary widely from business to business. They would range from a low of almost zero to a high of about three quarter of one percent.

Potential Impact on Employment

Since the amended fees impose no noticeable impact on the profitability of businesses, we expect no significant change in employment due to the imposition of the fees. However, for some businesses operating with little or no margin of profitability, the amended fees may affect the creation or elimination of jobs within the State of California.

Impact on Business Creation, Elimination, or Expansion

No change is expected to occur in the status of California businesses as a result of the amended fees. This is because the fees have no significant impact on the profitability of businesses in California. However, for some businesses operating with little or no margin of profitability, the amended fees may affect the creation of new businesses or the elimination of existing businesses within California, or the expansion of businesses currently doing business within California.

Impact on Business Competitiveness

The amended fees would have little or no impact on the ability of California businesses to compete with businesses in other states. This is because the amended fees do not impose a noticeable impact on the profitability of California businesses. However, for some businesses operating with little or no margin of profitability, the amended fees may have a significant adverse impact on the ability of California businesses to compete with businesses in other states.

Conclusion

Overall, California businesses would seem to be able to absorb the costs of the amended fees without significant adverse impacts on their profitability. Although some businesses would potentially experience a greater reduction in their profitability than others, the fee impact still seems to be absorbable. In addition, the actual impacts of the amended fees on the profitability of California businesses is most likely to be less than estimated in this analysis for the reasons described above.

Since the amended fees impose no noticeable impact on the profitability of California businesses, we expect no significant change in employment; business creation, elimination, or expansion; and business competitiveness. However, for some businesses operating with little or no margin of profitability, the amended fees may have a significant adverse impact on the the profitability of the businesses, the creation, elimination and expansion of jobs and businesses within the State, and the ability of California businesses to compete with businesses in other states.