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January 29, 2001

The Honorable Bob Smith
Chairman
The Honorable Harry Reid
Ranking Member
Committee on Environment and Public Works
United States Senate

The Honorable Billy Tauzin
Chairman
The Honorable John D. Dingell
Ranking Minority Member
Committee on Energy and Commerce
House of Representatives

Subject: Environmental Protection Agency: National Emission Standards for Hazardous Air Pollutants for Chemical Recovery Combustion Sources at Kraft, Soda, Sulfite, and Stand-Alone Semichemical Pulp Mills

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Environmental Protection Agency (EPA), entitled "National Emission Standards for Hazardous Air Pollutants for Chemical Recovery Combustion Sources at Kraft, Soda, Sulfite, and Stand-Alone Semichemical Pulp Mills" (RIN: 2060-AI34). We received the rule on December 18, 2000. It was published in the Federal Register as a final rule on January 12, 2001. 66 Fed. Reg. 3180.

The final rule promulgates national emission standards for hazardous air pollutants for new and existing sources used in chemical recovery processes at kraft, soda, sulfite, and stand-alone semichemical pulp mills.

Enclosed is our assessment of the EPA's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that EPA complied with the applicable requirements.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO

evaluation work relating to the subject matter of the rule is Bob Robinson, Managing Director, Natural Resources and Environment. Mr. Robinson can be reached at (202) 512-3841.

signed

Kathleen E. Wannisky
Managing Associate General Counsel

Enclosure

cc: Mr. Jay Benforado
Deputy Associate Administrator
Environmental Protection Agency

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY THE
ENVIRONMENTAL PROTECTION AGENCY
ENTITLED
"NATIONAL EMISSION STANDARDS FOR HAZARDOUS AIR POLLUTANTS
FOR CHEMICAL RECOVERY COMBUSTION SOURCES AT KRAFT, SODA,
SULFITE, AND STAND-ALONE SEMICHEMICAL PULP MILLS"
(RIN: 2060-AI34)

(i) Cost-benefit analysis

EPA performed a cost-benefit analysis of the final rule. EPA estimates that the pulp and paper industry will incur total capital costs of \$240 million under the final rule. Overall, EPA projects annualized compliance costs of \$30 million.

While EPA discusses some air quality benefits in qualitative terms, it estimates the monetary benefits of the rule to range between \$280 million and \$370 million for a representative year.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

The Administrator of EPA has certified that the final rule will not have a significant economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

The final rule may impose a private sector mandate, as defined in title II, of more than \$100 million in any one year.

EPA has prepared the written statement required by section 202 including the statutory authority, a discussion of the costs and benefits, and the alternatives considered.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

Instead of the notice and comment procedures in the Administrative Procedure Act, EPA promulgated this rule using the procedures, which have similar notice and comment requirements, contained in section 307(d) of the Clean Air Act, as amended. 42 U.S.C. 7607(d). The use of these procedures regarding this rule is mandated by section 307(d)(1)(c) of the Clean Air Act. 42 U.S.C. 7607(d)(1)(C).

On April 15, 1998, EPA published a Notice of Proposed Rulemaking in the Federal Register. 63 Fed. Reg. 18783. EPA received 35 comments and responds to the comments in the preamble to the final rule.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The final rule contains an information collection that is subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act. The preamble contains the information required by the Act to be submitted to OMB. The collection's annual burden (averaged over the first 3 years) is estimated to be 21,500 hours at an annual cost of \$958,300.

Statutory authorization for the rule

The final rule is promulgated under the authority of section 112 of the Clean Air Act.

Executive Order No. 12866

The final rule was reviewed by the Office of Management and Budget and found to be an "economically significant" regulatory action under the order.

Executive Order No. 13132 (Federalism)

EPA has determined that the final rule does not have federalism implications under the order.