

## Office of Regulatory Management

## Economic Review Form

<b>Agency name</b>	State Air Pollution Control Board
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	Primary: Article 5 (9VAC5-50-400 et seq.), 9VAC5-50 Secondary: 9VAC5-20-21; Article 1 (9VAC5-60-60 et seq.) and Article 2 (9VAC5-60-90 et seq.)
<b>VAC Chapter title(s)</b>	General Provisions (9VAC5-20); New and Modified Stationary Sources (9VAC5-50), Hazardous Air Pollutant Sources (9VAC5-60)
<b>Action title</b>	Federal Documents Incorporated by Reference (Rev. C22)
<b>Date this document prepared</b>	State Air Pollution Control Board

**Cost Benefit Analysis**

Table 1a must be completed for all actions. Tables 1b and 1c must be completed for actions (or portions thereof) where the agency is exercising discretion, including those where some of the changes are mandated by state or federal law or regulation. Tables 1b and 1c are not needed if **all** changes are mandated, and the agency is not exercising any discretion. In that case, enter a statement to that effect.

- (1) Direct Costs & Benefits: Identify all specific, direct economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (A direct impact is one that affects entities regulated by the agency and which directly results from the regulatory change itself, without any intervening steps or effects. For example, the direct impact of a regulatory fee change is the change in costs for these regulated entities.) When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo. One bullet has been provided, add additional bullets as needed.
- (2) Quantitative Factors:
  - (a) Enter estimated dollar value of total (overall) direct costs described above.
  - (b) Enter estimated dollar value of total (overall) direct benefits described above.
  - (c) Enter the present value of the direct costs based on the worksheet.
  - (d) Enter the present value of the direct benefits based on the worksheet.
- (3) Benefits-Costs Ratio: Calculate d divided by c OR enter it from the worksheet.
- (4) Net Benefit: Calculate d minus c OR enter it from the worksheet.
- (5) Indirect Costs & Benefits: Identify all specific, indirect economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (An indirect impact is one that results from responses to the regulatory change, but which are not directly required by the regulation. Indirect impacts of a regulatory fee change on regulated entities could include a change in the prices they charge, changes in their operating procedures or employment levels, or decisions to enter or exit the regulated profession or market. Indirect impacts also include responses by other entities that have close economic ties to the regulated

entities, such as suppliers or partners.) If there are no indirect costs or benefits, include a specific statement to that effect.

- (6) Information Sources: Describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (7) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

**Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)**

<p>(1) Direct Costs &amp; Benefits</p>	<ul style="list-style-type: none"> <li>• <b>Update referenced Code of Federal Regulations to the most current version.</b></li> </ul> <p>Direct Costs: There are no direct costs associated with this action.</p> <p>Direct Benefits: Needed in order to meet federal requirements for protecting human health and welfare. No significant impacts are anticipated.</p> <ul style="list-style-type: none"> <li>• <b>Update references to two federal standards in other regulations of the board.</b></li> </ul> <p>Direct Costs: There are no direct costs associated with this action.</p> <p>Direct Benefits: Needed in order to meet federal requirements for protecting human health and welfare. No significant impacts are anticipated.</p> <ul style="list-style-type: none"> <li>• <b>Add 1-BP to list of hazardous air pollutants.</b></li> </ul> <p>Direct Costs: There are no direct costs associated with this action.</p> <p>Direct Benefits: Needed in order to meet federal requirements for protecting human health and welfare. No significant impacts are anticipated.</p>		
<p>(2) Quantitative Factors</p>	<p>Estimated Dollar Amount</p>	<p>Present Value</p>	
<p>Direct Costs</p>	<p>(a) None.</p>	<p>(c) None.</p>	
<p>Direct Benefits</p>	<p>(b) None.</p>	<p>(d) None.</p>	
<p>(3) Benefits-Costs Ratio</p>	<p>None quantifiable.</p>	<p>(4) Net Benefit</p>	<p>None quantifiable.</p>

(5) Indirect Costs & Benefits	<p>There is an indirect benefit of the Commonwealth retaining authority to implement the regulatory requirements instead of the federal government.</p> <p>As further discussed in Table 4, adding 1-BP to the list of hazardous air pollutants as required by federal law has no immediate effect on businesses that use this product, and there are no manufacturers of this product in Virginia. Regardless, the standard is a federal standard that must be met whether it is implemented by Virginia or the federal government.</p>
(6) Information Sources	Clean Air Act §§ 111 and 112; 40 CFR Parts 60, 61 and 63.
(7) Optional	

**Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)**

*This table addresses current requirements and the implications of not making any changes. In other words, describe the costs and benefits of maintaining the current regulatory requirements as is.*

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> <li><b>All</b> changes are mandated, and the agency is not exercising any discretion.</li> </ul>		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a)	(c)	
Direct Benefits	(b)	(d)	
(3) Benefits-Costs Ratio		(4) Net Benefit	
(5) Indirect Costs & Benefits			
(6) Information Sources			
(7) Optional			

**Table 1c: Costs and Benefits under an Alternative Approach**

*This table addresses an alternative approach to accomplishing the objectives with different requirements. These alternative approaches may include the use of reasonably available alternatives in lieu of regulation, or information disclosure requirements or performance standards instead of regulatory mandates.*

(1) Direct Costs & Benefits	<u>All</u> changes are mandated, and the agency is not exercising any discretion.		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a)	(c)	
Direct Benefits	(b)	(d)	
(3) Benefits-Costs Ratio		(4) Net Benefit	
(5) Indirect Costs & Benefits			
(6) Information Sources			
(7) Optional			

**Impact on Local Partners**

- (1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
  - (a) Enter estimated dollar value of total (overall) direct costs described above.
  - (b) Enter estimated dollar value of total (overall) direct benefits described above.
- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.

- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

**Table 2: Impact on Local Partners**

(1) Direct Costs & Benefits	See Table 1a.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) See Table 1a.
Direct Benefits	(b) See Table 1a.
(3) Indirect Costs & Benefits	There may be indirect benefits in the protection of human health and welfare, and in the retention of implementing authority by Virginia instead of the federal government.
(4) Information Sources	See Table 1a.
(5) Assistance	None.
(6) Optional	

**Economic Impacts on Families**

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation, healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
  - (a) Enter estimated dollar value of direct costs.
  - (b) Enter estimated dollar value of direct benefits.

- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

**Table 3: Impact on Families**

(1) Direct Costs & Benefits	See Table 1a.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) See Table 1a.
Direct Benefits	(b) See Table 1a.
(3) Indirect Costs & Benefits	There may be indirect benefits in the protection of human health and welfare, and in the retention of implementing authority by Virginia instead of the federal government.
(4) Information Sources	See Table 1a.
(5) Optional	

**Impacts on Small Businesses**

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
  - (a) Enter estimated dollar value of direct costs.
  - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.

- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.
- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

**Table 4: Impact on Small Businesses**

(1) Direct Costs & Benefits	See Table 1a.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) See Table 1a.
Direct Benefits	(b) See Table 1a.
(3) Indirect Costs & Benefits	There may be indirect benefits in the protection of human health and welfare, and in the retention of implementing authority by Virginia instead of the federal government.
(4) Alternatives	See Table 1a.
(5) Information Sources	See Table 1a; communications with potentially affected facilities.
(6) Optional	<p>Slocum Adhesives, which is located in Lynchburg VA, uses adhesives, including 1-BP. This company is owned by Innovative Chemical Products Group, LLC which is headquartered in Andover MA, has over 250 employees, and is not a small business. Based on review by permitting and compliance staff with the facility, no changes to the facility permit or operations are required.</p> <p>Times Fiber is located in Chatham VA, and uses 1-BP as a solvent. This company is owned by Amphenol Broadband Solutions, which is headquartered in Wallingford CT, has over 250 employees, and is not a small business. Permitting and compliance staff are currently working with the facility to ensure that it is meeting the emission limits in its permit.</p>

	Aerojet Rocketdyne is located in Orange County VA and has used 1-BP as a degreaser. The facility is owned by a company that employs over 250 employees, and is not a small business. Based on review by permitting and compliance staff with the facility, no changes to the facility permit or operations are required.
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**Changes to Number of Regulatory Requirements**

*For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.*

**Table 5: Total Number of Requirements**

**No change.**