proposed action that accomplish its objectives and, at the same time, minimize its impact on small entities.

A description of the reasons why action is being considered and the objectives of the proposed repeal of the Rule have been explained elsewhere in this Notice. Repeal of the Rule would appear to have little or no effect on any small business. The Commission is not aware of any existing federal laws or regulations that would conflict with repeal of the Rule.

In light of these reasons, the Commission certifies, pursuant to section 605 of RFA, 5 U.S.C. 605, that if the Commission determines to repeal the Rule that action will not have a significant impact on a substantial number of small entities. To ensure that no substantial economic impact is being overlooked, however, the Commission requests comments on this issue. After reviewing any comments received, the Commission will determine whether it is necessary to prepare a final regulatory flexibility analysis.

VII. Paperwork Reduction Act

The Extension Ladder Rule does not impose ''information collection requirements' under the Paperwork Reduction Act (''PRA''), 44 U.S.C. 3501 *et seq.* The Rule, however, does contain disclosure requirements, which specify that when the size or length of an extension ladder is represented in terms of the total length of the component section such fact must be noted and a statement must be placed in close proximity to the notation which clearly and conspicuously discloses the maximum length of the product when fully extended for use.[4] Accordingly, repeal of the Rule would eliminate any burdens on the public imposed by these disclosure requirements.

VIII. Additional Information for Interested Persons

A. Motions or Petitions

Any motions or petitions in connection with this proceeding must be filed with the Secretary of the Commission.

B. Communications by Outside Parties to Commissioners of Their Advisors

Pursuant to Rule 1.18(c) of the Commission's Rules of Practice, 16 CFR 1.18(c), communications with respect to the merits of this proceeding from any outside party to any Commissioner or Commissioner's advisor during the course of this rulemaking shall be subject to the following treatment. Written communications, including written communications from members of Congress, shall be forwarded promptly to the Secretary for placement on the public record. Oral communications, not including oral communications from members of Congress, are permitted only when such oral communications are transcribed verbatim or summarized at the discretion of the Commissioner or Commissioner's advisor to whom such oral communications are made, and are promptly placed on the public record, together with any written communications relating to such oral communications. Memoranda prepared by a Commissioner or Commissioner's advisor setting forth the contents of any oral communications from members of Congress shall be placed promptly on the public record. If the communication with a member of Congress is transcribed verbatim or summarized, the transcript or summary will be placed promptly on the public record.

List of Subjects in 16 CFR Part 418

Advertising, Trade practices, Extension ladders.

Authority: 15 U.S.C. 41–58.

By direction of the Commission.

Donald S. Clark,

Secretary.

[FR Doc. 95–23043 Filed 9–15–95; 8:45 am]

BILLING CODE 6750–01–M

[4] Under amendments to the P.R.A. in the Paperwork Reduction Act of 1995 (Pub. L. 104–13, 109 Stat. 163, to be codified at 44 U.S.C. 3501–20), which will become effective on October 1, 1995, these third-party disclosures may constitute a ''collection of information'' for which OMB clearance must be sought.

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

[Release No. 34–36213, International Series Release No. 852, File No. S7–26–95]

RIN 3235–AG65

Exemption of the Securities of the United Mexican States Under the Securities Exchange Act of 1934 for Purposes of Trading Futures Contracts on Those Securities

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rule amendment and solicitation of public comments.

SUMMARY: The Commission proposes for comment an amendment to Rule 3a12–8 that would designate debt obligations issued by the United Mexican States (''Mexico'') as ''exempted securities'' for the purpose of marketing and trading of futures contracts on those securities in the United States. The amendment is intended to permit futures on Mexican government debt to be traded in the U.S. This change is not intended to have any substantive effect on the operation of the Rule.

DATES: Comments should be submitted by October 18, 1995.

ADDRESSES: All comments should be submitted in triplicate and addressed to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. All comments should refer to File No. S7–26–95, and will be available for public inspection and copying at the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC.

FOR FURTHER INFORMATION CONTACT: James T. McHale, Attorney, Office of Market Supervision, Division of Market Regulation, Securities and Exchange Commission (Mail Stop 5–1), 450 Fifth Street, NW., Washington, DC 20549, at 202/942–0190.

SUPPLEMENTARY INFORMATION:

I. Introduction

Under the Commodity Exchange Act (''CEA''), it is unlawful to trade a futures contract on any individual security unless the security in question is an exempted security (other than a municipal security) under the Securities Act of 1933 (''Securities Act'') or the Securities Exchange Act of 1934 (''Exchange Act''). Debt obligations of foreign governments are not exempted securities under either of these statutes. The Securities and Exchange Commission (''SEC'' or ''Commission''), however, has adopted Rule 3a12–8 under the Exchange Act to designate debt obligations issued by certain foreign governments as exempted securities under the Exchange Act solely for the purpose of marketing and trading futures contracts on those securities in the United States. As amended, the foreign governments currently designated in the Rule are Great Britain, Canada, Japan, Australia, France, New Zealand, Austria, Denmark, Finland, the Netherlands, Switzerland, Germany, the Republic of Ireland, Italy, and the Kingdom of Spain (the ''Designated Foreign Governments''). As a result, futures contracts on the debt obligations of these countries may be sold in the United States, as long as the other terms of the Rule are satisfied.

The Commission today is soliciting comments on a proposal to amend Rule 3a12–8 (17 CFR 240.3a12–8) to add the debt obligations of Mexico to the list of Designated Foreign Government securities that are exempted by Rule 3a12–8. To qualify for the exemption,

futures contracts on debt obligations of Mexico would have to meet all the other existing requirements of the Rule.

II. Background

Rule 3a12–8 was adopted in 1984 [1] pursuant to the exemptive authority in Section 3(a)(12) of the Exchange Act in order to provide limited relief from the CEA's prohibition on futures overlying individual securities.[2] As originally adopted, the Rule provided that the debt obligations of Great Britain and Canada would be deemed to be exempted securities, solely for the purpose of permitting the offer, sale, and confirmation of ''qualifying foreign futures contracts'' on such securities, so long as the securities in question were neither registered under the Securities Act nor the subject of any American depositary receipt so registered. A futures contract on such a debt obligation is deemed under the Rule to be a ''qualifying foreign futures contract'' if the contract is deliverable outside the United States and is traded on a board of trade.[3]

The conditions imposed by the Rule were intended to facilitate the trading of futures contracts on foreign government securities in the United States while requiring offerings of foreign government securities to comply with the federal securities laws. Accordingly, the conditions set forth in the Rule were designed to ensure that, absent registration, a domestic market in unregistered foreign government securities would not develop, and that markets for futures on these instruments would not be used to avoid the securities law registration requirements.

Subsequently, the Commission amended the Rule to include the debt securities issued by Japan, Australia, France, New Zealand, Austria, Denmark, Finland, the Netherlands, Switzerland, Germany, the Republic of Ireland, Italy, and the Kingdom of Spain.[4]

III. Discussion

The Chicago Mercantile Exchange (''CME'') has proposed that the Commission amend Rule 3a12–8 to include the sovereign debt of Mexico.[5] The CME intends to develop a contract market in Mexican Certificados de la Tesoreria de la Federacion (''Cetes''), which are short-term Mexican government securities, and in Mexican Brady bonds, a class of longer term sovereign Mexican debt issues.[6] Brady bonds are issued pursuant to the Brady plan which allowed developing countries to restructure their commercial bank debt by issuing long-term dollar denominated bonds.[7] The Commission understands that Mexican Brady bonds are currently traded primarily in the over-the-counter market in the United States.

Under the proposed amendment, the existing conditions set forth in the Rule (*i.e.*, that the underlying securities not be registered in the United States,[8] the futures contracts require delivery outside the United States,[9] and the contracts be traded on a board of trade) would continue to apply.

There appears to be an active and liquid market in Mexican debt instruments. As of March 31, 1995, there was approximately US $87.5 billion face amount Mexican government debt issued and outstanding.[10] There are numerous classes of debt instruments with varying maturities. According to the CME petition, the cash market for Cetes evidences active trading; between 1993 and 1994, the monthly trading volume (in principal amount) of Cetes ranged from a low of approximately US $18.5 billion to a high of US $1.1 trillion.[11] There are, of course, less actively traded Mexican debt issues.

The Commission preliminarily believes that the trading of futures on Mexican sovereign debt would provide U.S. investors with a vehicle for hedging the risks involved in the trading of

[1] *See* Securities Exchange Act Release Nos. 20708 (''Adopting Release'') (March 2, 1984), 49 FR 8595 (March 8, 1984) and 19811 (''Proposing Release'') (May 25, 1983), 48 FR 24725 (June 2, 1983).

[2] In approving the Futures Trading Act of 1982, Congress expressed its understanding that neither the SEC nor the Commodity Futures Trading Commission (''CFTC'') had intended to bar the sale of futures on debt obligations of the United Kingdom of Great Britain and Northern Ireland to U.S. persons, and its expectation that administrative action would be taken to allow the sale of such futures contracts in the United States. *See* Proposing Release, *supra* note 1, 48 FR at 24725 (citing 128 Cong. Rec. H7492 (daily ed. September 23, 1982)(statements of Representatives Daschle and Wirth)).

[3] As originally adopted, the Rule required that the board of trade be located in the country that issued the underlying securities. This requirement was eliminated in 1987. *See* Securities Exchange Act Release No. 24209 (March 12, 1987), 52 FR 8875 (March 20, 1987).

[4] As originally adopted, the Rule applied only to British and Canadian government securities. *See* Adopting Release, *supra* note 1. In 1986, the Rule was amended to include Japanese government securities. *See* Securities Exchange Act Release No. 23423 (July 11, 1986), 51 FR 25996 (July 18, 1986). In 1987, the Rule was amended to include debt securities issued by Australia, France and New Zealand. *See* Securities Exchange Act Release No. 25072 (October 29, 1987), 52 FR 42277 (November 4, 1987). In 1988, the Rule was amended to include debt securities issued by Austria, Denmark, Finland, the Netherlands, Switzerland, and West Germany. *See* Securities Exchange Act Release No. 26217 (October 26, 1988), 53 FR 43860 (October 31, 1988). In 1992 the Rule was again amended to (1) include debt securities offered by the Republic of Ireland and Italy, (2) change the country designation of ''West Germany'' to the ''Federal Republic of Germany,'' and (3) replace all references to the informal names of the countries listed in the Rule with references to their official names. *See* Securities Exchange Act Release No. 30166 (January 6, 1992), 57 FR 1375 (January 14, 1992). Finally, the Rule was amended to include debt securities issued by the Kingdom of Spain. *See* Securities Exchange Act Release No. 34908 (October 27, 1994), 59 FR 54812 (November 2, 1994).

[5] *See* Letter from William J. Brodsky, President and Chief Executive Officer, CME, to Arthur Levitt, Jr., Chairman, Commission, dated May 3, 1995.

[6] The marketing and trading of foreign futures contracts is subject to regulation by the CFTC. In particular, Section 4b of the CEA authorizes the CFTC to regulate the offer and sale of foreign futures contracts to U.S. residents, and Rule 9 (17 CFR 30.9), promulgated under Section 2(a)(1)(A) of the CEA, is intended to prohibit fraud in connection with the offer and sale of futures contracts executed on foreign exchanges. Additional rules promulgated under 2(a)(1)(A) of the CEA govern the domestic offer and sale of futures and options contracts traded on foreign boards of trade. These rules require, among other things, that the domestic offer and sale of foreign futures be effected through the CFTC registrants or through entities subject to a foreign regulatory framework comparable to that governing domestic futures trading. *See* 17 CFR 30.3, 30.4, and 30.5 (1991).

[7] There are several types of Brady bonds, but ''Par Bradys'' and ''Discount Bradys'' represent the great majority of issues in the Brady bond market. In general, both Par Bradys and Discount Bradys are secured as to principal at maturity by U.S. Treasury zero-coupon bonds. Additionally, usually 12 to 18 months of interest payments are also secured in the form of a cash collateral account, which is maintained to pay interest in the event that the sovereign debtor misses an interest payment.

[8] The Commission notes that Mexican Cetes are not currently registered in the United States. The Commission is aware, however, that certain Mexican sovereign debt is registered in the United States and that the trading of futures on these debt issues would not be exempted under Rule 3a12–8 from the CEA's prohibition on futures overlying individual securities that are not exempted securities. With respect to Brady bonds, the Commission notes that its Division of Corporation Finance issued a no-action letter relating to the offer and sale of Mexican Brady bonds in the United States without registration under the Securities Act. *See* Letter from Anita T. Klein, Attorney, Office of International Corporate Finance, Division of Corporation Finance, to Alan L. Beller, Esq., Cleary, Gottlieb, Steen & Hamilton, dated March 28, 1990.

[9] The CME's proposed futures contracts will be cash-settled (*i.e.*, settlement of the futures contracts will not entail delivery of the underlying securities). The Commission has recognized that a cash-settled futures contract is consistent with the requirement of the Rule that delivery must be made outside the United States. *See* Securities Exchange Act Release No. 25072 (October 29, 1987), 52 FR 42277 (November 4, 1987).

[10] *See* Exhibit D to Form 18–K, Annual Report for Foreign Governments and Political Subdivisions Thereof, 17 CFR 249.218, filed by Mexico.

[11] Moreover, according to a recent survey of members of the Emerging Markets Traders Association (''EMTA''), Mexican debt instruments are the most popularly traded of all emerging markets instruments. According to the survey, the total annual 1994 trading volume for Mexican Cetes amounted to approximately US $27.2 billion, and approximately US $282.3 billion for Mexican Brady bonds. The survey, which was responded to by 80 out of the 333 members of the EMTA, was prepared for the EMTA by Price Waterhouse LLP. *See* 1994 Debt Trading Volume Survey, Emerging Market Traders Association (May 1, 1995).

Mexican Cetes and Mexican Brady bonds. The Commission notes, however, that there are certain differences between the sovereign debt securities of Mexico and the debt securities of the Designated Foreign Governments. In connection with some of the prior amendments to the Rule, the Commission noted that the long-term sovereign debt of those countries was rated in one of the two highest rating categories by at least two nationally recognized statistical rating organizations (''NRSROs'').[12] This factor, according to the Commission, could be viewed as indirect evidence of an active and liquid secondary trading market.

Mexico's long-term sovereign debt obligations are not rated in one of the two highest rating categories.[13] Although the Commission in 1987 proposed to incorporate a rating standard specifically exempting securities issued by any country with outstanding long-term sovereign debt rated in one of the two highest rating categories by at least two NRSROs,[14] it ultimately declined to adopt such a rule.[15] At the time of the 1987 Rule proposal, the Commission expressed concerns that in the absence of such a requirement, the Rule might be used as a subterfuge to market or trade unregistered sovereign foreign debt through futures trading. The Commission, however, indicated that it did not intend to preclude futures trading on foreign debt that did not meet this ratings requirement and indeed subsequently sought comment on the feasibility of other factors for consideration, such as volume and depth of trading in a sovereign issuer's debt.

IV. Request for Comments

The Commission seeks comments on designating the debt securities of Mexico as exempted securities under Rule 3a12–8. The Commission is particularly interested in receiving comments to the proposed amendment in light of the fact that Mexico would be the first emerging market country to be included as a Designated Foreign Government. Comments should address whether the trading or other characteristics of Mexican debt warrant an exemption for purposes of futures trading.

In addition, the Commission seeks comment on the general application and operation of the Rule given the increased globalization of the securities markets since the Rule was adopted. Comment also is sought on the appropriateness of designating Mexican sovereign debt as exempted securities even though its long-term debt is not rated in one of the two highest rating categories by at least two NRSROs. The Commission seeks additional comment on whether debt ratings should continue to be used in evaluating proposals to add countries to the Rule and what alternative criteria, such as volume and depth of trading or amount of outstanding debt, could be used.[16]

The Commission further seeks comment on the CME's proposal to develop a contract market for Mexican Brady bonds, in light of the domestic trading activity in the over-the-counter market for these bonds. Commentators also are invited to discuss any unique issues associated with Brady bonds.

V. Cost-Benefit Analysis

Preliminarily, the Commission believes that the proposed amendment offers potential benefits for U.S. investors. If adopted, the proposed amendment would allow U.S. boards of trade to offer in the United States, and U.S. investors to trade, a greater range of futures contracts on foreign government debt obligations.

The Commission does not anticipate that the proposed amendment would result in any direct cost for U.S. investors or others. The proposed amendment would impose no recordkeeping or compliance burdens, and merely would provide a limited purpose exemption under the federal securities laws. The restrictions imposed under the proposed amendment are identical to the restrictions currently imposed under the terms of the Rule and are designed to protect U.S. investors.[17]

The Commission solicits comments on the costs and benefits of the proposed amendment to Rule 3a12–8. Specifically, the Commission requests commentators to address whether the proposed amendment would generate the anticipated benefits, or impose any costs on U.S. investors or others.

VI. Regulatory Flexibility Act Certification

Pursuant to Section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(b), the Chairman of the Commission has certified that the amendment proposed herein would not, if adopted, have a significant economic impact on a substantial number of small entities. This certification, including the reasons therefor, is attached to this release as Appendix A.

VII. Statutory Basis

The amendment to Rule 3a12–8 is being proposed pursuant to 15 U.S.C. 78a *et seq.*, particularly Sections 3(a)(12) and 23(a), 15 U.S.C. 78c(a)(12) and 78w(a).

List of Subjects in 17 CFR Part 240

Reporting and recordkeeping requirements, Securities.

VIII. Text of the Proposed Amendment

For the reasons set forth in the preamble, the Commission is proposing to amend Part 240 of Chapter II, Title 17 of the *Code of Federal Regulations* as follows:

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

1. The authority citation for part 240 continues to read in part as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78i, 78j, 78*l*, 78m, 78n, 78o, 78p, 78q, 78s, 78w, 78x, 78*ll*(d), 79q, 79t, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4, and 80b-11, unless otherwise noted.

* * * * *

2. § 240.3a12–8 is amended by removing the word ''or'' at the end of paragraph (a)(1)(xiv), removing the ''period'' at the end of paragraph (a)(1)(xv) and adding ''; or'' in its place, and adding paragraph (a)(1)(xvi) to read as follows:

§ 240.3a12–8 Exemption for designated foreign government securities for purposes of futures trading.

(a) * * *

(1) * * *

(xvi) the United Mexican States.

* * * * *

[12] *See* Securities Exchange Act Release No. 26217 (October 26, 1988), 53 FR 43860 (October 31, 1988) (Austria, Denmark, Finland, the Netherlands, Switzerland, and [West] Germany); Securities Exchange Act Release No. 30166 (January 6, 1992), 57 FR 1375 (Republic of Ireland and Italy); Securities Exchange Act Release No. 34908 (October 27, 1994), 59 FR 54812 (November 2, 1994) (Kingdom of Spain).

[13] As of June, 1995, Standard and Poor's Corp. (''S&P'') rated Mexico's long-term foreign currency debt BB and its long-term local currency debt BBB+. As of the same date, Mexico's Bonos de Desarrollo (Bondes) were rated Baa3 by Moody's Investors Service.

[14] *See* Securities Exchange Act Release No. 24428 (May 5, 1987), 52 FR 18237 (May 14, 1987).

[15] *See* Securities Exchange Act Release No. 25072 (October 29, 1987), 52 FR 42277 (November 4, 1987).

[16] *See supra* notes 14 and 15 and accompanying text.

[17] The proposal represents the first time an emerging market sovereign debt would be added to the Rule. Additionally, the amendment would permit the trading of futures on Brady bonds. As noted above, the Commission is interested in the impact of this proposal on the objectives of the Rule.

By the Commission.

Dated: September 11, 1995.

Margaret H. McFarland,

Deputy Secretary.

Note: Appendix A to the Preamble will not appear in the Code of Federal Regulations.

Appendix A—Regulatory Flexibility Act Certification

I, Arthur Levitt, Jr., Chairman of the Securities and Exchange Commission, hereby certify, pursuant to 5 U.S.C. 605(b), that the proposed amendment to Rule 3a12–8 (''Rule'') under the Securities Exchange Act of 1934 (''Exchange Act'') set forth in Securities Exchange Act Release No. 36213, which would define government securities of Mexico as exempted securities under the Exchange Act for the purpose of trading futures on such securities, will not have a significant economic impact on a substantial number of small entities for the following reasons. First, the proposed amendment imposes no record-keeping or compliance burden in itself and merely allows, in effect, the marketing and trading in the United States of futures contracts overlying the government securities of Mexico. Second, because futures contracts on the fifteen countries whose debt obligations are designated as ''exempted securities'' under the Rule, which already can be traded and marketed in the U.S., still will be eligible for trading under the proposed amendment, the proposal will not affect any entity currently engaged in trading such futures contracts. Third, because the level of interest presently evident in this country in the futures trading covered by the proposed rule amendment is modest and those primarily interested are large, institutional investors, neither the availability nor the unavailability of these futures products will have a significant economic impact on a substantial number of small entities, as that term is defined for broker-dealers in 27 CFR 240.0–10 and to the extent that it is defined for futures market participants in the Commodity Futures Trading Commission's ''Policy Statement and Establishment of Definitions of 'Small Entities' for Purposes of the Regulatory Flexibility Act.'' [18]

Dated: September 8, 1995.

Arthur Levitt, Jr.,

Chairman.

[FR Doc. 95–23019 Filed 9–15–95; 8:45 am]

BILLING CODE 8010–01–P

[18] 45 FR 18618 (April 30, 1982).

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 63

[FRL–5296–2]

RIN 2060–AF33

Hazardous Air Pollutant List; Proposed Modification

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of proposed rulemaking.

SUMMARY: The proposed rule, upon promulgation, will amend the Clean Air Act (Act) list of hazardous air pollutants (section 112(b)(1), by removing the compound caprolactam (CAS No. 105–60–2). This action is being taken in response to a petition to delete the substance caprolactam which was filed by AlliedSignal, Inc., BASF Corporation, and DSM Chemicals North America under section 112(b)(3) of the Act. The EPA is granting the petition by issuance of this proposed rule. The decision to grant the petition is based on the Agency's examination of the available information concerning the potential hazards of and projected exposures to caprolactam. Based on this information, EPA has made an initial determination that there are adequate data on the health and environmental effects of caprolactam to determine that emissions, ambient concentrations, bioacccumulation, or deposition of the compound are not reasonably anticipated to cause adverse human health or environmental effects. This determination also takes into consideration the likelihood of adverse effects in light of the very limited potential for ambient inhalation exposure.

DATES: Written comments must be received on or before November 2, 1995. The EPA will hold a public hearing if EPA receives a written request for such a hearing on or before October 18, 1995. If a hearing is requested in a timely manner, EPA will keep the record open for thirty days after such hearing to receive rebuttal or supplementary information.

ADDRESSES: Submit written comments (duplicate copies preferred) to: Central Docket Section (A–130), Environmental Protection Agency, Attention: Docket No. A–94–33, 401 M St. SW., Washington, D.C. 20460. The docket includes a copy of the original petition, comments submitted concerning that petition, and additional materials supporting the proposed rule. The docket may be inspected between 8:00 a.m. and 4:30 p.m. on weekdays at EPA's Central Docket Section, West Tower Lobby, Gallery 1, Waterside Mall, 401 M St., SW, Washington, D.C. 20460. A reasonable fee may be charged for copying.

FOR FURTHER INFORMATION CONTACT: Dr. Nancy B. Pate, Office of Air Quality Planning and Standards, (MD–12), U.S. EPA, Research Triangle Park, NC 27711, telephone (919) 541–5347.

SUPPLEMENTARY INFORMATION:

Table of Contents

I. Background
II. Criteria for Delisting
III. Summary of the Petition
IV. EPA Analysis of Petition
A. Hazard Evaluation
B. Exposure Evaluation
C. Human Risk Determination
D. Environmental Effects
V. Proposal to Delete
VI. Interim Relief
VII. Miscellaneous
A. Executive Order 12866
B. Regulatory Flexibility Analysis
C. Unfunded Mandates

I. Background

Section 112 of the Act contains a mandate for EPA to evaluate and control emissions of hazardous air pollutants. Section 112(b)(1) includes an initial list of hazardous air pollutants that is composed of specific chemical compounds and compound classes to be used to identify source categories for which the EPA will promulgate emissions standards. The listed categories are subject to emission standards subsequently developed under section 112. The EPA must periodically review the list of hazardous air pollutants and, where appropriate, revise this list by rule. In addition, any person may petition EPA under section 112(b)(3) to modify the list by adding or deleting one or more substances. A petitioner seeking to delete a substance must demonstrate that there are adequate data on the health and environmental effects of the substance to determine that emissions, ambient concentrations, bioaccumulation, or deposition of the substance may not reasonably be anticipated to cause any adverse effects to human health or the environment. To sustain this burden, a petitioner must provide a detailed evaluation of the available data concerning the substance's potential adverse health and environmental effects, and estimate the potential exposures through inhalation or other routes resulting from emissions of the substance.

On July 19, 1993, EPA received a petition from AlliedSignal, Inc., BASF Corporation, and DSM Chemicals North America, Inc. (''petitioners''), to delete caprolactam (CAS No. 105–60–2) from the hazardous air pollutant list in section 112(b)(1), 42 U.S.C., section 7412(b)(1). Following receipt of the petition, EPA conducted a preliminary evaluation to determine whether the petition was complete according to Agency criteria. To be deemed complete, a petition must consider all available health and environmental