verification procedure shall retain the report of the verification for a period of three years.

(e) *Acceptable verification procedure.* An audit, including underlying paperwork, which was performed in the ordinary course of business according to generally accepted auditing standards by an independent auditor, shall serve as an acceptable verification procedure for all interested parties.

(f) *Costs of the verification procedure.* The interested parties requesting the verification procedure shall pay for the cost of the verification procedure, unless an independent auditor concludes that there was an underpayment of five (5) percent or more, in which case, the collective which made the underpayment shall bear the costs of the verification procedure.

(g) *Interested parties.* For purposes of this section, interested parties are:

(1) Those copyright owners who are nonmembers of the collective entitled to receive royalty payments pursuant to § 260.3(c); and

(2) Those persons who are entitled to receive a share of the copyright owners' receipts pursuant to 17 U.S.C. 114(g)(2), or their designated agents.

5. Section 260.7 is amended by removing the phrase ''collecting agent'' each place it appears and adding the word ''entity'' in its place; and in the last sentence, by removing the word ''fees'' and adding the word ''payments'' in its place.

Dated: July 18, 2001.

Marilyn J. Kretsinger,

Assistant General Counsel.

[FR Doc. 01–18339 Filed 7–20–01; 8:45 am]

BILLING CODE 1410–33–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[KY–127–200114, KY–128–200115; FRL–7016–6]

Approval and Promulgation of Implementation Plans; Kentucky State Implementation Plan Revision, Source Specific Requirements

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA is proposing to parallel process approval of revisions to the Kentucky State Implementation Plan (SIP) which concern the control of emissions of volatile organic compounds (VOC) at a specific source in Bullitt County, Kentucky, and a specific category of sources in Jefferson County, Kentucky. At the time of final EPA action, the completed SIP revisions must have been submitted to EPA.

In addition, EPA is proposing to approve negative declarations from Kentucky and from the Air Pollution Control District of Jefferson County (APCDJC) for certain categories of sources subject to Control Techniques Guidelines (CTGs).

DATES: Comments on the EPA's proposed action must be received by August 22, 2001.

ADDRESSES: Written comments should be addressed to: Raymond S. Gregory, Regulatory Planning Section, Air Planning Branch, U.S. Environmental Protection Agency, 61 Forsyth Street, SW, Atlanta, Georgia 30303.

Copies of Kentucky's submittals, as well as other information, are available for inspection during normal business hours at the following locations. People who are interested and want to examine these documents should make an appointment at least 24 hours in advance of the day they want to visit and they should reference files KY–127 and KY–128; U.S. Environmental Protection Agency, Region 4, Air Planning Branch, Regulatory Planning Section, 61 Forsyth Street, SW, Atlanta, Georgia 30303; Commonwealth of Kentucky, Division for Air Quality, 803 Schenkel Lane, Frankfort, Kentucky 40601–1403; Air Pollution Control District of Jefferson County, 850 Barret Avenue, Louisville, Kentucky 40204.

FOR FURTHER INFORMATION CONTACT: Raymond S. Gregory, Environmental Engineer, Regulatory Planning Section, Air Planning Branch, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street, SW, Atlanta, Georgia 30303, (404) 562–9116,(*Gregory.Ray@epa.gov*).

SUPPLEMENTARY INFORMATION:

I. Applicability

EPA is proposing to approve into the Kentucky SIP two submittals. The first one which was adopted by the APCDJC (Regulation 6.49), specifies VOC reasonably available control technology (RACT) requirements for Reactor Processes and Distillation Operations Processes in the Synthetic Organic Chemical Manufacturing Industry (SOCMI). This rule was submitted by Kentucky to EPA on May 10, 2001, for parallel processing. The second submittal concerns source-specific VOC RACT requirements for an offset lithographic paper printing plant, Publisher's Printing, Inc., located in Bullitt County. The VOC RACT requirements for Publisher's Printing, Inc., were submitted by Kentucky on April 16, 2001, and supplemented with a request for parallel processing on May 4, 2001.

EPA received a negative declaration from Kentucky for the CTG categories of aerospace, SOCMI, shipbuilding, and wood furniture, and a negative declaration from the APCDJC for the CTG categories of aerospace, shipbuilding, and wood furniture. A negative declaration is a certification by an organization responsible for air pollution abatement in a state or local area that there are no facilities (a particular category, type, or size) under their jurisdiction in the planning area that meet the definition of an affected facility (i.e., for which specific control requirements would be applicable).

II. Background

Under the Clean Air Act (CAA) section 107(d)(4)(A), on November 6, 1991 (56 FR 56694), all of Jefferson County, portions of Bullitt and Oldham Counties in Kentucky, and the Indiana Counties of Clark and Floyd were designated as the Louisville moderate ozone nonattainment area, as a result of monitored violations of the 1-hour ozone National Ambient Air Quality Standard (NAAQS) during the 1987–1989 time frame. Since that time, Kentucky, Indiana and the APCDJC have adopted and implemented programs required under the CAA for a moderate 1-hour ozone nonattainment area to reduce emissions of the precursors of ozone (VOCs and nitrogen oxides). As a result of these programs, air quality monitors in the Louisville area have recorded three years of complete, quality-assured, ambient air quality monitoring data for the 1998, 1999, and 2000 ozone seasons, thereby demonstrating that the area has attained the 1-hour ozone NAAQS. On May 17, 2001, (66 FR 27483) the EPA proposed to determine that the Louisville moderate ozone nonattainment area has attained the 1-hour ozone NAAQS. A complete discussion of the data and background that provides the basis for that proposed action can be found in the above-cited May 17, 2001, **Federal Register** action.

Kentucky on March 30, 2001, and Indiana on April 11, 2001, submitted requests to redesignate the Louisville area to attainment for the 1-hour ozone NAAQS. As further indicated in the May 17, 2001 **Federal Register**, the ''determination of attainment'' is not equivalent to redesignation of the area to attainment. Attainment of the ozone 1-hour ozone NAAQS is only one of the criteria set forth in section 107(d)(3)(E)

that must be satisfied for an area to be redesignated to attainment. Section 107(d)(3)(E) allows for redesignation providing among other things that the state containing such area has met all requirements applicable to the area under section 110 and Part D. EPA published on June 22, 2001, (66 FR 33505) proposed approval of the requests by Kentucky and Indiana for redesignation of the Louisville 1-hour ozone nonattainment area.

Subpart 1 of Part D sets forth the basic nonattainment requirements applicable to all nonattainment areas. Subpart 2 of Part D establishes additional requirements for ozone nonattainment areas classified under Table 1 of section 181(a). Since the Louisville area was classified as moderate ozone nonattainment, in order to be redesignated, the Louisville area is required to meet the applicable CAA requirements of subpart 2 of Part D including RACT requirements for three classes of VOC sources (section 182(b)(2)). The categories are: (A) all sources covered by a CTG document issued between November 15, 1990, and the date of attainment; (B) all sources covered by a CTG issued prior to November 15, 1990; and (C) all other major non-CTG stationary sources. The non-CTG rules were due by November 15, 1992, and apply to the Louisville area.

The EPA, in this action, is proposing to approve a source-specific non-CTG VOC RACT determination for Publisher's Printing, Inc., submitted by Kentucky on April 16, 2001. Final approval of this action for Publisher's Printing, Inc., is a requisite (182(b)(2)(C)) for redesignation of the Kentucky portion of the Louisville 1-hour ozone nonattainment area.

Kentucky submitted a negative declaration on December 14, 1999, for the CTG categories of aerospace, SOCMI, shipbuilding, and wood furniture which would apply to the nonattainment portions of Oldham and Bullitt Counties. The APCDJC submitted a negative declaration for Jefferson County for the same four CTG categories on February 26, 2001. The APCDJC withdrew the negative declaration for the SOCMI category on May 1, 2001. EPA is proposing to approve the negative declaration from Kentucky (CTG categories of aerospace, SOCMI, shipbuilding, and wood furniture), and the negative declaration from the APCDJC (CTG categories of aerospace, shipbuilding, and wood furniture). These negative declarations fulfill the CAA requirements under 182(b)(2)(A) in the Kentucky portion of the Louisville 1-hour ozone nonattainment area.

APCDJC adopted Regulation 6.49 for control of VOCs from SOCMI sources and Kentucky submitted APCDJC's Regulation 6.49 for parallel processing on May 10, 2001. Final approval of this action for Regulation 6.49 is a CAA requirement relative to the Kentucky portion of the Louisville 1-hour ozone nonattainment area and is a requisite to redesignation of the Louisville area (182(b)(2)(A)).

III. EPA Evaluation and Proposed Action

In today's action, the EPA is proposing to take action on SIP revisions submitted by Kentucky to address outstanding VOC RACT requirements of subpart 2 of part D, in particular section 182(b)(2), of the CAA. The SIP revisions EPA is proposing to approve will establish VOC RACT requirements for sources subject to the SOCMI CTG for Jefferson County (Regulation 6.49), and source specific VOC RACT requirements for Publisher's Printing, Inc., in Bullitt County. These SIP revisions were submitted by Kentucky to meet the requirements of section 182(b)(2) of the CAA relating to VOC RACT for sources in ozone nonattainment areas. EPA must take final action on these required SIP revisions before action on the redesignation for the Louisville 1-hour ozone area can be finalized.

One of the revisions being proposed for approval into the Kentucky SIP is APCDJC's Regulation 6.49 which specifies VOC RACT requirements for sources subject to the SOCMI CTG. The APCDJC has indicated that there is one company (E. I. Dupont De Nemours & Co.) with two process streams which will be covered by Regulation 6.49. Since the process streams at the subject company are below the applicability limit which requires controls, the company will be required to keep records of the VOC concentrations for the two process streams to show that the VOC concentrations stay below the applicability limit. The company must retain these records for five years and make them available for inspection. This rule was submitted by Kentucky to EPA on April 16, 2001. Kentucky submitted a request for parallel processing of Regulation 6.49 on May 4, 2001. Following review of Regulation 6.49, EPA concluded that it follows the model rule in the CTG and can be approved into the Jefferson County portion of the Kentucky SIP.

The other SIP revision being proposed for approval in this action concerns source-specific VOC RACT requirements for a lithographic printing operation, Publisher's Printing, Inc., in Bullitt County, Kentucky. Publisher's Printing is an offset lithographic paper printing plant which prints magazines on ten offset lithographic presses, each equipped with a natural gas fired dryer. The present control system is to be replaced with a thermal oxidizer which is required to be in operation and having demonstrated compliance by June 1, 2002, in accordance with the draft compliance schedule. VOC RACT specified by Kentucky consists of: (1) a requirement for 90 percent VOC destruction efficiency for the regenerative thermal oxidizer controlling each press's dryer exhaust; (2) a requirement that the fountain solution as applied, should contain no alcohol and contain less than three percent by weight of alcohol substitutes; and (3) a requirement that the blanket wash have a vapor pressure of less than ten millimeters mercury at 20 degrees Celsius. These requirements follow the requirements in EPA's September 1993 draft, ''Guideline Series—Control of Volatile Organic Compound Emissions from Offset Lithographic Printing'' and EPA's June 1994, ''Alternative Control Techniques Document: Offset Lithographic Printing'' and are approvable as meeting section 182(b)(2)(C) requirements for Publisher's Printing, Inc. Kentucky is including these VOC RACT requirements along with applicable monitoring and reporting requirements as conditions in the source's title V permit, and intends to submit the permit as a source-specific SIP revision. The facility has provided documentation indicating that they are now complying with requirements (2) and (3) above.

EPA is proposing approval of Regulation 6.49 and the source specific VOC RACT requirements for Publisher's Printing, Inc., as part of the Kentucky SIP under a procedure called parallel processing, whereby EPA proposes rulemaking action concurrently with Kentucky's procedures for amending its SIP. See 40 CFR part 51, appendix V. If the proposed revisions are substantially changed in areas other than those identified in the proposed rulemaking, EPA will evaluate those changes and may publish another proposed rule. If no substantial changes are made other than those areas cited in the proposal, EPA will publish a final rulemaking on the revisions. The final rulemaking action by EPA will occur only after the Regulation 6.49 and revisions related to Publisher's Printing, Inc., are submitted formally to EPA for incorporation into the SIP. EPA has reviewed Regulation 6.49 and the source-specific

requirements for Publisher's Printing, Inc., for completeness and found that both conform to the completeness criteria in 40 CFR part 51, appendix V (criteria for plans submitted explicitly for parallel processing). EPA issued a letter regarding completeness to Kentucky on June 18, 2001.

With the negative declaration, Kentucky is asserting that an evaluation has found that there are no sources within the Bullitt and Oldham Counties' portion of the Louisville 1-hour ozone nonattainment area that would be subject to a CTG rule for aerospace, SOCMI, shipbuilding, or wood furniture. Through its negative declaration, the APCDJC is asserting that an evaluation has found that there are no sources within the Jefferson County portion of the Louisville 1-hour ozone nonattainment area that would be subject to a CTG rule for aerospace, shipbuilding, or wood furniture. Therefore, EPA is proposing to approve the negative declaration from Kentucky for the CTG categories of aerospace, SOCMI, shipbuilding, and wood furniture, and the negative declaration from the APCDJC for the CTG categories of aerospace, shipbuilding, and wood furniture as meeting the section 184(b) VOC RACT requirement for these source categories in the Kentucky portion of the Louisville 1-hour ozone nonattainment area.

The EPA has reviewed Kentucky's requested revisions of the federally-approved SIP for conformance with the provisions of the 1990 amendments enacted on November 15, 1990. The Agency has determined that this action conforms with those requirements.

Nothing in this action should be construed as permitting or allowing or establishing a precedent for any future implementation plan. Each request for revision to the SIP shall be considered separately in light of specific technical, economic, and environmental factors and in relation to the relevant statutory and regulatory requirements.

IV. Administrative Requirements

Under Executive Order 12866 (58 FR 51735, October 4, 1993), this proposed action is not a ''significant regulatory action'' and therefore is not subject to review by the Office of Management and Budget. This action merely proposes to approve state law as meeting federal requirements and imposes no additional requirements beyond those imposed by state law. Accordingly, the Administrator certifies that this proposed rule will not have a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). Because this proposed rule approves pre-existing requirements under state law and does not impose any additional enforceable duty beyond that required by state law, it does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104–4). This proposed rule also does not have a substantial direct effect on one or more Indian tribes, on the relationship between the Federal Government and Indian tribes, or on the distribution of power and responsibilities between the Federal Government and Indian tribes, as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), nor will it have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in Executive Order 13132 (64 FR 43255, August 10, 1999), because it merely proposes to approve a state rule implementing a federal standard, and does not alter the relationship or the distribution of power and responsibilities established in the CAA. This proposed rule also is not subject to Executive Order 13045 (62 FR 19885, April 23, 1997), because it is not economically significant.

In reviewing SIP submissions, the EPA's role is to approve state choices, provided that they meet the criteria of the CAA. In this context, in the absence of a prior existing requirement for the State to use voluntary consensus standards (VCS), the EPA has no authority to disapprove a SIP submission for failure to use VCS. It would thus be inconsistent with applicable law for the EPA, when it reviews a SIP submission, to use VCS in place of a SIP submission that otherwise satisfies the provisions of the CAA. Thus, the requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) do not apply. As required by section 3 of Executive Order 12988 (61 FR 4729, February 7, 1996), in issuing this proposed rule, the EPA has taken the necessary steps to eliminate drafting errors and ambiguity, minimize potential litigation, and provide a clear legal standard for affected conduct. The EPA has complied with Executive Order 12630 (53 FR 8859, March 15, 1988) by examining the takings implications of the rule in accordance with the ''Attorney General's Supplemental Guidelines for the Evaluation of Risk and Avoidance of Unanticipated Takings'' issued under the executive order. This proposed rule does not impose an information collection burden under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

List of Subjects 40 CFR Part 52

Environmental protection, Air pollution control, Intergovernmental relations, Ozone, Reporting and recordkeeping requirements, and Volatile organic compounds.

Authority: 42 U.S.C. 7401–7671q.

Dated: July 12, 2001.

A. Stanley Meiburg,

Acting Regional Administrator, Region 4.

[FR Doc. 01–18319 Filed 7–20–01; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[TX–133–1–7499; FRL–7016–9]

Approval and Promulgation of Implementation Plans; Texas; Emissions Banking and Trading Revisions for the Mass Emissions Cap and Trade Program for the Houston/Galveston Ozone Nonattainment Area

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: Through parallel processing, the EPA is proposing to approve a revision to the Texas State Implementation Plan (SIP). We are proposing approval of the NO_X Mass Cap and Trade program for the Houston/Galveston (HGA), one-hour ozone nonattainment area. If the State makes significant changes between the versions being parallel reviewed and the final adopted versions, other than those changes resulting from issues discussed in this proposed rulemaking, EPA will issue an additional proposed rulemaking prior to taking final action. If there are no significant changes (other than changes resulting from issues discussed in this proposed rulemaking) to the parallel-processed versions and Texas submits the final versions by October 1, 2001, the EPA will proceed with final rulemaking. The MECT program will contribute to attainment of the 1-hour ozone National Ambient Air Quality Standard (NAAQS) in the HGA ozone nonattainment area.

DATES: Written comments must be received on or before August 22, 2001.

ADDRESSES: Written comments should be addressed to Mr. Thomas H. Diggs,