NOTICES OF PROPOSED RULEMAKING

Unless exempted by A.R.S. § 41-1005, each agency shall begin the rulemaking process by first submitting to the Secretary of State's Office a Notice of Rulemaking Docket Opening followed by a Notice of Proposed Rulemaking that contains the preamble and the full text of the rules. The Secretary of State's Office publishes each Notice in the next available issue of the *Register* according to the schedule of deadlines for *Register* publication. Under the Administrative Procedure Act (A.R.S. § 41-1001 et seq.), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule. (A.R.S. §§ 41-1013 and 41-1022)

NOTICE OF PROPOSED RULEMAKING

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 4. CORPORATION COMMISSION SECURITIES

[R05-425]

PREAMBLE

1. Sections Affected **Rulemaking Action**

R14-4-149 Amend

2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: A.R.S. §§ 44-1821 and 44-1845

Implementing statute: A.R.S. § 44-1844

Constitutional authority: Arizona Constitution, Article XV, §§ 6 and 13

3. A list of all previous notices appearing in the *Register* addressing the proposed rule:

Notice of Rulemaking Docket Opening: 11 A.A.R. 4311, October 28, 2005

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Cheryl T. Farson

Address: Arizona Corporation Commission, Securities Division
1300 W. Washington, Third Floor
Phoenix, AZ 85007-2996

Telephone: (602) 542-0193

Fax: (602) 594-7476

E-mail: cfarson@azcc.gov

5. An explanation of the rule, including the agency's reasons for initiating the rule:

A.A.C. R14-4-149 provides an exemption from registration for offers of securities made in accordance with the requirements under 17 C.F.R. 230.134 (2001) ("rule 134"), 17 C.F.R. 230.255 (2001) ("rule 255"), or 17 C.F.R. 230.430 (2001) ("rule 430"). Rules 134, 255, and 430 are incorporated into A.A.C. R14-4-149 by reference in accordance with A.R.S. § 41-1028 and A.A.C. R1-1-414. As reflected in SEC Release No. 33-8591, the Securities and Exchange Commission has amended rule 134, effective December 1, 2005.

Additionally, as reflect in SEC Release No. 33-8088, the Securities and Exchange Commission amended rule 430 effective June 1, 2002.

The Securities Division has recommended that the Commission amend A.A.C. R14-4-149 to incorporate rules 134 and 430 as amended by the Securities and Exchange Commission.

6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

None

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:
Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:
Pursuant to A.R.S. § 41-1055(D)(3), the Commission is exempt from providing an economic, small business, and consumer impact statement.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:
The individual named in item #4

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date:	January 17, 2006
Time:	10:00 a.m.
Location:	Arizona Corporation Commission 1200 W. Washington Ave. Phoenix, AZ 85007
Nature:	Oral proceeding. Subsequent to the oral proceeding, the Arizona Corporation Commission will taken final action at an open meeting with respect to the making of the proposed rule.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:
None

12. Incorporations by reference and their location in the rules:
17 C.F.R. 230.134 (2006), 17 C.F.R. 230.255 (2005), 17 C.F.R. 230.430 (2005), located in A.A.C. R14-4-149(A)

13. The full text of the rules follows:

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 4. CORPORATION COMMISSION SECURITIES

ARTICLE 1. IN GENERAL RELATING TO THE ARIZONA SECURITIES ACT

Section
R14-4-149. Exemption from registration for offers made in connection with a pending application

ARTICLE 1. IN GENERAL RELATING TO THE ARIZONA SECURITIES ACT

R14-4-149. Exemption from registration for offers made in connection with a pending application

A. If all of the following apply, offers made in accordance with the requirements under U.S. Securities and Exchange Commission rule 134, 17 C.F.R. 230.134 (~~2001~~2006), rule 255, 17 C.F.R. 230.255 (~~2001~~2005), or rule 430, 17 C.F.R. 230.430 (~~2001~~2005), which are incorporated by reference and contain no later editions or amendments, shall be added to the class of transactions exempt under A.R.S. § 44-1844.

1. The issuer has applied for registration of the securities to which the offers relate under the Securities Act of 1933, or the securities are exempt from registration under that act.
2. The issuer has filed with the Commission an application for registration of the securities to which the offers relate, or the issuer has filed a notice under A.R.S. § 44-1843.01(B).
3. The issuer, or any of its predecessors, affiliates, directors, officers, general partners, or individuals holding a similar position of leadership, or beneficial owners of ten percent or more of any class of its equity securities do not fall within any of the disqualification provisions of A.R.S. § 44-1901(G)(1) through (6).
4. The issuer is not applying for registration under A.R.S. § 44-1902.
5. The offering is not of a blind pool as defined in A.R.S. § 44-1801(1).
6. The offering is not of speculative or high risk securities as defined by A.A.C. R14-4-118(C).
7. No part of the purchase price is received until the securities are registered in Arizona, or the exemption under A.R.S.

§ 44-1843.01(B) is effective.

8. An indication of interest in response to an offer made under this Section involves no obligation or commitment of any kind.

B. ~~The rules incorporated by reference are on file with the Office of the Secretary of State~~. Copies of the incorporated material are available from the Commission and the Superintendent of Documents, Government Printing Office, Washington, DC, 20402. Copies are also available at http://www.gpoaccess.gov/cfr/index.html.

NOTICE OF PROPOSED RULEMAKING

TITLE 18. ENVIRONMENTAL QUALITY

CHAPTER 2. DEPARTMENT OF ENVIRONMENTAL QUALITY AIR POLLUTION CONTROL

[R05-430]

PREAMBLE

1.

Sections Affected	Rulemaking Action
R18-2-101	Amend
R18-2-302	Amend
R18-2-304	Amend
R18-2-306.01	Amend
R18-2-317	Amend
R18-2-330	Amend
R18-2-331	Amend
R18-2-406	Amend
R18-2-507	Amend
Article 17	New Article
R18-2-1701	New Section
R18-2-1702	New Section
R18-2-1703	New Section
R18-2-1704	New Section
R18-2-1705	New Section
R18-2-1706	New Section
R18-2-1707	New Section
R18-2-1708	New Section
R18-2-1709	New Section
Appendix 1	Amend
Appendix 12	New Appendix

2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statutes: A.R.S. §§ 49-104(A)(1) and (A)(10), 49-425

Implementing statutes: A.R.S. §§ 49-426, 49-426.01, 49-426.04, 49-426.05, 49-426.06, 49-426.08

3. A list of all previous notices appearing in the *Register* addressing the proposed rule:

Notice of Rulemaking Docket Opening: 10 A.A.R. 4272, October 22, 2004

Notice of Termination of Rulemaking: 11 A.A.R. 3948, October 14, 2005

Notice of Rulemaking Docket Opening: 11 A.A.R. 3976, October 14, 2005

Notice of Rulemaking Docket Opening: 11 A.A.R. 5129, December 2, 2005

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Kevin Force

Address: Arizona Department of Environmental Quality
1110 W. Washington Ave.
Phoenix, AZ 85007

Telephone: (602) 771-4480 (This number may be reached in-state by dialing 1-800-234-5677 and requesting the seven-digit number.)

Fax: (602) 771-2366

5. An explanation of the rule, including the agency's reasons for initiating the rule:

Summary. These proposed rules would create an Arizona program for the regulation of listed hazardous air pollutants (HAPs), as required by statute, under Article 17 of Chapter 2 of Title 18 of the Arizona Administrative Code. In addition, the proposed rulemaking would amend some existing rules to reflect the requirements of the new program, and improve regulatory uniformity among related rules in other Articles of Chapter 2. Also, these amendments make other necessary technical changes, including improvements of the rules' clarity, conciseness, and understandability.

Statutory Framework. Arizona Revised Statutes §§ 49-426.04 through 49-426.06 authorize a program for the control of state hazardous air pollutants using a risk reduction approach, modeled on Section 112(g) of the Clean Air Act, after the publication of a scientific report on HAPs in Arizona, required by A.R.S. § 49-426.08. This program would be similar to New Source Review, in that it would apply only to new or modified sources of HAPs; existing sources would only be brought into the program when they effect a qualifying modification. The program would provide for the imposition of control technology on a case-by-case basis by creating a presumption that a source, subject to the program, which emits a listed HAP, shall be required to impose either Hazardous Air Pollutant Reasonably Available Control Technology (HAPRACT) for minor sources, or Arizona Maximum Achievable Control Technology (AZMACT) for major sources. This presumption may be rebutted if the source conducts a risk management analysis (RMA), demonstrating that the imposition of control technology is not necessary in that particular case to avoid adverse effects to human health or the environment.

Under A.R.S. § 49-426.04, the federal list of hazardous air pollutants, Section 112(b) of the Clean Air Act, is automatically included in the state list of HAPs. While § 49-426.04 includes criteria for listing HAPs not already included in the federal list, ADEQ is not proposing to list any additional HAPs at this time.

Arizona Revised Statutes § 49-426.06 specifies those sources which are subject to the program. All major sources that emit, or have the potential to emit, either 10 tons per year (tpy) of a single listed HAP, or 25 tpy of any combination of listed HAPs are subject to the program. Minor sources, or sources that emit or have the potential to emit, either 1 tpy of any single listed HAP, or 2.5 tpy of any combination of HAPs shall be subject to the program if they belong to a source category designated by the Director under A.R.S. § 49-426.05. A category may be so designated if the Director finds that HAP emissions from sources in that category individually or in the aggregate result in, or significantly contribute to, adverse effects to human health or adverse environmental effects.

Under A.R.S. § 49-426.06, all newly constructed major sources, or new minor sources belonging to a designated category, are subject to the HAPs program; modifications as defined in A.R.S. § 49-401.01, that increase the emissions of a HAP by more than a de minimis amount, are also subject to the program. According to the statute, the owner or operator of an affected source would have to obtain a new permit or a significant permit revision that would include either a proposal for HAPRACT or AZMACT, or an RMA. Minor sources of HAPs, on a case-by-case basis, would submit as part of their permit application a proposal for HAPRACT, which would then be reviewed by the Department. Major sources of HAPs would submit a similar proposal for AZMACT. Any affected source would also have the option of conducting a scientifically sound risk management analysis as part of their permit application to show that the imposition of control technology, in their case, is unnecessary to avoid adverse effects to human health or the environment.

Background. The statutes implementing the Arizona State HAPs program were originally effective in 1993. At that time, the Department attempted a rulemaking to fulfill the intent of the legislature. The rulemaking was controversial; primarily, stakeholders were resistant to the idea of HAPs other than those on the federal list being added to the state program. The various parties reached no consensus on this issue and, ultimately, that program was not approved by the Governor's Regulatory Review Council. In 1995, the statutorily required report, *Arizona Hazardous Air Pollutant Research Program, Final Report* (ENSR Consulting and Engineering, August 1995) was published. Originally, A.R.S. § 49-426.06 contained a deadline for the completion and implementation of the state HAPs program, but that deadline was removed from the statute by amendment in 1996.

In October of 2004, ADEQ opened the docket on this rulemaking in order to address concerns about the lack of regulation governing pollutants not covered under Section 112 of the federal Clean Air Act. The goal of this process has been to work with stakeholders regarding a rule requiring new and modified sources to install appropriate control technology for HAPs. This rule is intended to replace the Arizona Ambient Air Quality Guidelines (AAAQG).

In April 2005, ADEQ retained the services of Weston Solutions, Inc. to assist in the development of a new Arizona State HAPs program. Specific tasks with which Weston was charged included the development of acute and chronic health-based ambient air concentrations for listed HAPs, the identification of affected source categories, and the development of de minimis values for listed HAPs. The results of Weston's work, as well as their methodology in arriving at these results, have been the focus of an intensive and extensive stakeholder process initiated by ADEQ in June 2005.

Health-based ambient air concentrations. One of Weston's primary tasks was the development of ambient air concentrations for the 75 HAPs emitted by Arizona industries, as reported by those industries to ADEQ or EPA in their emission or toxic release inventories, based on the potential for adverse health effects. Ambient air concentrations (AACs), therefore, are those concentrations of HAPs above which it is predicted that adverse effects to human health would occur. Weston developed AACs for both short-term, acute effects, and long-term, chronic effects.

Acute ambient air concentrations (AAACs) were based on the potential for short-term, acute health effects, or those effects that result in, or significantly contribute to, an increase in mortality or serious irreversible or incapacitating illness. (See, *Arizona DEQ – Development of Acute Health-Based Ambient Air Criteria* (Weston Solutions, Inc., June, 2005)). The approach used to develop health-based AAACs was based on a hierarchy of applicable health-based criteria, organized into tiers. Weston gave preference to EPA's Office of Prevention, Pesticides, and Toxic Substances (OPPTS) Acute Exposure Guideline Levels (AEGLs), Tier 1. The AEGLs are peer-reviewed and nationally recognized levels that are developed by the National Advisory Committee for Acute Exposure Guideline Levels for federal, state and local agencies concerned with emergency planning and response. AEGLs represent the concentration of a HAP above which it is predicted that the general population, including susceptible subpopulations, could experience irreversible or other serious, long-lasting adverse health effects or an impaired ability to escape. If an AEGL value was available, it was preferentially used.

The second tier values, Emergency Response Planning Guidelines (ERPGs), were developed by the American Industrial Hygiene Association (AIHA), a nonprofit professional organization, to assist emergency response personnel in planning for catastrophic, accidental chemical release. These values represent the concentration below which it is assumed that nearly all individuals could be exposed to for up to one hour without experiencing or developing irreversible or other serious health effects or symptoms that could impair an individual's ability to take protective action. ERPG-2 values were used for compounds that did not have an AEGL.

The third tier, the Temporary Emergency Exposure Limits (TEELs), was developed by the Department of Energy based on a hierarchy of occupational health standards. These values represent the maximum concentration below which it is believed nearly all individuals could be exposed to for up to one hour without experiencing or developing irreversible or other serious health effects or symptoms that could impair an individual's ability to take protective action. TEELs were used in cases where AEGLs and ERPGs were not available.

In cases where there were no acute ambient air criteria available, Weston developed a fourth tier process. These cases usually arose where a listed compound was actually a group of compounds, such as glycol ethers. In these cases, the compound in the group with the most stringent toxicological criterion was selected for development of the AAAC for that group.

Weston Solutions used a similar tiered approach in their development of health-based chronic ambient air concentrations (CAACs). (See, *Arizona DEQ – Development of Chronic Ambient Air Concentrations (Long-Term)* (Weston Solutions, Inc., April 2005)). Health-based CAACs were developed for individuals to establish exposure levels to protect against serious chronic health-effects. National, peer-reviewed EPA toxicity criteria, namely Reference Concentrations (RfCs) and Air Unit Risk Factors (URFs), as presented in the Integrated Risk Information System (IRIS) were given preference as Tier 1. These values were used after being adjusted for an exposure duration of 350 days, rather than 365 days, per year for 30 years. Where both an RfCs and URF were available, the more stringent of the two values was selected. Additionally, the criteria used in the other tiers were compared to Tier 1 values to see if they were in agreement with RfCs and URFs. In those situations where there was no reasonable agreement with the other criteria, further evaluation was undertaken to understand why this was the case. If one of the other criteria was based on a more recent or relevant study, that criterion was substituted for the RfCs or URF.

Weston moved to the second tier when RfCs and URFs were not available in IRIS. Tier 2 values were based on two regional EPA sources, EPA Region 9 (including Arizona) Preliminary Remediation Goals (PRGs), and EPA Region 3 Risk-Based Concentrations (RBCs). Like Tier 1, these values were based on individual exposure to ambient air concentrations for 350 days a year for 30 years. EPA Region 9 PRGs were selected over RBCs, if the values were similar, because Arizona is an EPA Region 9 state. Additionally, as with Tier 1, Tier 2 values were compared with Tier 3 values for the particular HAP to determine whether the values were in reasonable agreement. If they were, the PRG was selected. If not, the criteria based on a more recent or relevant study was selected over the PRG.

In cases where no Tier 1 or 2 values were available, Weston considered three other sources for development of CAACs: Agency for Toxic Substances and Disease Registry (ATSDR) Minimal Risk Levels (MRLs), and the California EPA (CalEPA) Reference Exposure Levels (RELs) and Unit Risk Factors. The most appropriate criterion was selected after review. As with Tiers 1 and 2, these values were based on exposure for 350 days a year for 30 years.

In cases where there were not chronic ambient air criteria available, Weston developed a fourth tier process, similar to the Tier 4 process for acute values. Cases where there were no criteria available because a listed compound was actually a group of compounds, such as glycol ethers, the compound in the group with the most stringent toxicological criterion was selected for development of the CAAC for that group. Where the lack of toxicological criteria was due to the lack of data to develop such a criterion, a surrogate compound was recommended based on what can be identified about the structure of the compound, and a chronic value was established using the surrogate.

The acute and chronic health-based ambient air concentrations developed by Weston were inserted into the proposed rules at R18-2-1708, Table 3. The proposed Appendix 12, to be used by applicants filing a Risk Management Analysis who are developing their own health-based ambient air criteria where none is listed in Table 3, follows the same procedure Weston used in the development of the values in that table. ADEQ and Weston Solutions are currently in the process of developing AACs for compounds in listed groups other than the selected compounds; these AACs will be made available as guidance documents.

Source categories. Minor sources of HAPs, or those that emit one tpy of an individual HAP or 2.5 tpy of any combination of HAPs, are subject to the AZ HAPs program only if they belong to a source category listed according to A.R.S. § 49-426.05. In order for a source category to be so listed, the Director must find that HAP emissions from sources in that category "individually or in the aggregate result in adverse effects to human health, or adverse environmental effects." A.R.S. § 401.01 defines "adverse effects to human health" as, "those effects that result in or significantly contribute to an increase in mortality or an increase in serious irreversible or incapacitating reversible illness . . . "

Weston Solutions developed the list of source categories subject to the program by modeling HAP emissions from sources in the candidate categories, classified by Standard Industrial Classification (SIC) Code, to determine ambient air concentrations of HAPs. The modeled concentration was then compared to the health-based ambient air concentrations for each particular HAP emitted by a source. (See *Procedure for Air Quality Dispersion Modeling for the Arizona HAPRACT Rule* (Weston Solutions, Inc., July, 2005)). If the modeled concentration of any HAP from any source in the candidate category was greater than 120% of the health-based AAC for that HAP, that source category was included in the list. If the highest modeled concentration of any HAP in a candidate category was less than 80% of the health-based AAC, that category was excluded from the list. When modeled concentrations fell within the 80-120% range, further evaluation of that source category was required. There was only one instance where a modeled source fell within that range. (See *Modeling Analysis Spreadsheet, Screen Modeling for Source Categories,* (Weston Solutions, September, 2005)).

Facilities in a particular SIC category were modeled only until one met the listing criteria. A total of 64 facilities permitted in Arizona were modeled from 41 different SIC codes. Twenty-five source categories met the listing criteria and were classified as being source categories subject to the HAPS program, under A.R.S. § 49-426.05. Those categories are listed by SIC Code at R18-2-1702, Table 2.

De minimis levels. The determination of de minimis levels of HAPs is crucial to the program, which applies to both new and modified sources of HAPs. The statute defines a modification, briefly, as any change in the source which would increase the HAP emitted by a source by more than a de minimis level. ADEQ determined that de minimis levels should therefore reflect the maximum amount of a pollutant that could be emitted as a result of a modification without producing adverse effects to human health.

Seventy-three HAPs were identified as being emitted by sources in Arizona in amounts greater than the one and 2.5 tpy statutory thresholds. Weston Solutions developed chronic and acute ambient air concentrations (AAACs and CAACs) for each of these HAPs (see, generally, *Determination of De Minimis Levels*, Weston Solutions, August 22, 2005, (revised)). The SCREEN 3 dispersion model was used to determine the concentration-to-emission-rate ratio for a hypothetical facility with worst-case emission dispersion characteristics. The worst-case dispersion characteristics were used in order to assure that any emission increases that may adversely affect public health were evaluated. The model was run with a one gram per second (g/s) emission rate. The concentration-to-emission-rate ratio represents the one hour maximum concentration resulting from the 1g/s rate, measured in milligrams per cubic meter divided by grams per second $(mg/m^3)/(g/s)$.

Once the generic concentration-to-emission-rate ratio, 143.2 $(mg/m^3)/(g/s)$, was determined, de minimis amounts were calculated by dividing each AAC, for each pollutant and averaging period, by that ratio. Then an hourly average, expressed in pounds per hour (lb/hr), was determined for acute de minimis levels, and an annual average, expressed in pounds per year (lb/yr), was determined for chronic de minimis levels. Where the annual (chronic) emission rate is lower than the hourly (acute) rate, only the annual de minimis level was specified. The results of the de minimis determinations are shown in R18-2-1701(13), Table 1.

Structure of the proposed Article 17. Article 17 begins with a definition Section, R18-2-1701, which lists terms used in the Article that are in addition to general definitions listed in R18-2-101, and relevant statutory definitions in A.R.S. § 49.401.01. The definition of "modification," at R18-2-1701(13) is of particular note; it means, briefly, a change in the source, or in its method of operation, that increases the emissions of a HAP by more than any de minimis amount; those relevant de minimis amounts are listed in Table 1. R18-2-1702 lists those sources to which the Article is applicable. For sources in the source category list, the Director has determined that emissions exceeding one tpy of a single HAP, or 2.5 tpy of any combination of HAPs, result in adverse health effects. The rule therefore treats increases that cause a source's total emissions to exceed these thresholds as greater than de minimis and the physical or operational change producing the increase as a "modification."

The Arizona state list of HAPs is in R18-2-1703. R18-2-1704 requires owners or operators of sources subject to Article 17 to provide the Director with notification, in the permit application, of the types and amounts of HAPS emitted by the source.

Any new source, or "modification" of an existing source, subject to the program, that increases the emission of HAPs by more than the listed de minimis amount, would be required by R18-2-1705 to obtain a permit or significant permit revision, through one of three avenues: the imposition of HAPRACT, under R18-2-1706; the imposition of AZMACT, under R18-2-1707; or the demonstration that HAPRACT or AZMACT is unnecessary to avoid adverse human health or environmental effects, by conducting an RMA under R18-2-1708.

Under R18-2-1706, the case-by-case HAPRACT determination, an applicant for a permit or permit revision shall propose HAPRACT by documenting a series of steps. The applicant must identify the range of applicable control technologies, propose one of those technologies as HAPRACT for their source, and identify the rejected technologies and explain why they were rejected. Based upon that documentation, the Director shall either find that the selected technology is HAPRACT and complies with A.R.S. § 49-426.06, or not. If not, the Director shall notify the applicant of the specific deficiencies in their application so that they can submit a new proposal. If the applicant fails to submit a new proposal, or if that proposal is also found to be deficient, the Director may deny the application for a permit or permit revision.

Similarly, under R18-2-1707, the case-by-case AZMACT determination, an applicant shall propose AZMACT for major sources. The applicant is required to identify all the available control options, including a survey of sources to determine the most stringent emission limitation practiced in the United States, although the applicant may include technologies employed outside the U.S. From that initial survey, the applicant shall eliminate demonstrably technically infeasible options. The applicant shall then rank the remaining technologies from the top down, proposing as AZMACT the highest ranked technology, unless economic, environmental and energy impacts eliminate it as a viable option. In that case, the next most stringent technology shall be considered in the same manner, until AZMACT is selected. The Director shall then determine whether the applicant's AZMACT proposal meets the requirements of the statute. If not, the Director shall notify the applicant of the specific deficiencies in their application so that they can submit a new proposal. If the applicant fails to submit a new proposal, or if that proposal is also found to be deficient, the Director may deny the application for a permit or permit revision.

Rather than proposing HAPRACT or AZMACT, the applicant may, as part of their permit or permit revision, conduct a scientifically sound Risk Management Analysis under R18-2-1708. The rule takes a tiered approach to the analyses. ADEQ has provided for the statutory requirement of a scientifically sound analysis by allowing the applicant to conduct any of four successively more complex RMAs in order to show that the imposition of HAPRACT or AZMACT is unnecessary in order to avoid adverse health or environmental effects. If the applicant fails to make the necessary showing, they may either impose the appropriate control technology or proceed to a higher tier analysis.

The Tier 1 analysis is specifically for sources that emit a HAP that is included in a group of compounds, (e.g., chromium compounds) but is not the representative HAP selected for that group (hexavalent chromium) for purposes of determining health-based chronic and acute ambient air concentrations (CAACs, and AAACs). The applicant must determine the appropriate CAAC and AAAC for their particular HAP through a process laid out in Appendix 12. By employing the equation in R18-2-1708(B)(1), the applicant shall then determine the maximum hourly and annual exposure to the emitted HAP, and compare this value to the AACs. If the maximum hourly and annual exposures are less than the AAAC and CAAC, respectively, the applicant shall not be required to impose HAPRACT or AZMACT. If either maximum exposure is greater than the relevant AAC, then the applicant may either impose HAPRACT or AZMACT, as appropriate, or proceed to the Tier 2, Tier 3, or Tier 4 analysis.

The Tier 2 analysis requires the applicant to employ the SCREEN 3 Model for their source, consistent with federal and state guidelines. If the model predicts a maximum concentration less than the relevant AAC, listed in Table 3, then the applicant shall not be required to impose HAPRACT or AZMACT. If the predicted concentration is greater than or equal to the relevant AAC, then they may employ HAPRACT or AZMACT, or proceed to the Tier 3 or Tier 4 analysis.

The Tier 3 analysis is a modified version of SCREEN 3 modeling for which, for the evaluation of chronic exposure only, the applicant may use exposure assumptions that are consistent with institutional or engineering controls that are permanent and enforceable outside the permit. For example, the applicant may allow for exposure outside the process area boundary if there are covenants and restrictions in the deeds to their property that would prohibit residential development or subdivision within the proposed exposure area, thereby limiting potential human exposure to the emitted HAP. Based on the predicted concentrations, the applicant may either impose HAPRACT or AZMACT, or move on to the Tier 4 analysis.

Tier 4 is an analysis based on a modified SCREEN 3, or other, refined air quality model, consistent with state and federal guidelines. The applicant may employ either the SCREEN 3 or some other refined model and, as in Tier 3, for evaluation of chronic exposure only, use exposure assumptions that are consistent with institutional or engineering guidelines that are permanent and enforceable outside the permit. The applicant may also include in the Tier 4 analysis consideration of a number of other factors, listed in A.R.S. 49-426.06(D), and incorporated into the rule in R18-2-1708(B)(4)(b). If the predicted concentration is less than the relevant AAC or, if in the Director's discretion, it is warranted by consideration of those statutory factors, the Director shall not require the imposition of HAPRACT or AZMACT. If the predicted concentration is greater than or equal to the relevant AAC, then the Director shall require HAPRACT or AZMACT.

R18-2-1709 requires periodic review of the list of HAPs, the minor source categories, the acute and chronic de minimis levels for listed HAPs, and the AAACs and CAACs for listed HAPs. The Director shall, within one year after the Administrator adds or deletes a HAP on the federal list, adopt those revisions by rulemaking. The Director may, based on triennial review of the state list of HAPs, revise de minimis levels and AACs for listed HAPs, and the list of included minor source categories.

Appendix 12 lays out procedures for the development of health-based ambient air concentrations for the purpose of conducting an RMA. The necessity of employing these procedures would arise in two instances: first, AACs would need to be developed for HAPs that are not already included in R18-2-1708, Table 3; second, an applicant conducting an RMA for a source that emits a HAP that is one of a listed group of compounds, but is not the selected compound included in Table 3, might wish to develop a separate AAC, particularly since those compounds selected from groups for inclusion in the table are typically the most toxic in that group. Appendix 12 follows the same procedure used by Weston in its original development of acute and chronic health-based ambient air concentrations for Table 3.

Amendments to rules other than Article 17. Generally, changes made to existing rules in other Articles of Chapter 2 are proposed to reflect the requirements of the new HAPs program, and improve regulatory uniformity among related rules. Thus, in R18-2-101(99), R18-2-304, R18-2-330, R18-2-331, R18-2-507 and Appendix 1, all references to the implementing statutes of the HAPs program have been changed to references to the proposed regulatory program, Article 17, or its various sections.

ADEQ proposes to amend R18-2-302 by expanding the conditions requiring a Class II permit, in R18-2-302(B)(2)(c) and (d), to include the beginning of actual construction of a source subject to the proposed Article 17, and modifications, subject to Article 17, to a source for which no permit has been issued under Article 3.

In R18-2-306.01, ADEQ proposes to delete the word "federal," thus allowing applicants who opt to accept a voluntary emission limitation under R18-2-1708(D) to avoid state and local applicable requirements, including the HAPs program under Article 17, rather than merely federal requirements. This change improves clarity in the relationship between R18-2-1708 and R18-2-306.01.

In R12-2-317, a reference to the statutory definition of "HAPRACT," in A.R.S. § 49-401.01(17), was changed to the correct reference to the definition of "modification," in A.R.S. § 49-401.01(24).

ADEQ proposes to update, in R18-2-406, the incorporation by reference of the "Guideline on Air Quality Models." This guideline was previously an independent document, but has since been included in the Code of Federal Regulations, at 40 C.F.R. Part 51, Appendix W. This amendment merely reflects that change, and points the applicant to the latest edition of the Guideline.

Section-by-section explanation of proposed rules:

Article 1	
R18-2-101(99)	The reference to hazardous air pollutants in R18-2-101(99)(d) is changed from a statutory reference to the definition in A.R.S. § 49-401.01, to a reference to the definition in the proposed Article 17.
Article 3	
R18-2-302	Conditions requiring a Class II permit are expanded in R18-2-302(B)(2)(c) and (d) to include the beginning of actual construction of a source subject to the proposed Article 17, and making modifications subject to Article 17 to a source for which no permit has been issued under Article 3.
R18-2-304	References to permit requirements in R18-2-304(E)(3) are changed from statutory references to A.R.S. §§ 49-426.03 and 49-426.06 to references to the proposed Article 17.
R18-2-306.01	The word "federal" is deleted from R18-2-306.01(A) in order to allow applicants to accept emission limitations to avoid other requirements, such as state or local, rather than only federal applicable requirements.
R18-2-317	A reference to the statutory definition of "HAPRACT," in A.R.S. § 49-401.01(17), was changed to the correct reference to the definition of "modification," in A.R.S. § 49-401.01(24).
R18-2-330	References to A.R.S. § 49-426.06 are changed to references to R18-2-1705 and R18-2-1708.
R18-2-331	Reference to A.R.S. § 49-426.06 is changed to a reference to Article 17.
Article 4	
R18-2-406	Incorporation by reference of EPA "Guideline on Air Quality Models (Revised)" has been updated to 40 C.F.R. Part 51, Appendix W, "Guideline on Air Quality Models."

Article 5	
R18-2-507	Statutory references to A.R.S. §§ 49-426.05(A) and 49-426.06(D) are changed to references to R18-2-1702 and R18-2-1708, respectively.
Article 17	
R18-2-1701	This Section lists the definitions applicable to Article 17. The definition for "modification" means a change that increases actual emissions of a HAP by more than a "de minimis level." These de minimis levels of particular HAPs are listed in the referenced table, Table 1.
R18-2-1702	This Section limits the applicability of the proposed Article 17 to major sources of HAPs, and minor sources of HAPs that belong to one of the source categories listed in the referenced table, Table 2.
R18-2-1703	This Section lists the state HAPs.
R18-2-1704	This Section requires the owner or operator of a source subject to the proposed Article 17 to provide to the Director notification, in a permit application, of the types and amounts of HAPs emitted by that source.
R18-2-1705	This Section requires permits or permit revisions for persons who construct or modify a source subject to the proposed Article 17, and requires the imposition of HAPRACT or AZMACT, where appropriate, unless the permit applicant demonstrates such imposition is unnecessary by conducting a Risk Management Analysis.
R18-2-1706	This Section outlines the requirements for the permit applicant's proposal and selection of HAPRACT for the applicant's new or modified minor source that is subject to the proposed Article 17.
R18-2-1707	This Section outlines the requirements for the permit applicant's proposal and selection of AZMACT for the applicant's new or modified major source that is subject to the proposed Article 17.
R18-2-1708	This Section outlines a multi-tiered approach to conducting a Risk Management Analysis for the purpose of showing that the permit applicant's new or modified source should not be subject to HAPRACT or AZMACT. This Section includes a list of predetermined acute and chronic health-based ambient air concentrations in Table 3.
R18-2-1709	This Section requires the Director to periodically review the state list of HAPs and, where necessary, revise by rulemaking the state list of HAPs, the acute and chronic health-based ambient air concentrations, the acute and chronic de minimis levels for those HAPs, and the list of included minor source categories.
Appendix 1	The statutory reference to A.R.S. § 49-426.06 is changed to a reference to the proposed Article 17.
Appendix 12	This new appendix outlines the procedures by which acute and chronic health-based ambient air concentrations shall be determined for HAPs not included in R18-2-1708, Table 3, or for compounds included in a group of compounds listed in Table 3, other than those identified as the "selected compound" for that group.

6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

Arizona Hazardous Air Pollutant Research Program, Final Report (ENSR Consulting and Engineering, August 1995.) Available for review at the ADEQ Library, First Floor, 1110 W. Washington St., Phoenix, AZ 85007 and online at http://www.azdeq.gov/function/laws/draft.html#haps.

Arizona DEQ – Development of Chronic Ambient Air Concentrations (Long-Term) (Weston Solutions, Inc., April 2005). Available for review at the ADEQ Library, First Floor, 1110 W. Washington St., Phoenix, AZ 85007, and online at http://www.azdeq.gov/function/laws/download/hapsambient.pdf .

Arizona DEQ – Development of Acute Health-Based Ambient Air Criteria (Weston Solutions, Inc., June, 2005). Available for review at the ADEQ Library, First Floor, 1110 W. Washington St., Phoenix, AZ 85007, and online at http://www.azdeq.gov/function/laws/download/hapsacute.pdf.

Procedure for Air Quality Dispersion Modeling for the Arizona HAPRACT Rule (Weston Solutions, Inc., July, 2005). Available for review at the ADEQ Library, First Floor, 1110 W. Washington St., Phoenix, AZ 85007, and online at http://www.azdeq.gov/function/laws/download/hapsmodel.pdf.

Determination of De Minimis Levels (Weston Solutions, Inc. August 2005). Available for review at the ADEQ Library, First Floor, 1110 W. Washington St., Phoenix, AZ 85007, and online at http://www.azdeq.gov/function/laws/download/hapsdemin.pdf.

Modeling Analysis Spreadsheet, Screen Modeling for Source Categories, (Weston Solutions, September, 2005). Available for review at the ADEQ Library, First Floor, 1110 W. Washington St., Phoenix, AZ 85007, and online at http://www.azdeq.gov/function/laws/download/hapsspread.pdf.

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

Rule Identification. This proposed rulemaking pertains to Title 18, Chapter 2, Article 17, "Arizona State Hazardous Air Pollutants Program." This rulemaking amends sections as well as adds new sections. The rulemaking adopts the federally listed hazardous air pollutants, establishes de minimis levels for state Hazardous Air Pollutants (HAPs) in pounds per hour and pounds per year, as applicable, and lists 25 minor source categories subject to the Program (refer to Table 1). Other sections provide for case-by-case determinations of Hazardous Air Pollutant Reasonably Available Control Technology (HAPRACT) and Arizona Maximum Achievable Control Technology (AZMACT), risk management analyses, and periodic review.

Introduction. The State's HAPs Program will protect human health and the environment through risk reduction though the application of control technology to reduce emissions of HAPs. The statute authorizes a risk reduction approach similar to the federal New Source Review Program that requires source-specific control technology (A.R.S. § 49-426.06). New and modified sources under this proposed rule could be impacted. First, the proposed rule will require the determination of control technology on a case-by-case basis through permits for new sources and permit modifications for existing sources. Second, the level of control technology will vary by the size of the source (i.e., major sources will be subject to AZMACT, while minor sources will be subject to HAPRACT.)

Although this is not a risk management program, a source subject to this Program may conduct a risk management analysis (RMA) to avoid the application of a control technology. The rule provides for risk management analyses using a tiered approach. The tiers range in complexity: Tier 1 is a relatively simple, arithmetic calculation while Tier 4 could involve emission modeling and the development of a site specific risk assessment. Tiers 1-3 are expected to generate minimal compliance costs while Tier 4 could result in relatively moderate compliance costs. However, the overall compliance costs to a source could be significantly reduced by conducting an RMA.

The rule regulates emissions of 188 HAPs that are the basis of the federal HAPs control program. All major sources of HAPs with the potential to emit (PTE) 10 tons per year (tpy) of a single HAP or 25 tpy of any combination of HAPs will be subject to this Program. Minor sources, those with a PTE of one tpy of a single HAP or 2.5 tpy of any combination of HAPs, which belong to the 25 categories listed in the proposed rule will also be subject to this Program. This proposed rulemaking also establishes de minimis amounts for listed HAPs for new sources or existing sources making modifications. If a modification results in an increase of actual emissions of any regulated HAP by more than any de minimis amount or results in the emission for any HAP not previously emitted by more than the relevant de minimis amount, the source would be subject to the Program (A.R.S. § 49-401.01).

ADEQ solicits comments regarding potential impacts of this rulemaking. Additional information will be included in the final EIS.

Classes of Persons Impacted. Entities impacted by this proposed rulemaking include: new major sources emitting HAPs, and major and minor sources that make modifications resulting in emissions greater than the de minimis amounts listed in this rulemaking; consultants, including engineering services, lawyers, and associated businesses; pollution control vendors; ADEQ as the implementing agency; counties with approved air pollution control programs; and the general public.

Potentially, major sources of State HAPs are subject to this rulemaking, as well as minor sources that are in the source categories listed in Table 1 of this EIS. Note that Table 1 in this EIS includes Standard Industrial Classification (SIC) codes for those industries subject to this rulemaking and equivalent North American Industry Classification System (NAICS) codes. In some instances, equivalent NAICS codes comprise more than a single code that was previously described by a single SIC code.

Probable Costs and Benefits. This Section is organized into the following subparts: sources, consultants (including engineering services, lawyers, and associated businesses), political subdivisions, pollution control vendors, ADEQ, employment (private and public), and general public (private and consumers). ADEQ expects the probable benefits to outweigh the probable costs of this rulemaking. The rulemaking is not expected to have a negative impact on state revenues. Potentially, permit fees, annual inspection fees, and the associated hourly fee revenues to ADEQ will increase.

Sources (major and minor). The compliance impact of this rulemaking is dependent upon the number of new and modified sources that would have to comply and the time period considered. It also will be dependent on the proportion of major sources versus minor sources that must comply with the rule provisions. ADEQ expects compliance

costs to vary among sources and across industry groups, depending on the type of HAPs emitted and the technology required to control those pollutants. As a result, smaller business sources could experience a higher per unit cost of output than larger sources. Some small businesses (minor sources) will have to obtain an air quality permit that could cost approximately $20,000 over five years. This cost includes processing fees and annual inspection fees.

Costs could include permit applications, significant permit revisions, RMAs, capital expenditures, increased operation and maintenance, and testing. Annualized costs could range from a few thousand dollars to hundreds of thousands of dollars. Because the cost of pollution control equipment is so variable and dependent on the type of HAPs emitted as well as the configuration of the control devices, it is not possible to estimate a total compliance cost to sources at this time.

The preparation of RMAs could range from a simple calculation (Tier 1) to using the SCREEN Model (Tier 2) or a modified SCREEN Model (Tier 3). The final tier (Tier 4) would require either the SCREEN model or a refined model. Preliminary information suggests that costs to sources could range from a very minimal dollar amount to $10,000 for Tiers 1-3, and for Tier 4 evaluations, as much as $250,000.

ADEQ expects sources to pass on part, if not most, of the increased costs of compliance to consumers, depending on price elasticity of demand and supply, as well as market conditions.

Consultants (engineering services, laboratories, epidemiologists, lawyers, and associated businesses). This group of classes impacted is expected to experience increasing revenues as sources seek consulting services for permit applications, significant permit revisions, testing, RMAs, and other associated services. Potentially, increased revenues for this class of persons could range from several thousand dollars to hundreds of thousands of dollars.

Political Subdivisions of the State. Unless a political subdivision is an emitter of HAPs, it will be unaffected by this rulemaking. The exception would be those counties with an air pollution control agency (Maricopa, Pima, and Pinal counties). These counties would have to adopt HAPs rules that would be no less stringent than the state HAPs Program.

Pollution Control Vendors. This represents another class of persons that is expected to experience increased revenues as sources install air pollution control equipment. Potentially, revenues could range from several thousands of dollars to hundreds of thousands of dollars. Revenues would depend on the quantity and type of control equipment installed by sources.

ADEQ. In addition to the resources used for activities associated with proposing this rulemaking, ADEQ estimates that the current staffing level will be sufficient to implement and enforce the state HAPs Program. The only exception might be the need for an additional full time employee to review RMAs, but that would depend on the future number of RMAs received. Although additional revenues from issuing permits should increase, the current number of full time employees assigned is expected to be adequate.

Employment (private and public). As previously indicated by the potential for increased compliance costs, ADEQ expects a higher demand for labor requirements for sources impacted by this rulemaking as well as increased labor requirements from the "consulting" class of persons. Pollution control vendors, however, are expected to handle the increase in sales with their current level of personnel.

ADEQ does not expect short-term or long- term employment, production, or industrial growth in Arizona to be negatively impacted. Product prices and profitability may only be affected in a minor fashion. Further, no facility closures are expected from the implementation of this rulemaking. Finally, competition is not expected to be impacted in an adverse way.

General Public. Hazardous air pollutants include numerous chemical compounds that could produce cancer and other adverse health effects such as respiratory disease, birth defects, eye irritation, and effects on the nervous system. HAPs may result in excess cancer deaths with greater risks to persons living near the sources. Therefore, reductions in HAPs emissions should result in health benefits. Reductions in HAPs emissions also could have a greater positive impact on persons in higher risk categories, such as children, elderly, and those whose health status has been compromised.

Exposure to HAPs can increase the risk of experiencing health problems. Adverse health impacts can range from relatively minor (e.g., skin rash, nausea, cough, headache, dizziness) to severe, including irreversible, debilitating, and life threatening effects (e.g., asthma, chronic bronchitis, emphysema, kidney and liver damage, and reproductive disorders). Sometimes full recovery may occur, while other times, recovery may be slow and incomplete. Excess cancer deaths can be attributable to HAPs emissions. Populations living near sources emitting HAPs may be at greater risk of getting cancer and other non-cancer effects. Further information is available on EPA's Air Toxics Web site; refer to, "Risk Assessment for Toxic Air Pollutants: A Citizen's Guide" and "Air Pollution and Health Risk" at www.epa.gov/ttn/atw.

Exposure to certain types of HAPs (e.g., hydrogen fluoride, hydrogen chloride, and HAP metals) causes adverse chronic and acute health effects. Chronic health disorders include irritation to lung, skin, and mucus membranes, certain effects on central nervous system, and damage to kidneys. Acute health effects include lung irritation, conges-

tion, alimentary effects, such as nausea and vomiting, and effects on kidney and central nervous system (68 FR 26692, May 16, 2003).

HAPs emissions also can cause adverse environmental impacts on wildlife, aquatic life, and other natural resources. The statute includes the consideration of overall environmental impacts, and ADEQ considers the approach taken in this rulemaking to have a collateral benefit to wildlife, aquatic life and other natural resources as sources now subject to regulation would not be required to control HAPs under the current approach.

Potential health and environmental benefits are expected to accrue as HAPs emissions are reduced in the state. Consumers may experience higher product costs as sources pass-on higher compliance costs. However, any increases in product costs are expected to be minimal. In some cases, sources may experience less profit from the higher costs of doing business.

Small Business Reduction of Impacts. State law requires agencies to reduce the impact of a rule on small businesses by using certain methods, when they are legal and feasible, in meeting the statutory objectives of the rulemaking. ADEQ considered each of the methods prescribed in A.R.S. §§ 41-1035 and 41-1055(B) for reducing the impact on small businesses. Methods that may be used include the following: (1) exempt them from any or all rule requirements, (2) establish performance standards that would replace any design or operational standards, or (3) institute reduced compliance or reporting requirements, such as establishing less stringent requirements, consolidating or simplifying them or setting less stringent schedules or deadlines.

Other than the following examples, ADEQ could not find other alternative methods that would reduce the impact of this rulemaking on small businesses, or that would be less intrusive or less costly to implement the statutory objectives. Although all sources may take advantage of methods to reduce or eliminate impacts, ADEQ is sensitive to the needs of small businesses. As a result, this rulemaking allows sources to do the following: (1) perform an RMA to establish the applicability of HAPRACT or AZMACT, (2) voluntarily propose an emissions limitation in order to avoid the imposition of HAPRACT or AZMACT, (3) apply for a general permit, or (4) control HAPs emissions through the application of certain design measures, work practices, process changes, or techniques. ADEQ is also offering direct assistance to small businesses.

Additionally, sources could reject the implementation of certain proposed control technologies by considering economic impacts and cost effectiveness in an RMA. This means that some costly control measures potentially could be eliminated by determining adverse economic, environmental, or energy impacts. Finally, if a reliable method of measuring HAPs emissions is not available, instead of imposing a numeric emissions limitation, a design, equipment, work practice, or operational standard, or some combination thereof, would be required.

Table 1. Minor Source Categories for State HAPs: SIC Codes and Equivalent NAICS Codes

SIC Code	Source Category	NAICS Code	Source Category
1021	Copper Ores	212234	Copper Ores & Nickel Ore Mining
2434	Wood Kitchen Cabinets	337110	Wood Kitchen Cabinets & Countertop Manufacturing
2451	Mobile Homes	321991	Manufactured Home (Mobile Home) Manufacturing
2621	Paper Mills	322121	Paper Mills
2679	Converted Paper & Paperboard Products, nec[1]	322231	Die-Cut Paper & Paperboard Office Supplies Manufacturing
2851	Paints, Varnishes, Lacquers, Enamels & Allied Products	325510	Paint & Coating Manufacturing
2911	Petroleum Refining	324110	Petroleum Refineries
3069	Fabricated Rubber Products, nec[1]	326299	All Other Rubber Product Manufacturing
3086	Plastics Foam Products (polystyrene)	326140	Polystyrene Foam Product Manufacturing
3088	Plastics Plumbing Fixtures	326191	Plastics Plumbing Fixture Manufacturing

3089	Plastics Product, nec[1]	326199	All Other Plastics Product Manufacturing
3241	Cement, Hydraulic	327310	Cement Manufacturing
3281	Cut Stone & Stone Products	327991	Cut Stone & Stone Product Manufacturing
3296	Mineral Wool	327993	Mineral Wool Manufacturing
3312	Steel Works, Blast Furnaces, & Rolling Mills (including coke ovens)	33111 331221 324199	Iron & Steel Mills Rolled Steel Shape Manufacturing All Other Petroleum & Coal Products Manufacturing
3331	Primary Smelting & Refining of Copper	331411	Primary Smelting & Refining of Copper
3411	Metal Cans	332431	Metal Can Manufacturing
3444	Sheet Metal Work	332322	Sheet Metal Work Manufacturing
3451	Screw Machine Products	332721	Precision Turned Product Manufacturing
3479	Coating, Engraving, & Allied Services, nec[1]		339914, 339911, 339912, 332812
3585	Air-Conditioning & Warm Air Heating Equipment & Commercial & Industrial Refrigeration Equipment	336391 333415	Motor Vehicle Air-Conditioning Manufacturing Air-Conditioning & Warm Air Heating Equipment & Commercial & Industrial Refrigeration Equipment Manufacturing
3672	Printed Circuit Boards	334412	Bare Printed Circuit Board Manufacturing
3999	Manufacturing Industries, nec[1]		337127, 333319, 31611, 335121, 325998, 332999, 326199, 335211, 332212, 332211, 339932, 339999
4922	Natural Gas Transmission	486210	Pipeline Transmission of Natural Gas
5169	Chemicals & Allied Products, nec[1]	422690	Other Chemical & Allied Products wholesalers
5171	Petroleum Bulk Stations & Terminals	422710 454311 454312	Petroleum Bulk Stations & Terminals (wholesale) Heating Oil Dealers LPG Dealers

[1]not elsewhere classified

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Diane Arnst

Address: ADEQ, Air Quality Planning Section
1110 W. Washington
Phoenix, AZ 85007

Telephone: (602) 771-2375 (Any extension may be reached in-state by dialing 1-800-234-5677 and asking for a specific number.)

Fax: (602) 771-2366

E-mail: Arnst.Diane@azdeq.gov

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

2:00 p.m., January 3, 2006
Conference Room 250
1110 W. Washington St.
Phoenix, AZ 85007

2:00 p.m., January 3, 2006
Main Library
101 N. Stone Ave.
Tucson, AZ 85017

Close of Comment: January 3, 2006

11. Any other matter prescribed by statute that is applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

40 C.F.R. 51, App. W	R18-2-406
40 C.F.R. 63.2	R18-2-1701(4)

13. The full text of the rules follows:

TITLE 18. ENVIRONMENTAL QUALITY

CHAPTER 2. DEPARTMENT OF ENVIRONMENTAL QUALITY AIR POLLUTION CONTROL

ARTICLE 1. GENERAL

Section
R18-2-101. Definitions

ARTICLE 3. PERMITS AND PERMIT REVISIONS

Section
R18-2-302. Applicability; Classes of Permits
R18-2-304. Permit Application Processing Procedures
R18-2-306.01. Permits Containing Voluntarily Accepted Emission Limitations and Standards
R18-2-317. Facility Changes Allowed Without Permit Revisions - Class I
R18-2-330. Public Participation
R18-2-331. Material Permit Conditions

ARTICLE 4. PERMIT REQUIREMENTS FOR NEW MAJOR SOURCES AND MAJOR MODIFICATIONS TO EXISTING MAJOR SOURCES

Section
R18-2-406. Permit Requirements for Sources Located in Attainment and Unclassifiable Areas

ARTICLE 5. GENERAL PERMITS

Section
R18-2-507. General Permit Variances

ARTICLE 17. ARIZONA STATE HAZARDOUS AIR POLLUTANTS PROGRAM

Section
R18-2-1701. Definitions
R18-2-1702. Applicability
R18-2-1703. State List of Hazardous Air Pollutants
R18-2-1704. Notice of Types and Amounts of HAPs
R18-2-1705. Modifications; Permits; Permit Revisions
R18-2-1706. Case-by-case HAPRACT Determination
R18-2-1707. Case-by-case AZMACT Determination
R18-2-1708. Risk Management Analyses
R18-2-1709. Periodic Review
Appendix 1. Standard Permit Application Form and Filing Instructions
Appendix 12. A12. Procedures for Determining Ambient Air Concentrations for Hazardous Air Pollutants

ARTICLE 1. GENERAL

R18-2-101. Definitions
In addition to the definitions prescribed in A.R.S. § 49-101, 49-401.01, 49-421, 49-471, and 49-541, in this Chapter, unless otherwise specified:

1. No change
2. No change
   a. No change
   b. No change
   c. No change
   d. No change
   e. No change
3. No change
4. No change
5. No change
6. No change
7. No change
8. No change
9. No change
10. No change
    a. No change
    b. No change
    c. No change
    d. No change
    e. No change
    f. No change
11. No change
    a. No change
    b. No change
    c. No change
12. No change
13. No change
14. No change
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42. No change
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63. No change
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64. No change
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    f. No change
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        ii. No change
        iii. No change
        iv. No change
    g. No change
74. No change
75. No change
76. No change
77. No change
78. No change
79. No change
80. No change
81. No change
82. No change
83. No change
84. No change
    a. No change
    b. No change
    c. No change
    d. No change
85. No change
86. No change
87. No change
88. No change
89. No change

90. No change
91. No change
92. No change
93. No change
94. No change
95. No change
96. No change
    a. No change
    b. No change
    c. No change
    d. No change
97. No change
98. No change
99. "Regulated air pollutant" means any of the following:
    a. Any conventional air pollutant as defined in A.R.S. § 49-401.01.
    b. Nitrogen oxides and volatile organic compounds.
    c. Any air contaminant that is subject to a standard contained in Article 9 of this Chapter.
    d. Any hazardous air pollutant as defined in ~~A.R.S. § 49-401.01~~ Article 17 of this Chapter.
    e. Any Class I or II substance listed in Section 602 of the Act.
100. No change
    a. No change
        i. No change
        ii. No change
        iii. No change
        iv. No change
        v. No change
        vi. No change
        vii. No change
    b. No change
    c. No change
101. No change
    a. No change
    b. No change
102. No change
103. No change
104. No change
105. No change
106. No change
    a. No change
    b. No change
    c. No change
    d. No change
107. No change
108. No change
109. No change
    a. No change
    b. No change
110. No change
111. No change
112. No change
113. No change
114. No change
115. No change
116. No change
117. No change
118. No change

119. No change
    a. No change
    b. No change
    c. No change
    d. No change
    e. No change
    f. No change
    g. No change
    h. No change
    i. No change
    j. No change
    k. No change
    1. No change
    m. No change
    n. No change
    o. No change
    p. No change
    q. No change
    r. No change
    s. No change
    t. No change
    u. No change
    v. No change
    w. No change
    x. No change
    y. No change
    z. No change
    aa. No change
    bb. No change
    cc. No change
    dd. No change
    ee. No change
    ff. No change
    gg. No change
    hh. No change
    ii. No change
    jj. No change
    kk. No change
    ll. No change
    mm. No change
    nn. No change
    oo. No change
    pp. No change
    qq. No change
    rr. No change
    ss. No change
    tt. No change
    uu. No change
    vv. No change
    ww. No change
    xx. No change
120. No change
121. No change
122. No change
123. No change
124. No change

125. No change
126. No change
127. No change
    a. No change
    b. No change
    c. No change
    d. No change
    e. No change
    f. No change
    g. No change
    h. No change
    i. No change
    j. No change
    k. No change
    l. No change
    m. No change
    n. No change
    o. No change
    p. No change
    q. No change
    r. No change
    s. No change
    t. No change
    u. No change
    v. No change
    w. No change
    x. No change
    y. No change
    z. No change
    aa. No change
    bb. No change
    cc. No change
    dd. No change
    ee. No change
    ff. No change
    gg. No change
    hh. No change
    ii. No change
    jj. No change
    kk. No change
    ll. No change
    mm. No change
    nn. No change
    oo. No change
    pp. No change
    qq. No change
    rr. No change
    ss. No change
    tt. No change
    uu. No change
    vv. No change
    ww. No change
        i. No change
        ii. No change
        iii. No change

iv. No change
xx. No change
128. No change

ARTICLE 3. PERMITS AND PERMIT REVISIONS

R18-2-302. Applicability; Classes of Permits

A. Except as otherwise provided in this Article, no person shall commence construction of, operate, or make a modification to any source subject to regulation under this Article, without obtaining a permit or permit revision from the Director.

B. There shall be two classes of permits as follows:

1. A Class I permit shall be required for a person to commence construction of or operate any of the following:
   a. Any major source,
   b. Any solid waste incineration unit required to obtain a permit pursuant to Section 129(e) of the Act,
   c. Any affected source, or
   d. Any source in a source category designated by the Administrator pursuant to 40 CFR 70.3 and adopted by the Director by rule.
2. Unless a Class I permit is required, a Class II permit shall be required for:
   a. A person to commence construction of or operate any of the following:
      i. Any source, including an area source, subject to a standard, limitation, or other requirement under Section 111 of the Act;
      ii. Any source, including an area source, subject to a standard or other requirement under Section 112 of the Act, except that a source is not required to obtain a permit solely because it is subject to regulations or requirements under Section 112 (r) of the Act;
      iii. Any source that emits or has the potential to emit, without controls, significant quantities of regulated air pollutants;
      iv. Stationary rotating machinery of greater than 325 brake horsepower; or
      v. Fuel-burning equipment which, at a location or property other than a one or two family resisdence, is fired at a sustained rate of more than 1 million Btu per hour for more than an eight-hour period.
   b. A person to modify a source which would cause it to emit, or have the potential to emit, quantities of regulated air pollutants greater than or equal to those specified in subsection (B)(2)(a)(iii).
   c. A person to begin actual construction of a source subject to Article 17 of this Chapter.
   d. A person to make a modification subject to Article 17 of this Chapter to a source for which no permit has been issued under this Article.

C. Notwithstanding subsections (A) and (B), the following sources do not require a permit unless the source is a major source, or unless operation without a permit would result in a violation of the Act:

1. Sources subject to 40 CFR 60, Subpart AAA, Standards of Performance for New Residential Wood Heaters;
2. Sources and source categories that would be required to obtain a permit solely because they are subject to 40 CFR 61.145; and
3. Agricultural equipment used in normal farm operations. "Agricultural equipment used in normal farm operations" does not include equipment classified as a source that requires a permit under Title V of the Act, or that is subject to a standard under 40 CFR 60 or 61.

D. No person may construct or reconstruct any major source of hazardous air pollutants, unless the Director determines that maximum achievable control technology emission limitation (MACT) for new sources under Section 112 of the Act will be met. If MACT has not been established by the Administrator, such determination shall be made on a case-by-case basis pursuant to 40 CFR 63.40 through 63.44, as incorporated by reference in R18-2-1101(B). For purposes of this subsection, constructing and reconstructing a major source shall have the meaning prescribed in 40 CFR 63.41.

R18-2-304. Permit Application Processing Procedures

A. Unless otherwise noted, this Section applies to each source requiring a Class I or II permit or permit revision.

B. Standard Application Form and Required Information. To apply for any permit in this Chapter, applicants shall complete the "Standard Permit Application Form" and supply all information required by the "Filing Instructions" as shown in Appendix 1. The Director, either upon the Director's own initiative or on the request of a permit applicant, may waive a requirement that specific information or data be submitted in the application for a Class II permit for a particular source or category of sources if the Director determines that the information or data would be unnecessary to determine all of the

following:

1. The applicable requirements to which the source may be subject;
2. That the source is so designed, controlled, or equipped with such air pollution control equipment that it may be expected to operate without emitting or without causing to be emitted air contaminants in violation of the provisions of A.R.S. Title 49, Chapter 3, Article 2 and this Chapter;
3. The fees to which the source may be subject;
4. A proposed emission limitation, control, or other requirement that meets the requirements of R18-2-306.01.

C. Unless otherwise required by R18-2-303(B) through (D), a timely application is:

1. For a source, other than a major source, applying for a permit for the first time, one that is submitted within 12 months after the source becomes subject to the permit program.
2. For purposes of permit renewal, a timely application is one that is submitted at least six months, but not more than 18 months, prior to the date of permit expiration.
3. For initial phase II acid rain permits under Title IV of the Act and regulations incorporated pursuant to R18-2-333, one that is submitted to the Director by January 1, 1996, for sulfur dioxide, and by January 1, 1998, for nitrogen oxides.
4. Any source under R18-2-326(B)(3) which becomes subject to a standard promulgated by the Administrator pursuant to Section 112(d) of the Act shall, within 12 months of the date on which the standard is promulgated, submit an application for a permit revision demonstrating how the source will comply with the standard.

D. If an applicable implementation plan allows the determination of an alternative emission limit, a source may, in its application, propose an emission limit that is equivalent to the emission limit otherwise applicable to the source under the applicable implementation plan. The source shall also demonstrate that the equivalent limit is quantifiable, accountable, enforceable, and subject to replicable compliance determination procedures.

E. A complete application shall comply with all of the following:

1. To be complete, an application shall provide all information required by subsection (B) (standard application form section). An application for permit revision only need supply information related to the proposed change, unless the source's proposed permit revision will change the permit from a Class II permit to a Class I permit. A responsible official shall certify the submitted information consistent with subsection (H) (Certification of Truth, Accuracy, and Completeness).
2. An application for a new permit or permit revision shall contain an assessment of the applicability of the requirements of Article 4 of this Chapter. If the applicant determines that the proposed new source is a major source as defined in R18-2-401, or the proposed permit revision constitutes a major modification as defined in R18-2-101, then the application shall comply with all applicable requirements of Article 4.
3. An application for a new permit or a permit revision shall contain an assessment of the applicability of the requirements established ~~pursuant to~~ under ~~A.R.S. §§ 49-426.03 and 49-426.06~~ Article 17 of this Chapter. If the applicant determines that the proposed new source permit or permit revision is subject to the requirements of ~~A.R.S. § 49-426.03 or § 49-426.06~~ Article 17 of this Chapter, the application shall comply with all applicable requirements ~~promulgated under those sections~~ of that Article.
4. Except for proposed new major sources or major modifications subject to the requirements of Article 4 of this Chapter, an application for a new permit, a permit revision, or a permit renewal shall be deemed to be complete unless, within 60 days of receipt of the application, the Director notifies the applicant by certified mail that the application is not complete.
5. If a source wishes to voluntarily enter into an emissions limitation, control, or other requirement pursuant to R18-2-306.01, the source shall describe that emissions limitation, control, or other requirement in its application, along with proposed associated monitoring, recordkeeping, and reporting requirements necessary to demonstrate that the emissions limitation, control, or other requirement is permanent, quantifiable, and otherwise enforceable as a practical matter.
6. If, while processing an application that has been determined or deemed to be complete, the Director determines that additional information is necessary to evaluate or take final action on that application, the Director may request such information in writing, delivered by certified mail, and set a reasonable deadline for a response. Except for minor permit revisions as set forth in R18-2-319, a source's ability to continue operating without a permit, as set forth in this Article, shall be in effect from the date the application is determined to be complete until the final permit is issued, provided that the applicant submits any requested additional information by the deadline specified by the Director. If the Director notifies an applicant that its application is not complete under subsection (E)(4), the application may not be deemed automatically complete until an additional 60 days after receipt of the next submittal by the applicant. The Director may, after one submittal by the applicant pursuant to this subsection, reject an application that is determined to be still incomplete and shall notify the applicant of the decision by certified mail. After a rejection under this subsection, the Director may deny the permit or revoke an existing permit, as applicable.

7. The completeness determination shall not apply to revisions processed through the minor permit revision process.
8. Activities which are insignificant pursuant to R18-2-101(57) shall be listed in the application. The application need not provide emissions data regarding insignificant activities. If the Director determines that an activity listed as insignificant does not meet the requirements of R18-2-101(57), the Director shall notify the applicant in writing and specify additional information required.
9. If a permit applicant requests terms and conditions allowing for the trading of emission increases and decreases in the permitted facility solely for the purpose of complying with a federally enforceable emission cap that is established in the permit independent of otherwise applicable requirements, the permit applicant shall include in its application proposed replicable procedures and permit terms that ensure the emissions trades are quantifiable and enforceable.
10. The Director is not in disagreement with a notice of confidentiality submitted with the application pursuant to A.R.S. § 49-432.

F. A source applying for a Class I permit that has submitted information with an application under a claim of confidentiality pursuant to A.R.S. § 49-432 and R18-2-305 shall submit a copy of such information directly to the Administrator.

G. Duty to Supplement or Correct Application. Any applicant who fails to submit any relevant facts or who has submitted incorrect information in a permit application shall, upon becoming aware of such failure or incorrect submittal, promptly submit such supplementary facts or corrected information. In addition, an applicant shall provide additional information as necessary to address any requirements that become applicable to the source after the date it filed a complete application but prior to release of a proposed permit.

H. Certification of Truth, Accuracy, and Completeness. Any application form, report, or compliance certification submitted pursuant to this Chapter shall contain certification by a responsible official of truth, accuracy, and completeness. This certification and any other certification required under this Article shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

I. Action on Application.

1. The Director shall issue or deny each permit according to the provisions of A.R.S. § 49-427. The Director may issue a permit with a compliance schedule for a source that is not in compliance with all applicable requirements at the time of permit issuance.
2. In addition, a permit may be issued, revised, or renewed only if all of the following conditions have been met:
   a. The application received by the Director for a permit, permit revision, or permit renewal shall be complete according to subsection (E).
   b. Except for revisions qualifying as administrative or minor under R18-2-318 and R18-2-319, all of the requirements for public notice and participation under R18-2-330 shall have been met.
   c. For Class I permits, the Director shall have complied with the requirements of R18-2-307 for notifying and responding to affected states, and if applicable, other notification requirements of R18-2-402(D)(2) and R18-2-410(C)(2).
   d. For Class I and II permits, the conditions of the permit shall require compliance with all applicable requirements.
   e. For permits for which an application is required to be submitted to the Administrator under R18-2-307(A), and to which the Administrator has properly objected to its issuance in writing within 45 days of receipt of the proposed final permit and all necessary supporting information from the Department, the Director has revised and submitted a proposed final permit in response to the objection and EPA has not objected to this proposed final permit.
   f. For permits to which the Administrator has objected to issuance pursuant to a petition filed under 40 CFR 70.8(d), the administrator's objection has been resolved.
   g. For a Class II permit that contains voluntary emission limitations, controls, or other requirements established pursuant to R18-2-306.01, the Director shall have complied with the requirement of R18-2-306.01(C) to provide the Administrator with a copy of the proposed permit.
3. If the Director denies a permit under this Section, a notice shall be served on the applicant by certified mail, return receipt requested. The notice shall include a statement detailing the grounds for the denial and a statement that the permit applicant is entitled to a hearing.
4. The Director shall provide a statement that sets forth the legal and factual basis for the proposed permit conditions including references to the applicable statutory or regulatory provisions. The Director shall send this statement to any person who requests it and, for Class I permits, to the Administrator.
5. Except as provided in R18-2-303 and R18-2-402, regulations promulgated under Title IV or V of the Act, or the permitting of affected sources under the acid rain program pursuant to R18-2-333, the Director shall take final action on each permit application (and request for revision or renewal) within 18 months after receiving a complete application.
6. Priority shall be given by the Director to taking action on applications for construction or modification submitted pursuant to Title I, Parts C (Prevention of Significant Deterioration) and D (New Source Review) of the Act.

7. A proposed permit decision shall be published within nine months of receipt of a complete application and any additional information requested pursuant to subsection (E)(6) to process the application. The Director shall provide notice of the decision as provided in R18-2-330 and any public hearing shall be scheduled as expeditiously as possible.

J. Requirement for a Permit. Except as noted under the provisions in R18-2-317 and R18-2-319, no source may operate after the time that it is required to submit a timely and complete application, except in compliance with a permit issued pursuant to this Chapter. However, if a source under R18-2-326(B)(3) submits a timely and complete application for continued operation under a permit revision or renewal, the source's failure to have a permit is not a violation of this Article until the Director takes final action on the application. This protection shall cease to apply if, subsequent to the completeness determination, the applicant fails to submit, by the deadline specified in writing by the Director, any additional information identified as being needed to process the application.

R18-2-306.01. Permits Containing Voluntarily Accepted Emission Limitations and Standards

A. A source may voluntarily propose in its application, and accept in its permit, emissions limitations, controls, or other requirements that are permanent, quantifiable, and otherwise enforceable as a practical matter in order to avoid classification as a source that requires a Class I permit or to avoid one or more other ~~federal~~ applicable requirements. For the purposes of this Section, "enforceable as a practical matter" means that specific means to assess compliance with an emissions limitation, control, or other requirement are provided for in the permit in a manner that allows compliance to be readily determined by an inspection of records and reports.

B. In order for a source to obtain a permit containing voluntarily accepted emissions limitations, controls, or other requirements, the source shall demonstrate all of the following in its permit application:

1. The emissions limitations, controls, or other requirements to be imposed for the purpose of avoiding an applicable requirement are at least as stringent as the emissions limitations, controls, or other requirements that would otherwise be applicable to that source, including those that originate in an applicable implementation plan; and the permit does not waive, or make less stringent, any limitations or requirements contained in or issued pursuant to an applicable implementation plan, or that are otherwise federally enforceable.
2. All voluntarily accepted emissions limitations, controls, or other requirements will be permanent, quantifiable, and otherwise enforceable as a practical matter.

C. At the same time as notice of proposed issuance is first published pursuant to A.R.S. § 49-426(D), the Director shall send a copy of any Class II permit proposed to be issued pursuant to this Section to the Administrator for review during the comment period described in the notice pursuant to R18-2-330(D).

D. The Director shall send a copy of each final permit issued pursuant to this Section to the Administrator.

R18-2-317. Facility Changes Allowed Without Permit Revisions - Class I

A. A facility with a Class I permit may make changes without a permit revision if all of the following apply:

1. The changes are not modifications under any provision of Title I of the Act or under ~~A.R.S. § 49-401.01(17)~~ A.R.S. § 49-401.01(24);
2. The changes do not exceed the emissions allowable under the permit whether expressed therein as a rate of emissions or in terms of total emissions;
3. The changes do not violate any applicable requirements or trigger any additional applicable requirements;
4. The changes satisfy all requirements for a minor permit revision under R18-2-319(A); and
5. The changes do not contravene federally enforceable permit terms and conditions that are monitoring (including test methods), recordkeeping, reporting, or compliance certification requirements.

B. The substitution of an item of process or pollution control equipment for an identical or substantially similar item of process or pollution control equipment shall qualify as a change that does not require a permit revision, if the substitution meets all of the requirements of subsections (A), (D), and (E).

C. Except for sources with authority to operate under general permits, permitted sources may trade increases and decreases in emissions within the permitted facility, as established in the permit under R18-2-306(A)(12), if an applicable implementation plan provides for the emissions trades without applying for a permit revision and based on the seven working days notice prescribed in subsection (D). This provision is available if the permit does not provide for the emissions trading as a minor permit revision.

D. For each change under subsections (A) through (C), a written notice by certified mail or hand delivery shall be received by the Director and the Administrator a minimum of seven working days in advance of the change. Notifications of changes associated with emergency conditions, such as malfunctions necessitating the replacement of equipment, may be provided less than seven working days in advance of the change but must be provided as far in advance of the change or, if advance notification is not practicable, as soon after the change as possible.

E. Each notification shall include:
1. When the proposed change will occur;
2. A description of the change;
3. Any change in emissions of regulated air pollutants;
4. The pollutants emitted subject to the emissions trade, if any;
5. The provisions in the implementation plan that provide for the emissions trade with which the source will comply and any other information as may be required by the provisions in the implementation plan authorizing the trade;
6. If the emissions trading provisions of the implementation plan are invoked, then the permit requirements with which the source will comply; and
7. Any permit term or condition that is no longer applicable as a result of the change.

F. The permit shield described in R18-2-325 shall not apply to any change made under subsections (A) through (C). Compliance with the permit requirements that the source will meet using the emissions trade shall be determined according to requirements of the implementation plan authorizing the emissions trade.

G. Except as otherwise provided for in the permit, making a change from one alternative operating scenario to another as provided under R18-2-306(A)(11) shall not require any prior notice under this Section.

H. Notwithstanding any other part of this Section, the Director may require a permit to be revised for any change that, when considered together with any other changes submitted by the same source under this Section over the term of the permit, do not satisfy subsection (A).

I. The Director shall make available to the public monthly summaries of all notices received under this Section.

R18-2-330. Public Participation

A. The Director shall provide public notice, an opportunity for public comment, and an opportunity for a hearing before taking any of the following actions:
1. A permit issuance or renewal of a permit,
2. A significant permit revision,
3. Revocation and reissuance or reopening of a permit,
4. Any conditional orders pursuant to R18-2-328,
5. Granting a variance from a general permit ~~pursuant to A.R.S. § 49-426.06(E)~~ under R18-2-1705 and R18-2-507.

B. The Director shall provide public notice of receipt of complete applications for permits to construct or make a major modification to major sources by publishing a notice in a newspaper of general circulation in the county where the source is or will be located.

C. The Director shall provide the notice required pursuant to subsection (A) as follows:
1. The Director shall publish the notice once each week for two consecutive weeks in two newspapers of general circulation in the county where the source is or will be located.
2. The Director shall mail a copy of the notice to persons on a mailing list developed by the Director consisting of those persons who have requested in writing to be placed on such a mailing list.

D. The notice required by subsection (C) shall include the following:
1. Identification of the affected facility;
2. Name and address of the permittee or applicant;
3. Name and address of the permitting authority processing the permit action;
4. The activity or activities involved in the permit action;
5. The emissions change involved in any permit revisions;
6. The air contaminants to be emitted;
7. If applicable, that a notice of confidentiality has been filed under R18-2-305;
8. If applicable, that the source has submitted a risk management analysis ~~pursuant to A.R.S. § 49-426.06~~ under R18-2-1708;
9. A statement that any person may submit written comments, or a written request for a public hearing, or both, on the proposed permit action, along with the deadline for such requests or comments;
10. The name, address, and telephone number of a person from the Department from whom additional information may be obtained;
11. Locations where copies of the permit or permit revision application, the proposed permit, and all other materials available to the Director that are relevant to the permit decision may be reviewed, including the closest Department office, and the times at which they shall be available for public inspection.

E. The Director shall hold a public hearing to receive comments on petitions for conditional orders which would vary from requirements of the applicable implementation plan. For all other actions involving a proposed permit, the Director shall hold a public hearing only upon written request. If a public hearing is requested, the Director shall schedule the hearing and publish notice as described in A.R.S. § 49-444 and subsection (D). The Director shall give notice of any public hearing at least 30 days in advance of the hearing.

F. At the time the Director publishes the first notice under subsection (C)(1), the applicant shall post a notice containing the information required in subsection (D) at the site where the source is or may be located. Consistent with federal, state, and local law, the posting shall be prominently placed at a location under the applicant's legal control, adjacent to the nearest public roadway, and visible to the public using the public roadway. If a public hearing is to be held, the applicant shall place an additional posting providing notice of the hearing. Any posting shall be maintained until the public comment period is closed.

G. The Director shall provide at least 30 days from the date of its first notice for public comment. The Director shall keep a record of the commenters and of the issues raised during the public participation process and shall prepare written responses to all comments received. At the time a final decision is made, the record and copies of the Director's responses shall be made available to the applicant and all commenters.

R18-2-331. Material Permit Conditions

A. For the purposes of A.R.S. §§ 49-464(G) and 49-514(G), a "material permit condition" shall mean a condition which satisfies all of the following:
1. The condition is in a permit or permit revision issued by the Director or a control officer after November 15, 1993.
2. The condition is identified within the permit as a material permit condition.
3. The condition is one of the following:
   a. An enforceable emission standard imposed to avoid classification as a major modification or major source or to avoid triggering any other applicable requirement;
   b. A requirement to install, operate, or maintain a maximum achievable control technology or hazardous air pollutant reasonably available control technology required ~~pursuant to A.R.S. § 49-426.06~~ under Article 17 of this Chapter;
   c. A requirement for the installation or certification of a monitoring device;
   d. A requirement for the installation of air pollution control equipment;
   e. A requirement for the operation of air pollution control equipment;
   f. An opacity standard required by Section 111 or Title I, Part C or D of the Act.
4. Violation of the condition is not covered by A.R.S. § 49-464(A) through (F), or (H) through (J) or A.R.S. § 49-514(A) through (F), or (H) through (J).

B. For the purposes of subsections (A)(3)(c), (d), and (e), a permit condition shall not be material where the failure to comply resulted from circumstances which were outside the control of the source. As used in this Section, "circumstances outside the control of the source" shall mean circumstances where the violation resulted from a sudden and unavoidable breakdown of the process or the control equipment, resulted from unavoidable conditions during a start up or shut down or resulted from upset of operations.

C. For purposes of this Section, the term "emission standard" shall have the meaning specified in A.R.S. §§ 49-464(U) and 49-514(T).

ARTICLE 4. PERMIT REQUIREMENTS FOR NEW MAJOR SOURCES AND MAJOR MODIFICATIONS TO EXISTING MAJOR SOURCES

R18-2-406. Permit Requirements for Sources Located in Attainment and Unclassifiable Areas

A. Except as provided in subsections (B) through (G) below and R18-2-408 (Innovative control technology), no permit or permit revision under this Article shall be issued to a person proposing to construct a new major source or make a major modification to a major source that would be constructed in an area designated as attainment or unclassifiable for any pollutant unless the source or modification meets the following conditions:
1. A new major source shall apply best available control technology (BACT) for each pollutant listed in R18-2-101(104)(a) for which the potential to emit is significant.
2. A major modification shall apply BACT for each pollutant listed in R18-2-101(104)(a) for which the modification would result in a significant net emissions increase at the source. This requirement applies to each proposed emissions unit at which a net emissions increase in the pollutant would occur as a result of a physical change or change in the method of operation in the unit.
3. For phased construction projects, the determination of BACT shall be reviewed and modified as appropriate at the latest reasonable time which occurs no later than 18 months prior to commencement of construction of each independent phase of the project. At such time the owner or operator of the applicable stationary source may be required to demonstrate the adequacy of any previous determination of best available control technology for the source.

4. BACT shall be determined on a case-by-case basis and may constitute application of production processes or available methods, systems, and techniques, including fuel cleaning or treatment, clean fuels, or innovative fuel combustion techniques, for control of such pollutant. In no event shall such application of BACT result in emissions of any pollutant, which would exceed the emissions allowed by any applicable new source performance standard or national emission standard for hazardous air pollutants under Articles 9 and 11 of this Chapter. If the Director determines that technological or economic limitations on the application of measurement methodology to a particular emissions unit would make the imposition of an emissions standard infeasible, a design, equipment, work practice, operational standard, or combination thereof may be prescribed instead to satisfy the requirement for the application of BACT. Such standard shall, to the degree possible, set forth the emissions reduction achievable by implementation of such design, equipment, work practice, or operation and shall provide for compliance by means which achieve equivalent results.
5. The person applying for the permit or permit revision under this Article performs an air impact analysis and monitoring as specified in R18-2-407, and such analysis demonstrates that allowable emission increases from the proposed new major source or major modification, in conjunction with all other applicable emission increases or reductions, including secondary emissions, for all pollutants listed in R18-2-218(A), and including minor and mobile source emissions of oxides of nitrogen and PM_{10} :
    a. Would not cause or contribute to an increase in concentrations of any pollutant by an amount in excess of any applicable maximum allowable increase over the baseline concentration in R18-2-218 for any attainment or unclassified area; or
    b. Would not contribute to an increase in ambient concentrations for a pollutant by an amount in excess of the significance level for such pollutant in any adjacent area in which Arizona primary or secondary ambient air quality standards for that pollutant are being violated. A new major source of volatile organic compounds or oxides of nitrogen, or a major modification to a major source of volatile organic compounds or oxides of nitrogen shall be presumed to contribute to violations of the Arizona ambient air quality standards for ozone if it will be located within 50 kilometers of a nonattainment area for ozone. The presumption may be rebutted for a new major source or major modification if it can be satisfactorily demonstrated to the Director that emissions of volatile organic compounds or oxides of nitrogen from the new major source or major modification will not contribute to violations of the Arizona ambient air quality standards for ozone in adjacent nonattainment areas for ozone. Such a demonstration shall include a showing that topographical, meteorological, or other physical factors in the vicinity of the new major source or major modification are such that transport of volatile organic compounds emitted from the source are not expected to contribute to violations of the ozone standards in the adjacent nonattainment areas.
6. Air quality models:
    a. All estimates of ambient concentrations required under this Section shall be based on the applicable air quality models, data basis, and other requirements specified in ~~the "Guideline on Air Quality Models (Revised)" (EPA-450/2-78-027R, U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, Research Triangle Park, N.C. 27711, July 1986), and "Supplement B to the Guideline on Air Quality Models" (U.S. Environmental Protection Agency, September 1990). Both documents~~ 40 C.F.R. 51, Appendix W, "Guideline On Air Quality Models," as of July 1, 2004 (and no future amendments or editions), which shall be referred to hereinafter as "Guideline" and ~~are~~ is adopted by reference and is on file with the Secretary of State and with the Department.
    b. Where an air quality impact model specified in the "Guideline" is not applicable, the model may be modified or another model substituted. Such a change shall be subject to notice and opportunity for public comment. Written approval of the EPA Administrator shall be obtained for any modification or substitution.

B. The requirements of this Section shall not apply to a new major source or major modification to a source with respect to a particular pollutant if the person applying for the permit or permit revision under this Article demonstrates that, as to that pollutant, the source or modification is located in an area designated as nonattainment for the pollutant.

C. The requirements of this Section shall not apply to a new major source or major modification of a source if such source or modification would be a major source or major modification only if fugitive emissions, to the extent quantifiable, are considered in calculating the potential emissions of the source or modification, and the source is not either among the Categorical Sources listed in R18-2-101 or belongs to the category of sources for which New Source Performance Standards under 40 CFR 60 or National Emission Standards for Hazardous Air Pollutants under 40 CFR 61 promulgated by the Administrator prior to August 7, 1980.

D. The requirements of this Section shall not apply to a new major source or major modification to a source when the owner of such source is a nonprofit health or educational institution.

E. The requirements of this Section shall not apply to a portable source which would otherwise be a new major source or major modification to an existing source if such portable source is temporary, is under a permit or permit revision under

this Article, is in compliance with the conditions of that permit or permit revision under this Article, the emissions from the source will not impact a Class I area nor an area where an applicable increment is known to be violated, and reasonable notice is given to the Director prior to the relocation identifying the proposed new location and the probable duration of operation at the new location. Such notice shall be given to the Director not less than 10 calendar days in advance of the proposed relocation unless a different time duration is previously approved by the Director.

F. Special rules applicable to Federal Land Managers:

1. Notwithstanding any other provision of this Section, a Federal Land Manager may present to the Director a demonstration that the emissions attributed to such new major source or major modification to a source will have significant adverse impact on visibility or other specifically defined air quality related values of any Federal Mandatory area designated in R18-2-217(B) regardless of the fact that the change in air quality resulting from emissions attributable to such new major source or major modification to a source in existence will not cause or contribute to concentrations which exceed the maximum allowable increases for a Class I area. If the Director concurs with such demonstrations, the permit or permit revision under this Article shall be denied.
2. If the owner or operator of a proposed new major source or a source for which major modification is proposed demonstrates to the Federal Land Manager that the emissions attributable to such major source or major modification will have no significant adverse impact on the visibility or other specifically defined air quality-related values of such areas and the Federal Land Manager so certifies to the Director, the Director may issue a permit or permit revision under this Article, notwithstanding the fact that the change in air quality resulting from emissions attributable to such new major source or major modification will cause or contribute to concentrations which exceed the maximum allowable increases for a Class I area. Such a permit or permit revision under this Article shall require that such new major source or major modification comply with such emission limitations as may be necessary to assure that emissions will not cause increases in ambient concentrations greater than the following maximum allowable increases over baseline concentrations for such pollutants:

	Maximum Allowable Increase (Micrograms per cubic meter)
Sulfur Oxide	
Period of exposure	
Low terrain areas:	
24-hour maximum	36
3-hour maximum	130
High terrain areas:	
24-hour maximum	62
3-hour maximum	221

G. The issuance of a permit or permit revision under this Article in accordance with this Section shall not relieve the owner or operator of the responsibility to comply fully with applicable provisions of the SIP and any other requirements under local, state, or federal law.

H. At such time that a particular source or modification becomes a major source or major modification solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the source or modification otherwise to emit a pollutant, such as a restriction on hours of operation, then the requirements of this Section shall apply to the source or modification as though construction had not yet commenced on the source or modification.

ARTICLE 5. GENERAL PERMITS

R18-2-507. General Permit Variances

A. Where MACT (maximum achievable control technology) or HAPRACT (hazardous air pollutant reasonably available control technology) has been established in a general permit for a source category designated ~~pursuant to A.R.S. § 49-426.05(A)~~ under R18-2-1702, the owner or operator of a source within that source category may apply for a variance from the standard by demonstrating compliance with ~~A.R.S. § 49-426.06(D)~~ R18-2-1708 at the time the source applies for coverage under the general permit.

B. If the owner or operator makes the showing required by ~~A.R.S. § 49-426.06(D)~~ R18-2-1708 and otherwise qualifies for the general permit, the Director shall, in accordance with the procedures established pursuant to this Article, approve the application and authorize operation under a variance from the standard of the general permit.

C. Except as modified by the variance, the source shall comply with all conditions of the general permit.

D. A proposed variance to a standard in a general permit shall be subject to the public notice requirements of R18-2-330.

ARTICLE 17. ARIZONA STATE HAZARDOUS AIR POLLUTANTS PROGRAM

R18-2-1701. Definitions

The following definitions, and the definitions contained in Article 1 of this Chapter and A.R.S. § 49-401.01 apply to this Article unless the context otherwise applies.

1. "Acute adverse effects to human health" means those effects described in A.R.S. § 49-401.01(2) that are of short duration or rapid onset.
2. "Acute Ambient Air Concentration (AAAC)" means that concentration of a hazardous air pollutant, in the ambient air, above which it is predicted that the general population, including susceptible populations, could experience acute adverse effects to human health.
3. "Ambient air concentration (AAC)" means that concentration of a hazardous air pollutant in the ambient air, listed in R18-2-1708(D)(1) or determined in accordance with R18-2-1708(D)(2) or (D)(3), above which it is predicted that the general population, including susceptible populations, could experience adverse effects to human health.
4. "Affected source" has the meaning of "affected source" contained in 40 C.F.R. 63.2, as of July 1, 2004 (and no future amendments or editions), which is incorporated herein by reference, and is on file with the Department.
5. "Arizona maximum achievable control technology" or "AZMACT" means an emission standard that requires the maximum degree of reduction in emissions of the hazardous air pollutants subject to this Chapter, including a prohibition on such emissions where achievable, and that the director, after considering the cost of achieving such emission reduction and any non-air quality health and environmental impacts and energy requirements, determines to be achievable by an affected source to which such standard applies, through application of measures, processes, methods, systems or techniques including measures which:
    a. Reduce the volume of, or eliminate emissions of, such pollutants through process changes, substitution of materials or other modifications;
    b. Enclose systems or processes to eliminate emissions;
    c. Collect, capture or treat such pollutants when released from a process, stack, storage or fugitive emissions point;
    d. Are design, equipment, work practice, or operational standards, including requirements for operator training or certification; or
    e. Are a combination of the above.
6. "Chemical Abstract Service (CAS) Number" means a unique, identifying number assigned by the Chemical Abstract Service to each distinct chemical substance.
7. "Chronic adverse effects to human health" means those effects described in A.R.S. § 49-401.01(2) that are of a persistent, recurring, or long-term nature or that are delayed in their onset.
8. "Chronic Ambient Air Concentration (CAAC)" means that concentration of a hazardous air pollutant, in the ambient air, above which it is predicted that the general population, including susceptible populations, could experience chronic adverse effects to human health.
9. "Federally listed hazardous air pollutant" means any air pollutant adopted under R18-2-1703.
10. "Hazardous air pollutant" means any federally listed hazardous air pollutant.
11. "Major source of state hazardous air pollutants (HAPs)" means:
    a. A stationary source that emits or has the potential to emit in the aggregate, including fugitive emissions, 10 tons per year or more of any state hazardous air pollutant or 25 tons per year or more of any combination of state hazardous air pollutants.
    b. Any change to a minor source of hazardous air pollutants that would increase its emissions to the qualifying levels in subsection (a).
12. "Minor source of state hazardous air pollutants (HAPs)" means a stationary source that emits or has the potential to emit, including fugitive emissions, one ton or more but less than 10 tons per year of any hazardous air pollutant or two and one-half tons or more but less than 25 tons per year of any combination of hazardous air pollutants.
13. "Modification" or "modify" means a physical change in, or change in the method of operation of, a source which increases the actual emissions of any state hazardous air pollutant (HAP) emitted by the source by more than any de minimis amount listed in Table 1, or which results in the emission of any HAP not previously emitted by the source by more than any de minimis amount listed in Table 1.
    a. A physical change in, or change in the method of operation of, a source which increases the actual emissions of any state HAP by that source is a modification if it results in total source emissions that exceed one ton per year of any individual HAP or two and one half tons per year of any combination of HAPs.
    b. A physical change in, or change in the method of operation of, a source is not a modification subject to this Section if:
        i. The change, together with any other changes implemented or planned by the source, qualifies for an alternative emission limitation under § 112(i)(5) of the Clean Air Act.

ii. The change is required under a standard imposed under § 112(d) or § 112(f) of the Clean Air Act and the change is implemented after the Administrator promulgates the standard.
iii. The change is routine maintenance, repair or replacement.
iv. The change is the use of an alternative fuel or raw material by reason of an order under Sections 2(a) and (b) of the Energy Supply and Environmental Coordination Act of 1974, 15 U.S.C. 792, or by reason of a natural gas curtailment plan under the Federal Power Act, 16 U.S.C. 792 - 825r;
v. The change is the use of an alternative fuel by reason of an order or rule under Section 125 of the Act;
vi. The change is the use of an alternative fuel at a steam generating unit to the extent that the fuel is generated from municipal solid waste;
vii. The change is an increase in the hours of operation or in the production rate, unless the change would be prohibited under an enforceable permit condition.
viii. The change is any change in ownership at a stationary source;

Table 1. State HAPs De Minimis Levels

Chemical	De Minimis (lb/hr)	De Minimis (lb/yr)
1,1,1-Trichloroethane (Methyl Chloroform)	117	14,247
1,1,2,2-Tetrachloroethane	N/A	0.20
1,3-Butadiene	N/A	0.39
1,4-Dichlorobenzene	N/A	1.9
2,2,4-Trimethylpentane	51	N/A
2,4-Dinitrotoluene	N/A	0.13
2-Chloroacetophenone	N/A	0.19
Acetaldehyde	N/A	5.3
Acetophenone	1.4	2,261
Acrolein	0.013	0.129
Acrylonitrile	N/A	0.17
Antimony Compounds (Selected compound: Antimony)	0.71	9.0
Arsenic Compounds (Selected compound: Arsenic)	N/A	0.0027
Benzene	N/A	1.5
Benzyl Chloride	N/A	0.25
Beryllium Compounds (Selected compound: Beryllium)	0.000707	0.0049
Biphenyl	2.1	1,130
bis(2-Ethylhexyl) Phthalate	0.71	3.0
Bromoform	0.42	11
Cadmium Compounds (Selected compound: Cadmium)	N/A	0.0065
Carbon Disulfide	18	4,522
Carbon Tetrachloride	N/A	0.78
Carbonyl Sulfide	1.7	N/A

Chlorobenzene	57	6,442
Chloroform	N/A	2.2
Chromium Compounds (Selected compound: Hexavalent Chromium)	N/A	0.0010
Cobalt Compounds (Selected compound: Cobalt)	N/A	0.0042
Cumene	53	2,583
Cyanide Compounds (Selected compound: Hydrogen Cyanide)	0.22	19
Dibenzofurans	1.4	45
Dichloromethane (Methylene Chloride)	20	25
Dimethyl formamide	9.3	194
Dimethyl Sulfate	0.018	N/A
Ethyl Benzene	14	6,442
Ethyl Chloride (Chloroethane)	71	64,420
Ethylene Dibromide (Dibromoethane)	N/A	0.020
Ethylene Dichloride (1,2-Dichloroethane)	N/A	0.45
Ethylene glycol	2.8	2,583
Ethylidene Dichloride (1,1-Dichloroethane)	354	3,230
Formaldehyde	N/A	0.90
Glycol Ethers (Selected compound: Diethylene glycol, monoethyl ether)	14	19
Hexachlorobenzene	N/A	0.026
Hexane	659	13,689
Hydrochloric Acid	0.93	129
Hydrogen Fluoride (Hydrofluoric Acid)	0.56	90
Isophorone	0.71	12,946
Manganese Compounds (Selected compound: Manganese)	0.14	0.32
Mercury Compounds (Selected compound: Elemental Mercury)	0.058	1.9
Methanol	53	25,830
Methyl Bromide	15	32
Methyl Chloride	67	582
Methyl Ethyl Ketone	284	32,272
Methyl Hydrazine	N/A	0.0024
Methyl Isobutyl Ketone (Hexone)	28	19,388

Methyl Methacrylate	18	4,522
Methyl Tert-Butyl Ether	N/A	46
N, N-Dimethylaniline	1.4	45
Naphthalene	N/A	0.35
Nickel Compounds (Selected compound: Nickel Refinery Dust)	N/A	0.049
Phenol	3.3	1,295
Polychlorinated Biphenyls (Selected Compound: Aroclor 1254)	N/A	0.12
Polycyclic Organic Matter (Selected compound: Benzo(a)pyrene)	N/A	0.013
Propionaldehyde	N/A	5.3
Propylene Dichloride	14	26
Selenium Compounds (Selected compound: Selenium)	0.028	113
Styrene	31	6,442
Tetrachloroethylene (Perchlorethylene)	N/A	2.0
Toluene	109	146,766
Trichloroethylene	N/A	0.10
Vinyl Acetate	22	1,295
Vinyl Chloride	N/A	1.3
Vinylidene Chloride (1,2-Dichloroethylene)	2.1	1,295
Xylene (Mixed Isomers)	98	644

14. "Potential to emit" or "potential emission rate" means the maximum capacity of a stationary source to emit a pollutant, excluding secondary emissions, taking into account controls that are enforceable under any federal, state or local law, rule or regulation or that are inherent in the design of the source.
15. "SIC Code" means the standard industrial classification code number for a source category derived from 1987 Standard Industrial Classification Manual (U.S. Office of Management and Budget, 1987).
16. "State hazardous air pollutant" (HAP) means any federally listed hazardous air pollutant.
17. "Technology transfer" means the process by which existing control technologies that have been successfully applied in other source categories that have similar processes or emissions units are reviewed for potential use in the applicant's source category.

R18-2-1702. Applicability

A. The provisions of this Article apply to:
1. Minor sources of state hazardous air pollutants that are in one of the source categories listed in Table 2; and
2. Major sources of state hazardous air pollutants.

Table 2. State HAPs Minor Source Categories

Primary SIC Code	Source Category
1021	Copper Ores
2434	Wood Kitchen Cabinets
2451	Mobile Homes
2621	Paper Mills
2679	Converted Paper Products, n.e.c.[1]
2851	Paints and Allied Products
2911	Petroleum Refining
3086	Plastics Foam Products
3088	Plastics Plumbing Fixtures
3089	Plastics Products, n.e.c.[1]
3241	Cement, Hydraulic
3281	Cut Stone and Stone Products
3296	Mineral Wool
3312	Blast Furnaces and Steel mills
3331	Primary Copper
3411	Metal Cans
3444	Sheet Metal Work
3451	Screw Machine Products
3479	Metal Coating and Allied Services
3585	Refrigeration and Heating Equipment
3672	Printed Circuit Boards
3999	Mfg. Industries, n.e.c.[1]
4922	Natural Gas Transmission
5169	Chemicals and Allied Products, n.e.c.[1]
5171	Petroleum Bulk Stations and Terminals

[1] Not Elsewhere Classified

B. The provisions of this Article shall not apply to:
1. Affected sources for which a standard under 40 C.F.R. 61 or 40 C.F.R. 63 imposes an emissions limitation.
2. Affected sources at a minor source of state HAPs that is in a source category for which a standard under 40 C.F.R. 63 has been adopted and that agrees to comply with the emissions limitation under R18-2-306.01.

C. If the Clean Air Act has established provisions including specific schedules for the regulation of source categories under Section 112(e)(5) and 112(n), those provisions and schedules shall apply to the regulation of those source categories.

D. For any category or subcategory of facilities licensed by the Nuclear Regulatory Commission, the Director shall not adopt or enforce any standard or limitation respecting emissions of radionuclides which is more stringent than the standard or limitation adopted by the Administrator under Section 112 of the Act.

E. The provisions of this Article shall not apply to sources for which the Administrator has made one of the following findings under Section 112(n) of the Clean Air Act, 42 U.S.C. 7412(n):
1. A finding that regulation is not appropriate or necessary, or
2. A finding that alternative control strategies should be applied.

R18-2-1703. State List of Hazardous Air Pollutants

The following federally listed hazardous air pollutants listed in § 112(b)(1) of the Clean Air Act, 42 U.S.C. § 7412(b)(1) are adopted:

1. Acetaldehyde (CAS 75070)
2. Acetamide (CAS 60355)
3. Acetonitrile (CAS 75058)
4. Acetophenone (CAS 98862)
5. 2-Acetylaminofluorene (CAS 53963)
6. Acrolein (CAS 107028)
7. Acrylamide (CAS 79061)
8. Acrylic acid (CAS 79107)
9. Acrylonitrile (CAS 107131)
10. Allyl chloride (CAS 107051)
11. 4-Aminobiphenyl (CAS 92671)
12. Aniline (CAS 62533)
13. o-Anisidine (CAS 90040)
14. Asbestos (CAS 1332214)
15. Benzene (including benzene from gasoline) (CAS 71432)
16. Benzidine (CAS 92875)
17. Benzotrichloride (CAS 98077)
18. Benzyl chloride (CAS100447)
19. Biphenyl (CAS 92524)
20. Bis(2-ethylhexyl)phthalate (DEHP) (CAS 117817)
21. Bis(chloromethyl)ether (CAS 542881)
22. Bromoform (CAS 75252)
23. 1,3-Butadiene (CAS 106990)
24. Calcium cyanamide (CAS 156627)
25. Captan (CAS 133062)
26. Carbaryl (CAS 63252)
27. Carbon disulfide (CAS 75150)
28. Carbon tetrachloride (CAS 56235)
29. Carbonyl sulfide (CAS 463581)
30. Catechol (CAS 120809)
31. Chloramben (CAS 133904)
32. Chlordane (CAS 57749)
33. Chlorine (CAS 7782505)
34. Chloroacetic acid (CAS 79118)
35. 2-Chloroacetophenone (CAS 532274)
36. Chlorobenzene (CAS 108907)
37. Chlorobenzilate (CAS 510156)
38. Chloroform (CAS 67663)
39. Chloromethyl methyl ether (CAS 107302)
40. Chloroprene (CAS 126998)
41. Cresols/Cresylic acid (isomers and mixture) (CAS 1319773)
42. o-Cresol (CAS 95487)
43. m-Cresol (CAS 108394)
44. p-Cresol (CAS 106445)
45. Cumene (CAS 98828)
46. 2,4-D,salts and esters (CAS 94757)
47. DDE (CAS 3547044)
48. Diazomethane (CAS 334883)
49. Dibenzofurans (CAS 132649)
50. 1,2-Dibromo-3-chloropropane (CAS 96128)
51. Dibutylphthalate (CAS 84742)
52. 1,4-Dichlorobenzene(p) (CAS 106467)
53. 3,3-Dichlorobenzidene (CAS 91941)

54. Dichloroethyl ether (Bis(2-chloroethyl)ether) (CAS 111444)
55. 1,3-Dichloropropene (CAS 542756)
56. Dichlorvos (CAS 62737)
57. Diethanolamine (CAS 111422)
58. N,N-Diethylaniline (N,N-Dimethylaniline) (CAS 121697)
59. Diethyl sulfate (CAS 64675)
60. 3,3-Dimethoxybenzidine (CAS 119904)
61. Dimethyl aminoazobenzene (CAS 60117)
62. 3,3'-Dimethyl benzidine (CAS 119937)
63. Dimethyl carbamoyl chloride (CAS 79447)
64. Dimethyl formamide (CAS 68122)
65. 1,1-Dimethyl hydrazine (CAS 57147)
66. Dimethyl phthalate (CAS 131113)
67. Dimethyl sulfate (CAS 77781)
68. 4,6-Dinitro-o-cresol, and salts (CAS 534521)
69. 2,4-Dinitrophenol (CAS 51285)
70. 2,4-Dinitrotoluene (CAS 121142)
71. 1,4-Dioxane (1,4-Diethyleneoxide) (CAS 123911)
72. 1,2-Diphenylhydrazine (CAS 122667)
73. Epichlorohydrin (1-Chloro-2,3-epoxypropane) (CAS 106898)
74. 1,2-Epoxybutane (CAS 106887)
75. Ethyl acrylate (CAS 140885)
76. Ethyl benzene (CAS 100414)
77. Ethyl carbamate (Urethane) (CAS 51796)
78. Ethyl chloride (Chloroethane) (CAS 75003)
79. Ethylene dibromide (Dibromoethane) (CAS 106934)
80. Ethylene dichloride (1,2-Dichloroethane) (CAS 107062)
81. Ethylene glycol (CAS 107211)
82. Ethylene imine (Aziridine) (CAS 151564)
83. Ethylene oxide (CAS 75218)
84. Ethylene thiourea (CAS 96457)
85. Ethylidene dichloride (1,1-Dichloroethane) (CAS 75343)
86. Formaldehyde (CAS 50000)
87. Heptachlor (CAS 76448)
88. Hexachlorobenzene (CAS 118741)
89. Hexachlorobutadiene (CAS 87683)
90. Hexachlorocyclopentadiene (CAS 77474)
91. Hexachloroethane (CAS 67721)
92. Hexamethylene-1,6-diisocyanate (CAS 822060)
93. Hexamethylphosphoramide (CAS 680319)
94. Hexane (CAS 110543)
95. Hydrazine (CAS 302012)
96. Hydrochloric acid (CAS 7647010)
97. Hydrogen fluoride (Hydrofluoric acid) (CAS 7664393)
98. Hydroquinone (CAS 123319)
99. Isophorone (CAS 78591)
100. Lindane (all isomers) (CAS 58899)
101. Maleic anhydride (CAS 108316)
102. Methanol (CAS 67561)
103. Methoxychlor (CAS 72435)
104. Methyl bromide (Bromomethane) (CAS 74839)
105. Methyl chloride (Chloromethane) (CAS 74873)
106. Methyl chloroform (1,1,1-Trichloroethane) (CAS 71556)
107. Methyl ethyl ketone (2-Butanone) (CAS 78933)
108. Methyl hydrazine (CAS 60344)
109. Methyl iodide (Iodomethane) (CAS 74884)

110. Methyl isobutyl ketone (Hexone) (CAS 108101)
111. Methyl isocyanate (CAS 624839)
112. Methyl methacrylate (CAS 80626)
113. Methyl tert butyl ether (CAS 1634044)
114. 4,4-Methylene bis(2-chloroaniline) (CAS 101144)
115. Methylene chloride (Dichloromethane) (CAS 75092)
116. Methylene diphenyl diisocyanate (MDI) (CAS 101688)
117. 4,4'-Methylenedianiline (CAS 101779)
118. Naphthalene (CAS 91203)
119. Nitrobenzene (CAS 98953)
120. 4-Nitrobiphenyl (CAS 92933)
121. 4-Nitrophenol (CAS 100027)
122. 2-Nitropropane (CAS 79469)
123. N-Nitroso-N-methylurea (CAS 684935)
124. N-Nitrosodimethylamine (CAS 62759)
125. N-Nitrosomorpholine (CAS 59892)
126. Parathion (CAS 56382)
127. Pentachloronitrobenzene (Quintobenzene) (CAS 82688)
128. Pentachlorophenol (CAS 87865)
129. Phenol (CAS 108952)
130. p-Phenylenediamine (CAS 106503)
131. Phosgene (CAS 75445)
132. Phosphine (CAS 7803512)
133. Phosphorus (CAS 7723140)
134. Phthalic anhydride (CAS 85449)
135. Polychlorinated biphenyls (Aroclors) (CAS 1336363)
136. 1,3-Propane sultone (CAS 1120714)
137. beta-Propiolactone (CAS 57578)
138. Propionaldehyde (CAS 123386)
139. Propoxur (Baygon) (CAS 114261)
140. Propylene dichloride (1,2-Dichloropropane) (CAS 78875)
141. Propylene oxide (CAS 75569)
142. 1,2-Propylenimine (2-Methyl aziridine) (CAS 75558)
143. Quinoline (CAS 91225)
144. Quinone (CAS 106514)
145. Styrene (CAS 100425)
146. Styrene oxide (CAS 96093)
147. 2,3,7,8-Tetrachlorodibenzo-p-dioxin (CAS 1746016)
148. 1,1,2,2-Tetrachloroethane (CAS 79345)
149. Tetrachloroethylene (Perchloroethylene) (CAS 127184)
150. Titanium tetrachloride (CAS 7550450)
151. Toluene (CAS 108883)
152. 2,4-Toluene diamine (CAS 95807)
153. 2,4-Toluene diisocyanate (CAS 584849)
154. o-Toluidine (CAS 95534)
155. Toxaphene (chlorinated camphene) (CAS 8001352)
156. 1,2,4-Trichlorobenzene (CAS 120821)
157. 1,1,2-Trichloroethane (CAS 79005)
158. Trichloroethylene (CAS 79016)
159. 2,4,5-Trichlorophenol (CAS 95954)
160. 2,4,6-Trichlorophenol (CAS 88062)
161. Triethylamine (CAS 121448)
162. Trifluralin (CAS 1582098)
163. 2,2,4-Trimethylpentane (CAS 540841)
164. Vinyl acetate (CAS 108054)
165. Vinyl bromide (CAS 593602)

166. Vinyl chloride (CAS 75014)
167. Vinylidene chloride (1,1-Dichloroethylene) (CAS 75354)
168. Xylenes (isomers and mixture) (CAS 1330207)
169. o-Xylenes (CAS 95476)
170. m-Xylenes (CAS 108383)
171. p-Xylenes (CAS 106423)
172. Antimony Compounds
173. Arsenic Compounds (inorganic including arsine)
174. Beryllium Compounds
175. Cadmium Compounds
176. Chromium Compounds
177. Cobalt Compounds
178. Coke Oven Emissions
179. Cyanide Compounds (X, CN where X = H' or any other group where a formal dissociation may occur. For example KCN or Ca(CN[2].)
180. Glycol ethers
    a. Glycol ethers includes mono- and di- ethers of ethylene glycol, diethlyene glycol, and triethylene glycol R-(O2H2CH2)[N]-OR' where:
        i. n = 1, 2, or 3; R = alkyl or aryl groups;
        ii. R' = R, H, or groups which, when removed, yield glycol ethers with the structure: R-(OCH2CH)[N]-OH. Polymers are excluded from the glycol category.
    b. Glycol ethers does not include ethylene glycol monobutyl ether and surfactant alcohol ethoxylates and their derivatives (SAED).
181. Lead Compounds
182. Manganese Compounds
183. Mercury Compounds
184. Fine Mineral Fibers including mineral fiber emissions from facilities manufacturing or processing glass, rock or slag (or other mineral derived fibers) of average diameter 1 micrometer or less.
185. Nickel Compounds
186. Polycylic Organic Matter including organic compounds with more than one benzene ring, and which have a boiling point greater than or equal to 100 degrees C.
187. Radionuclides, including radon. (Radionuclide is a type of atom which spontaneously undergoes radioactive decay.)
188. Selenium Compounds

R18-2-1704. Notice of Types and Amounts of HAPs

An owner or operator of a source subject to this Article shall provide the Director with notification, in a permit application, of the types and amounts of HAPs emitted by the source, by providing readily available data regarding emissions from the source. The Director shall not require the owner or operator to conduct performance tests, sampling or monitoring in order to fulfill the requirements of this subsection.

R18-2-1705. Modifications; Permits; Permit Revisions

A. Any person who constructs or modifies a source that is subject to R18-2-1702 must first obtain a permit or significant permit revision that complies with Article 3 of this Chapter, and subsection (B) or (C) of this Section.

B. A permit or significant permit revision that is issued to a new or modified source that is subject to this program under R18-2-1702(A)(1) shall impose HAPRACT under R18-2-1706, unless the applicant demonstrates, with a Risk Management Analysis under R18-2-1708, that the imposition of HAPRACT is not necessary to avoid adverse effects to human health or adverse environmental effects.

C. A permit or significant permit revision that is issued to a new or modified source that is subject to this program under R18-2-1702(A)(2) shall impose AZMACT under R18-2-1707, unless the applicant demonstrates, with a Risk Management Analysis under R18-2-1708 that the imposition of AZMACT is not necessary to avoid adverse effects to human health or adverse environmental effects.

D. The Director may establish HAPRACT for a source or source category in a general permit according to Article 5 of this Chapter.
    1. The owner or operator of a source covered by that general permit may obtain a variance from HAPRACT by complying with R18-2-1708 at the time the source applies to be permitted under the general permit.
    2. If the owner or operator makes the applicable demonstration required by R18-2-1708 and otherwise qualifies for the general permit, the Director shall approve the application according to A.R.S. § 49-426 and issue an authorization-to-operate granting a variance from the specific provisions of the general permit relating to HAPRACT.

3. Except as otherwise modified by a variance, the general permit shall govern the source.

E. When determining whether HAP emissions from a new source or modification exceed the thresholds prescribed by R18-2-1701(11) or (12), or a de minimis amount described in R18-2-1701 Table 1, the director shall exclude particulate matter emissions that consist of natural crustal material and are produced either by natural forces, such as wind or erosion, or by anthropogenic activities, such as agricultural operations, excavation, blasting, drilling, handling, storage, earth moving, crushing, grinding or traffic over paved or unpaved roads, or other similar activities.

F. In addition to the requirements of Title 18, Chapter 2, Appendix 1 "Standard Permit Application Form and Filing Instructions," an application for a permit or permit revision required under this Section shall include one of the following:

1. The applicant's proposal and documentation for HAPRACT under R18-2-1706;
2. The applicant's proposal and documentation for AZMACT under R18-2-1707.
3. A risk management analysis submitted under R18-2-1708.

G. Any applicant for a permit or permit revision under this Article may request accelerated permit processing under R18-2-326(I).

R18-2-1706. Case-by-case HAPRACT Determination

A. The applicant shall include in the application sufficient documentation to show that the proposed control technology or methodology meets the requirements of A.R.S. § 49-426.06 and this Section.

B. An applicant subject to R18-2-1705(B) shall propose HAPRACT for the new source or modification, to be included in the applicant's permit or significant permit revision. The applicant shall document each of the following steps:

1. The applicant shall identify the range of applicable control technologies, including:
   a. A survey of similar emission sources to determine the emission limitations currently achieved in practice in the United States;
   b. Controls applied to similar source categories, emissions units, or gas streams through technology transfer; and
   c. Innovative technologies that are demonstrated to be reliable, that reduce emissions for the HAP under review at least to the extent achieved by the control technology that would otherwise have been proposed and that meets all the requirements of A.R.S. § 49-426.06 and this Section.
2. The applicant shall propose as HAPRACT one of the control technologies identified under subsection (B)(1), and shall provide:
   a. The rationale for selecting the specific control technologies from the range identified in subsection (B)(1)
   b. Estimated control efficiency, described as percent HAP removed;
   c. Expected emission rate in tons per year and pounds per hour;
   d. Expected emission reduction in tons per year and pounds per hour;
   e. Economic impacts and cost effectiveness of implementing the proposed control technology;
   f. Other environmental impacts of the proposed control technology; and
   g. Energy impacts of the proposed technology.
3. The applicant shall identify rejected control technologies identified in subsection (B)(1), and shall provide for each rejected control technology:
   a. The rationale for rejecting the specific control technologies identified in subsection (B)(1);
   b. Estimated control efficiency, described as percent HAP removed;
   c. Expected emission rates in tons per year and pounds per hour;
   d. Expected emission reduction in tons per year and pounds per hour;
   e. Economic impacts and cost effectiveness of implementing the rejected control technologies;
   f. Other environmental impacts of the rejected control technology; and
   g. Energy impacts of the rejected control technologies.

C. The Director shall determine whether the applicant's HAPRACT selection complies with A.R.S. § 49-426.06 and this Section, based on the documentation provided in subsection (B),

1. If the Director finds that the applicant's proposal complies with A.R.S. § 49-426.06 and this Section, the applicant's proposed HAPRACT selection shall be included in the permit or permit revision.
2. If the Director finds that the applicant's proposal fails to comply with A.R.S. § 49-426.06 and this Section, the Director shall:
   a. Notify the applicant that the proposal has failed to meet requirements;
   b. Specify the deficiencies in the proposal; and
   c. State that the applicant shall submit a new HAPRACT proposal, in accordance with the provisions on licensing time-frames in Chapter 1, Article 5 of this Title.
3. If the applicant does not submit a new proposal, the Director may deny the application for a permit or permit revision.
4. If the Director finds that the new proposal fails to comply with A.R.S. § 49-426.06 and this Section, the Director may deny the application for a permit or permit revision.

D. If the Director finds that a reliable method of measuring HAP emissions is not available, the Director shall require compliance with a design, equipment, work practice or operational standard, or combination of these, but shall not impose a numeric emissions limitation.

E. The Director shall not impose a control technology that would require the application of measures that are incompatible with measures required under Article 11 or 40 C.F.R. 63. An applicable control technology for a source or source category that is promulgated by the Administrator shall supersede control technology imposed by the Director for that source or source category.

R18-2-1707. Case-by-case AZMACT Determination

A. The applicant shall include in the application sufficient documentation to show that the proposed control technology meets the requirements of A.R.S. § 49-426.06 and this Section.

B. An applicant subject to R18-2-1705(C) shall propose AZMACT for the new source or modification, to be included in the applicant's permit or permit revision. The applicant shall document each of the following steps:

1. The applicant shall identify all available control options, taking into consideration the measures cited in R18-2-1701(4). This analysis shall include a survey of emission sources to determine the most stringent emission limitation currently achieved in practice in the United States. This survey may include technologies employed outside of the United States, and may include not only existing controls for the source category in question, but also, through technology transfer, controls applied to similar source categories and gas streams.
2. The applicant shall eliminate options that are technically infeasible because of source-specific factors. A demonstration of technical infeasibility shall be clearly documented and shall be based upon physical, chemical and engineering barriers that would preclude the successful use of each control option that the applicant has eliminated.
3. The applicant shall rank the remaining control technologies in order of overall removal efficiency for the HAP under review, with the most effective at the top of the list. The list shall include the following information, for the control technology proposed and for any control technology that is ranked higher than the proposed technology:
   a. Estimated control efficiency, described by percent of HAP removed;
   b. Expected emission rate in tons per year and pounds per hour;
   c. Expected emission reduction in tons per year and pounds per hour;
   d. Economic impacts and cost effectiveness;
   e. Other environmental impacts; and
   f. Energy impacts.
4. The applicant shall evaluate the most effective controls and document the results as follows:
   a. For new major sources, the applicant shall consider the factors described in subsection (B)(3) of this Section to arrive at the final control technology to be proposed as AZMACT.
      i. The applicant shall discuss both beneficial and adverse impacts and, where possible, quantify them, focusing on the direct impacts of each control technology.
      ii If the applicant proposes the top alternative in the list as AZMACT, they shall consider whether the impacts in other media mandate the selection of an alternative control technology. If there are no such impacts, the evaluation is complete and the applicant shall propose the resulting control technology as AZMACT. If the top control technology is not proposed as AZMACT, the applicant shall similarly evaluate the next most stringent technology in the list. The applicant shall continue this process until the technology under consideration is not eliminated by any source-specific, economic, environmental or energy impacts.
   b. For modifications, the applicant shall evaluate the control technologies as under subsection (B)(4)(a). AZMACT for modifications may be less stringent than AZMACT for new sources in the same source category but shall not be less stringent than:
      i. In cases where the applicant has identified 30 or more sources, the average emission limitation achieved by the best performing 12% of the existing similar sources for which emissions data may be obtained; or
      ii. In cases where the applicant has identified fewer than 30 similar sources, the average emission limitation achieved by the best performing five sources for emissions data may be obtained.
5. The applicant shall propose AZMACT.
   a. The most effective control technology or methodology not eliminated in the evaluation described in subsection (B)(4) shall be proposed as AZMACT for the HAP under review.
   b. The applicant may propose an innovative technology that reduces emissions for the HAP under review at least to the extent achieved by the control technology that would otherwise have been proposed and that meets all the requirements of A.R.S. § 49-426.06 and this Section.

C. The control technology or methodology proposed shall not be less stringent than any applicable federal New Source Performance Standard (NSPS) at 40 C.F.R. 60 or National Emission Standard for Hazardous Air Pollutants (NESHAP) at 40 C.F.R. 61.

D. The Director shall determine whether the applicant's AZMACT proposal complies with A.R.S. § 49-426.06 and this Section, based on the documentation supplied.
1. If the Director finds that the applicant's proposal complies with A.R.S. § 49-426.06 and this Section, the applicant's proposed AZMACT selection shall be included in the permit or permit revision
2. If the Director finds that the applicant's proposal fails to comply with A.R.S. § 49-426.06 and this Section, the Director shall:
   a. Notify the applicant that the proposal has failed to meet requirements;
   b. Specify the deficiencies in the proposal; and
   c. State that the applicant shall submit a new AZMACT proposal, in accordance with the provisions on licensing time-frames in Chapter 1, Article 5 of this Title.
3. If the applicant does not submit a new proposal, the Director may deny the application for a permit or permit revision.
4. If the Director finds that the new proposal fails to comply with A.R.S. § 49-426.06 and this Section, the Director may deny the application for a permit or permit revision.

E. If a reliable method of measuring HAP emissions is not available, the Director shall require compliance with a design, equipment, work practice or operational standard, or combination of these, but shall not impose a numeric emissions limitation.

F. The Director shall not impose a control technology that would require the application of measures that are incompatible with measures required under Article 11 or 40 C.F.R. 63. An applicable control technology for a source or source category that is promulgated by the Administrator shall supersede control technology imposed by the Director for that source or source category.

R18-2-1708. Risk Management Analyses

A. Applicability
1. An applicant seeking to demonstrate that HAPRACT or AZMACT is not necessary to prevent adverse effects to human health or the environment shall conduct a risk management analysis (RMA) in accordance with this Section.
2. An applicant seeking to demonstrate that HAPRACT or AZMACT is not necessary to prevent adverse effects to human health or the environment by conducting an RMA shall first apply for a permit or significant permit revision that complies with Article 3 of this Chapter.
3. The RMA for a new source shall apply to its total potential to emit state HAPs.
4. The RMA for a modified source shall apply to its total potential to emit state HAPs after the modification.
5. An RMA shall be conducted for each state HAP emitted by the source in greater than de minimis amounts.

B. The applicant may use any of the following methods for conducting an RMA.
1. Tier 1: Equation.
   a. For emissions of a HAPs included in a listed group of hazardous compounds, other than those HAPs identified in Table 3 as selected compounds, the applicant shall determine a health-based ambient air concentration, under subsection (C)(3).
   b. The applicant shall determine the potential maximum hourly exposure resulting from emissions of the HAP by applying the following equation:
      MHE = PPH * 17.68, where:
      i. MHE = maximum hourly exposure in milligrams per cubic meter, and
      ii. PPH = hourly potential to emit the HAP in pounds per hour.
   c. The applicant shall determine the potential maximum annual exposure resulting from emissions of the HAP by applying the following equation:

      MAE = PPY * 1/MOH * 1.41, where:

      i. MAE = maximum annual exposure in milligrams per cubic meter,
      ii. PPY = annual potential to emit the HAP in pounds per year, and
      iii. MOH = maximum operating hours for the source, taking into account any enforceable operational limitations.
   d. The Director shall not require compliance with HAPRACT for the HAP, under R18-2-1706, or AZMACT, under R18-2-1707, if both of the following are true:
      i. The maximum hourly concentration determined under subsection (B)(1)(b) is less than the AAAC determined under subsection (C)(3); and
      ii. The maximum annual concentration determined under subsection (B)(1)(c) is less than the CAAC determined under subsection (C)(3).

e. If either the maximum hourly concentration determined under subsection (B)(1)(b), or the maximum annual concentration determined under subsection (B)(1)(c) is greater than or equal to the relevant AAC:
   i. The Director shall require compliance with HAPRACT under R18-2-1706 or AZMACT under R18-2-1707; or
   ii. The applicant may employ the Tier 2, Tier 3 or Tier 4 method for conducting an RMA under subsection (B)(2).

2. Tier 2: SCREEN Model. The applicant shall employ the SCREEN Model, performed in a manner consistent with the Guideline specified in R18-2-406(A)(6)(a). The applicant shall compare the maximum concentration that is predicted to in the ambient air with the relevant ambient air concentration determined under subsection (C).
   a. If the predicted maximum concentration is less than the relevant ambient air concentration, the Director shall not require compliance with HAPRACT under R18-2-1706, or AZMACT under R18-2-1707.
   b. If the predicted maximum concentration is greater than or equal to the relevant ambient air concentration:
      i. The Director shall require compliance with HAPRACT under R18-2-1706, or AZMACT under R18-2-1707; or
      ii. The applicant may employ the Tier 3 or Tier 4 method for determining maximum public exposure to state HAPs, under subsection (B)(3).
3. Tier 3: Modified SCREEN Model. The applicant shall employ the SCREEN Model, performed in a manner consistent with the Guideline specified in R18-2-406(A)(6)(a).
   a. For evaluation of acute exposure, the applicant shall assume exposure in the ambient air.
   b. For evaluation of chronic exposure:
      i. The applicant may use exposure assumptions consistent with institutional or engineering controls that are permanent and enforceable outside the permit.
      ii. The applicant shall notify the Director of these controls. If the Director does not approve of the proposed controls, or if the controls are not permanent and enforceable outside of the permit, the applicant shall not use the method specified in subsection (B)(3)(b) to determine maximum public exposure to the state HAP.
   c. If the predicted maximum concentration is less than the relevant ambient air concentration, the Director shall not require compliance with HAPRACT under R18-2-1706, or AZMACT under R18-2-1707.
   d. If the predicted maximum concentration is greater than or equal to the relevant ambient air concentration:
      i. The Director shall require compliance with HAPRACT under R18-2-1706, or AZMACT under R18-2-1707; or
      ii. The applicant may employ the Tier 4 method for determining maximum public exposure to state HAPs, under subsection (B)(4).
4. Tier 4: Modified SREEN or refined air quality model. The applicant shall employ either the SCREEN or a refined air quality model, performed in a manner consistent with the Guideline specified in R18-2-406(A)(6)(a).
   a. For evaluation of acute exposure, the applicant shall assume exposure in the ambient air.
   b. For evaluation of chronic exposure:
      i. The applicant may use exposure assumptions consistent with institutional or engineering controls that are permanent and enforceable outside the permit.
      ii. The applicant shall notify the Director of these controls. If the Director does not approve of the proposed controls, or if the controls are not permanent and enforceable outside of the permit, the applicant shall assume chronic exposure in the ambient air.
   c. The applicant may include in the Tier 4 RMA documentation of the following factors:
      i. The estimated actual exposure to the HAP of persons living in the airshed of the source;
      ii. Available epidemiological or other health studies;
      iii. Risks presented by background concentrations of hazardous air pollutants;
      iv. Uncertainties in risk assessment methodology or other health assessment techniques;
      v. Health or environmental consequences from efforts to reduce the risk; or
      vi. The technological and commercial availability of control methods beyond those otherwise required for the source and the cost of such methods.
   d. The applicant shall submit a written protocol for conducting an RMA, consistent with the requirements of this Section, to the Director for the Director's approval.
   e. If the predicted maximum concentration is less than the relevant ambient air concentration, or if warranted in the Director's judgment by consideration of those factors listed in subsection (B)(4)(c), the Director shall not require compliance with HAPRACT under R18-2-1706, or AZMACT under R18-2-1707.
   f. Except as provided in subsection (B)(4)(e), if the predicted maximum concentration is greater than or equal to the relevant ambient air concentration, the Director shall require compliance with HAPRACT under R18-2-1706, or AZMACT under R18-2-1707.

C. Health Based Ambient Air Concentrations of State HAPs.
1. For state HAPs for which an AAC has already been determined, the applicant shall use the acute and chronic values listed in Table 3.

Table 3. Acute and Chronic Ambient Air Concentrations

Chemical	Acute AAC (mg/m^3)	Chronic AAC (mg/m^3)
1,1,1-Trichloroethane (Methyl Chloroform)	2,075	2.30E+00
1,1,2,2-Tetrachloroethane	18	3.27E-05
1,3-Butadiene	7,514	6.32E-05
1,4-Dichlorobenzene	300	3.06E-04
2,2,4-Trimethylpentane	900	NA
2,4-Dinitrotoluene	5.0	2.13E-05
2-Chloroacetophenone	NA	3.13E-05
Acetaldehyde	306	8.62E-04
Acetophenone	25	3.65E-01
Acrolein	0.23	2.09E-05
Acrylonitrile	38	2.79E-05
Antimony Compounds (Selected compound: Antimony)	13	1.46E-03
Arsenic Compounds (Selected compound: Arsenic)	2.5	4.41E-07
Benzene	1,276	2.43E-04
Benzyl Chloride	26	3.96E-05
Beryllium Compounds (Selected compound: Beryllium)	0.013	7.90E-07
Biphenyl	38	1.83E-01
bis(2-Ethylhexyl) Phthalate	13	4.80E-04
Bromoform	7.5	1.72E-03
Cadmium Compounds (Selected compound: Cadmium)	0.25	1.05E-06
Carbon Disulfide	311	7.30E-01
Carbon Tetrachloride	201	1.26E-04
Carbonyl Sulfide	30	NA
Chlorobenzene	1,000	1.04E+00
Chloroform	195	3.58E-04
Chromium Compounds (Selected compound: Hexavalent Chromium)	0.10	1.58E-07
Cobalt Compounds (Selected compound: Cobalt)	10	6.86E-07
Cumene	935	4.17E-01

Cyanide Compounds (Selected compound: Hydrogen Cyanide)	3.9	3.13E-03
Dibenzofurans	25	7.30E-03
Dichloromethane (Methylene Chloride)	347	4.03E-03
Dimethyl formamide	164	3.13E-02
Dimethyl Sulfate	0.31	NA
Ethyl Benzene	250	1.04E+00
Ethyl Chloride (Chloroethane)	1,250	1.04E+01
Ethylene Dibromide (Dibromoethane)	100	3.16E-06
Ethylene Dichloride (1,2-Dichloroethane)	405	7.29E-05
Ethylene glycol	50	4.17E-01
Ethylidene Dichloride (1,1-Dichloroethane)	6,250	5.21E-01
Formaldehyde	17	1.46E-04
Glycol Ethers (Selected compound: Diethylene glycol, monoethyl ether)	250	3.14E-03
Hexachlorobenzene	0.50	4.12E-06
Hexane	11,649	2.21E+00
Hydrochloric Acid	16	2.09E-02
Hydrogen Fluoride (Hydrofluoric Acid)	9.8	1.46E-02
Isophorone	13	2.09E+00
Manganese Compounds (Selected compound: Manganese)	2.5	5.21E-05
Mercury Compounds (Selected compound: Elemental Mercury)	1.0	3.13E-04
Methanol	943	4.17E+00
Methyl Bromide	261	5.21E-03
Methyl Chloride	1,180	9.39E-02
Methyl Ethyl Ketone	5,015	5.21E+00
MethylHydrazine	0.43	3.96E-07
Methyl Isobutyl Ketone (Hexone)	500	3.13E+00
Methyl Methacrylate	311	7.30E-01
Methyl Tert-Butyl Ether	1,444	7.40E-03
N, N-Dimethylaniline	25	7.30E-03
Naphthalene	75	5.58E-05
Nickel Compounds (Selected compound: Nickel Refinery Dust)	5.0	7.90E-06

Phenol	58	2.09E-01
Polychlorinated Biphenyls (Selected Compound: Aroclor 1254)	2.5	1.90E-05
Polycyclic Organic Matter (Selected compound: Benzo(a)pyrene)	5.0	2.02E-06
Propionaldehyde	403	8.62E-04
Propylene Dichloride	250	4.17E-03
Selenium Compounds (Selected compound: Selenium)	0.50	1.83E-02
Styrene	554	1.04E+00
Tetrachloroethylene (Perchlorethylene)	814	3.20E-04
Toluene	1,923	5.21E+00
Trichloroethylene	1,450	1.68E-05
Vinyl Acetate	387	2.09E-01
Vinyl Chloride	2,099	2.15E-04
Vinylidene Chloride (1,2-Dichloroethylene)	38	2.09E-01
Xylene (Mixed Isomers)	1,736	1.04E-01

2. For state HAPs for which an AAC has not already been determined, the applicant shall determine the acute and chronic AACs in accordance with the process in Appendix 12.
3. For specific compounds included in state HAPS listed as a group (e.g., arsenic compounds), the applicant may use an AAC developed in accordance with the process in Appendix 12.

D. As part of the risk management analysis, an applicant may voluntarily propose emissions limitations under R18-2-306.01 in order to avoid being subject to HAPRACT under R18-2-1706, or AZMACT under R18-2-1707.

E. Documentation of Risk Management Analysis. The applicant shall document each RMA performed for each state HAP and shall include the following information:
1. The potential maximum public exposure of the state HAP;
2. The Tier method used to determine the potential maximum public exposure:
   a. For Tier 1, the calculations demonstrating that the emissions of the state HAP are less than the health-based ambient air concentration, determined under subsection (C)(3).
   b. For Tier 2, the input files to, and the results of the SCREEN Modeling.
   c. For Tier 3:
      i. The input files to, and the results of the SCREEN Modeling; and
      ii. The permanent and enforceable institutional or engineering controls submitted to the Director under subsection (B)(3)(b).
   d. For Tier 4:
      i. The model the applicant employed;
      ii. The input files to, and the results of the modeling;
      iii. The modeling protocol approved by the Director under subsection (B)(4)(b); and
      iv. The permanent and enforceable institutional or engineering controls submitted to the Director under subsection (B)(4)(d);
3. The health-based ambient air concentrations determined under subsection (C); and
4. Any voluntary emissions limitations, accepted under subsection (D).

F. An applicant may conduct an RMA for any alternative operating scenario, requested in the application, consistent with the

requirements of this Section. The alternative operating scenario may allow a range of operating conditions if the Department concludes that the RMA demonstrates no adverse effects to human health or adverse environmental effects from operations within that range. Changes to a source consistent with the alternative operating scenario are not subject to this Article.

R18-2-1709. Periodic review

A. Within one year after the Administrator adds or deletes a pollutant to the federal list of hazardous air pollutants, under Section 112(b)(2) or 112(b)(3) of the Clean Air Act, the Director shall adopt those revisions for the state list of HAPs in R18-2-1703, unless the Director finds that there is no scientific evidence to support the revision.

B. The Director shall review the state list of HAPs and AACs at least once every three years.

C. Based upon the review, the Director may revise by rulemaking:

1. The state list of HAPs. The Director shall add any HAP to, or delete any HAP from, the state list at R18-2-1703, that has been added to or deleted from the federal list at § 112(b)(1) of the Clean Air Act, 42 U.S.C. 7412(b)(1);
2. The acute and chronic health based ambient air concentrations for state HAPs; and
3. The acute and chronic de minimis levels for state HAPs.
4. The list of included minor source categories at R18-2-1702.

APPENDIX 1. STANDARD PERMIT APPLICATION FORM AND FILING INSTRUCTIONS

FILING INSTRUCTIONS

No application shall be considered complete until the Director has determined that all information required by this application form and the applicable statutes and regulations has been submitted. The Director may waive certain application requirements for specific source types, pursuant to R18-2-304(B). For permit revisions, the applicant need only supply information which directly pertains to the revision. The Director shall develop special guidance documents and forms to assist certain sources requiring Class 2 permits in completing the application form and filing instructions. Guidance documents can be requested by contacting the Office of Air Quality at the address and phone number given on the "Standard Permit Application Form."

In addition to the information required on the application form, the applicant shall supply the following:

1. Description of the process to be carried out in each unit (include Source Classification Code, if known).
2. Description of product(s).
3. Description of alternate operating scenario, if desired by applicant (include Source Classification Code).
4. Description of alternate operating scenario product(s), if applicable.
5. A flow diagram for all processes.
6. A material balance for all processes (optional, only if emission calculations are based on a material balance).
7. Emissions Related Information:
   a. The source shall be required to submit the potential emissions of regulated air pollutants as defined in R18-2-101 for all emission sources. Emissions shall be expressed in pounds per hour, tons per year, and such other terms as may be requested. Emissions shall be submitted using the standard "Emission Sources" portion of the "Standard Permit Application Form." Emissions information shall include fugitive emissions in the same manner as stack emissions, regardless of whether the source category in question is included in the list of sources contained in the definition of major source in R18-2-101.
   b. The source shall be required to identify and describe all points of emissions and to submit additional information related to the emissions of regulated air pollutants sufficient to verify which requirements are applicable to the source and sufficient to determine any fees under this Chapter.
8. Citation and description of all applicable requirements as defined in R18-2-101 including voluntarily accepted limits pursuant to R18-2-306.01.
9. An explanation of any proposed exemptions from otherwise applicable requirements.
10. The following information to the extent it is needed to determine or regulate emissions or to comply with the requirements of R18-2-306.01:
    a. Maximum annual process rate for each piece of equipment which generates air emissions.
    b. Maximum annual process rate for the whole plant.
    c. Maximum rated hourly process rate for each piece of equipment which generates air emissions.
    d. Maximum rated hourly process rate for the whole plant.
    e. For all fuel burning equipment including generators, a description of fuel use, including the type used, the quantity used per year, the maximum and average quantity used per hour, the percent used for process heat, and higher heating value of the fuel. For solid fuels and fuel oils, state the potential sulfur and ash content.
    f. A description of all raw materials used and the maximum annual and hourly, monthly, or quarterly quantities of each material used.

g. Anticipated Operating Schedules
   i. Percent of annual production by season.
   ii. Days of the week normally in operation.
   iii. Shifts or hours of the day normally in operation.
   iv. Number of days per year in operation.
h. Limitations on source operations and any work practice standards affecting emissions.

11. A description of all process and control equipment for which permits are required including:
   a. Name.
   b. Make (if available).
   c. Model (if available).
   d. Serial number (if available).
   e. Date of manufacture (if available).
   f. Size/production capacity.
   g. Type.
12. Stack Information:
   a. Identification.
   b. Description.
   c. Building Dimensions.
   d. Exit Gas Temperature.
   e. Exit Gas Velocity.
   f. Height.
   g. Inside Dimensions.
13. Site diagram which includes:
   a. Property boundaries.
   b. Adjacent streets or roads.
   c. Directional arrow.
   d. Elevation.
   e. Closest distance between equipment and property boundary.
   f. Equipment layout.
   g. Relative location of emission sources/points.
   h. Location of emission points and non-point emission areas.
   i. Location of air pollution control equipment.
14. Air Pollution Control Information:
   a. Description of or reference to any applicable test method for determining compliance with each applicable requirement.
   b. Identification, description and location of air pollution control equipment, including spray nozzles and hoods, and compliance monitoring devices or activities.
   c. The rated and operating efficiency of air pollution control equipment.
   d. Data necessary to establish required efficiency for air pollution control equipment (e.g. air to cloth ratio for bag-houses, pressure drop for scrubbers, and warranty information).
   e. Evidence that operation of the new or modified pollution control equipment will not violate any ambient air quality standards, or maximum allowable increases under R18-2-218.
15. Equipment manufacturer's bulletins or shop drawings are acceptable for the purposes of supplying the information required by any item in numbers 11, 12 or 14 of this Appendix.
16. Compliance Plan:
   a. A description of the compliance status of the source with respect to all applicable requirements including, but not limited to:
      i. A demonstration that the source or modification will comply with the applicable requirements contained in Article 6.
      ii. A demonstration that the source or modification will comply with the applicable requirements contained in Article 7.
      iii. A demonstration that the source or modification will comply with the applicable requirements contained in Article 8.
      iv. A demonstration that the source or modification will comply with the applicable requirements contained in Article 9.
      v. A demonstration that the source or modification will comply with the applicable requirements contained in Article 11 and in rules promulgated pursuant to A.R.S. § 49-426.03.

vi. A demonstration that the source or modification will comply with the applicable requirements contained in ~~rules promulgated pursuant to A.R.S. § 49-426.06~~ Article 17.
vii. A demonstration that the source or modification will comply with any voluntarily accepted limitations pursuant to R18-2-306.01.

b. A compliance schedule as follows:
i. For applicable requirements with which the source is in compliance, a statement that the source will continue to comply with such requirements
ii. For applicable requirements that will become effective during the permit term, a statement that the source will meet such requirements on a timely basis. A statement that the source will meet in a timely manner applicable requirements that become effective during the permit term shall satisfy this provision, unless a more detailed schedule is expressly required by the applicable requirement.
iii. A schedule of compliance for sources that are not in compliance with all applicable requirements at the time of permit issuance. Such a schedule shall include a schedule of remedial measures, including an enforceable sequence of actions with milestones, leading to compliance with any applicable requirements for which the source will be in noncompliance at the time of permit issuance. This compliance schedule shall resemble and be at least as stringent as that contained in any judicial consent decree or administrative order to which the source is subject. Any such schedule of compliance shall be supplemental to, and shall not sanction noncompliance with, the applicable requirements on which it is based.

c. A schedule for submission of certified progress reports no less frequently than every six months for sources required to have a schedule of compliance to remedy a violation.
d. The compliance plan content requirements specified in this subsection shall apply and be included in the acid rain portion of a compliance plan for an affected source, except as specifically superseded by regulations promulgated under Title IV of the Act and incorporated pursuant to R18-2-333 with regard to the schedule and method(s) the source will use to achieve compliance with the acid rain emissions limitations.

17. Compliance Certification: A certification of compliance with all applicable requirements including voluntarily accepted limitations pursuant to R18-2-306.01 by a responsible official consistent with R18-2-309(A)(5). The certification shall include:
a. Identification of the applicable requirements which are the basis of the certification;
b. A statement of methods used for determining compliance, including a description of monitoring, recordkeeping, and reporting requirements and test methods;
c. A schedule for submission of compliance certifications during the permit term to be submitted no less frequently than annually, or more frequently if specified by the underlying applicable requirement or by the permitting authority; and
d. A statement indicating the source's compliance status with any applicable enhanced monitoring and compliance certification requirements.
e. A certification of truth, accuracy, and completeness pursuant to R18-2-304(H).
18. Acid Rain Program Compliance Plan: Sources subject to the Federal acid rain regulations shall use nationally-standardized forms for acid rain portions of permit applications and compliance plans, as required by regulations promulgated under Title IV of the Act and incorporated pursuant to R18-2-333.
19. A new major source as defined in R18-2-401 or a major modification shall submit all information required in this Appendix and information necessary to show compliance with Article 4 including, but not limited to:
a. For sources located in a Non-Attainment Area:
i. In the case of a new major source as defined in R18-2-401 or a major modification subject to an emission limitation which is LAER (Lowest Achievable Emission Rate) for that source or facility, the application shall contain a determination of LAER that is consistent with the requirements of the definition of LAER contained in R18-2-401. The demonstration shall contain the data and information relied upon by the applicant in determining the emission limitation that is LAER for the source or facility for which a permit is sought.
ii. In the case of a new major source as defined in R18-2-401 or a major modification subject to the demonstration requirement of R18-2-403(A)(2), the applicant shall submit such demonstration in a form that lists and describes all existing major sources owned or operated by the applicant and a statement of compliance with all conditions contained in the permits or conditional orders of each of the sources.
iii. In the case of a new major source as defined in R18-2-401 or a major modification subject to the offset requirements described in R18-2-403(A)(3), the applicant shall demonstrate the manner in which the new major source or major modification meets the requirements of R18-2-404.

iv. An applicant for a new major source as defined in R18-2-401 or a major modification for volatile organic compounds or carbon monoxide (or both) which will be located in a nonattainment area for photochemical oxidants or carbon monoxide (or both) shall submit the analysis described in R18-2-403(B).

b. For sources located in an Attainment Area:
   i. A demonstration of the manner in which a new major source or major modification which will be located in an attainment area for a pollutant for which the source is classified as a major source as defined in R18-2-401 or the modification is classified as a major modification will meet the requirements of R18-2-406.
   ii. In the case of a new major source as defined in R18-2-401 or major modification subject to an emission limitation which is BACT (Best Available Control Technology) for that source or facility, the application shall contain a determination of BACT that is consistent with the requirements of the definition of BACT contained in R18-2-101. The demonstration shall contain the data and information relied upon by the applicant in determining the emission limitation that is BACT for the source or facility for which a permit is sought.
   iii. In the case of a new major source as defined in R18-2-401 or major modification required to perform and submit an air impact analysis in the form prescribed in R18-2-407, such an analysis shall meet the requirements of R18-2-406. Unless otherwise exempted in writing by the Director, the air impact analysis shall include all of the information and data specified in R18-2-407.
   iv. If an applicant seeks an exemption from any or all of the requirements of R18-2-406, the applicant shall provide sufficient information and data in the application to demonstrate compliance with the requirements of the subsection(s) under which an exemption is sought.

20. Calculations on which all information requested in this Appendix is based.

STANDARD PERMIT APPLICATION FORM

(As required by A.R.S. § 49-426, and A.A.C. Title 18, Chapter 2, Article 3)

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF AIR QUALITY
P.O. Box 600 • Phoenix, AZ 85001-0600 • Phone: (602) 207-2338

1. Permit to be issued to: (Business license name of organization that is to receive permit) _____

2. Mailing Address: _____

   City: _____ State: _____ ZIP: _____

3. Plant Name (if different item #1 above): _____

4. Name (or names) of Owner or Operator: _____ Phone: _____

5. Name of Owner's Agent: _____ Phone: _____

6. Plant/Site Manager or Contact Person: _____ Phone: _____

7. Proposed Equipment/Plant Location Address:

   City: _____ County: _____ ZIP: _____

   Indian Reservation (if applicable): _____

   Section/Township/Range, Latitude/Longitude, Elevation: _____

8. General Nature of Business: _____

   Standard Industrial Classification Code: _____

9. Type of Organization:

   ☐ Corporation ☐ Individual Owner

   ☐ Partnership ☐ Government Entity (Government Facility Code: _____)

   ☐ Other _____

10. Permit Application Basis: ☐ New Source ☐ Revision ☐ Renewal of Existing Permit

    ☐ Portable Source ☐ General Permit (Check all that apply.)

    For renewal or modification, include existing permit number: _____

    Date of Commencement of Construction or Modification: _____

    Is **any** of the equipment to be leased to another individual or entity? ☐ Yes ☐ No

11. Signature of Responsible Official of Organization:

    Official Title of Signer: _____

12. Typed or Printed Name of Signer: _____

    Date: _____ Telephone Number: _____

PAGE 1 OF 2

ADEQ/OAQ/100B

COMPANY NAME _____

EMISSION SOURCES

PAGE _____ OF _____
DATE _____

Estimated Potential to Emit as per R18-2-101(84).
Review of applications and issuance of permits will be expedited by supplying all necessary information on this Table.

REGULATED AIR POLLUTANT DATA					EMISSION POINT DISCHARGE PARAMETERS											
EMISSION POINT (1)		CHEMICAL COMPOSITION OF TOTAL STREAM	R.AIR POLLUTANT EMISSION RATE		UTM COORDINATES OF EMISSION PT. (5)			STACK SOURCES (6)					NONPOINT SOURCES (7)	
NUMBER	NAME	REGULATED AIR POLLUTANT NAME (2)	#/ HR. (3)	TONS/ YEAR (4)	ZONE	EAST (Mtrs)	NORTH (Mtrs)	HEIGHT ABOVE GROUND /feet	HEIGHT ABOVE STRUC. /feet	EXIT DATA			LENGTH (ft.)	WIDTH (ft.)
										DIA (ft.)	VEL. (fps.)	TEMP. (°F)		

GROUND ELEVATION OF FACILITY ABOVE MEAN SEA LEVEL _____ feet
ADEQ STANDARD CONDITIONS ARE 293K AND 101.3 KILOPASCALS (A.A.C. R18-2-101)

General Instructions:

1. Identify each emission point with a unique number for this plant site, consistent with emission point identification used on plot plan, previous permits, and Emissions Inventory Questionnaire. Include fugitive emissions. Limit emission point number to eight (8) character spaces. For each emission point use as many lines as necessary to list regulated air pollutant data. Typical emission point names are: heater, vent, boiler, tank, reactor, separator, baghouse, fugitive, etc. Abbreviations are O.K.
2. Components to be listed include regulated air pollutants as defined in R18-2-101. Examples of typical component names are: Carbon Monoxide (CO), Nitrogen Oxides (NO_X), Sulfur Dioxide (SO_2), Volatile Organic Compounds (VOC), particulate matter (PM), particulate less than 10 microns (PM_{10}), etc. Abbreviations are O.K.
3. Pounds per hour (#/HR) is maximum potential emission rate expected by applicant.
4. Tons per year is annual maximum potential emission expected by applicant, which takes into account process operating schedule.
5. As a minimum applicant shall furnish a facility plot plan as described in the filing instructions. UTM coordinates are required only if the source is a major source or is required to perform refined modeling for the purposes of demonstrating compliance with ambient air quality guidelines.
6. Supply additional information as follows if appropriate:
   (a) Stack exit configuration other than a round vertical stack. Show length and width for a rectangular stack. Indicate if horizontal discharge with a note.
   (b) Stack's height above supporting or adjacent structures if structure is within 3 "stack height above the ground" of stack.
7. Dimensions of nonpoint sources as defined in R18-2-101.

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A12. APPENDIX 12

PROCEDURES FOR DETERMINING AMBIENT AIR CONCENTRATIONS

FOR HAZARDOUS AIR POLLUTANTS

A12.1 The procedure described in this Section shall be used to develop chronic ambient air concentrations (CAACs) and acute ambient air concentrations (AAACs) for hazardous air pollutants (HAPs) for the following:

A12.1.1 Any HAP not included in Article 17, Table 3; and

A12.1.2 Any compound included in a group of HAPs listed in Article 17, Table 3, other than those identified in the group listing as the "selected" compound.

A12.2 Chronic Ambient Air Concentrations

A.12.2.1 The following data sources shall be reviewed and, except as otherwise provided, shall be given the priority indicated in the development of CAACs:

A12.2.1.1 Tier 1 Data Sources: Reference Concentrations (RfCs) and air Unit Risk Factors (URFs) as presented in the Integrated Risk Information System (IRIS) of the United States Environmental Protection Agency (EPA).

A12.2.1.2. Tier 2 Data Sources:

A12.2.1.2.1. Preliminary Remediation Goals (PRGs) developed by Region 9 of EPA.

A12.2.1.2.2. Risk-Based Concentrations (RBCs) developed by Region 3 of EPA.

A12.2.1.3. Tier 3 Data Sources:

A12.2.1.3.1 Minimal Risk Levels (MRLs) developed by the Agency for Toxic Substances and Disease Registry (ATSDR).

A12.2.1.3.2 Reference Exposure Levels (RELs) and Unit Risk Factors (CalURFs) developed by the California Environmental Protection Agency.

A12.2.2 Evaluation of Tier 1 Values

A12.2.2.1 Calculation of Concentrations

A12.2.2.1.1 RfCs shall be multiplied by 1.04 to reflect an assumed exposure of 350, rather than 365 days per year.

A12.2.2.1.2 URFs shall be transformed into concentrations in milligrams per cubic meter (mg/m^3) by applying the following equation:

$$TR \times ATc/(EF \times IFA\ adj \times [URF \times BW/IR])$$

where: TR = 1E-06, ATc = 25,550 days, EF = 350 days/year, IFA adj = 11 m^3-year/kg-day, BW = 70 kg, IR = 20 m^3/day

A12.2.2.2 Comparison to Tier 2 and Tier 3 Concentrations

The concentration developed in accordance with section A12.2.2.1 above shall be compared to the Tier 2 and Tier 3 concentrations for the compound, if any. URF-based concentrations shall be compared only to concentrations based on CalURFs. RfC-based concentrations shall be compared to concentrations based on PRGs, RBCs, MRLs and RELs.

A12.2.2.2.1 If there is reasonable agreement between the Tier 1 concentration and the other concentrations for the compound, the Tier 1 concentration shall be selected as the CAAC.

A12.2.2.2.2 If the Tier 1 concentration is not in reasonable agreement with the other concentrations, and one of the other concentrations is based on more recent or relevant studies, that concentration shall be selected as the CAAC. Otherwise the Tier 1 concentration shall be selected.

A12.2.2.3 If both an RfC-based and URF-based Tier 1 concentration is selected under section A12.2.2.2 above, the more stringent of the two shall be used as the CAAC.

A12.2.2.4 If a Tier 1 value is selected in accordance with this section, no further evaluation of Tier 2 or Tier 3 concentrations is required.

A12.2.3 Evaluation of Tier 2 Concentrations

A12.2.3.1 Selection of Tier 2 Values for Further Evaluation

A12.2.3.1.1 If there is only a PRG or RBC for the compound, it shall be selected for further evaluation in accordance with section A12.2.3.2 below.

A12.2.3.1.2 If there is both a PRG and an RBC for the compound, the concentrations shall be compared. If the concentrations are similar, the PRG shall be selected for further evaluation. If the concentrations are not similar, and the RBC is based on more relevant or more recent studies, it shall be selected for further evaluation. Otherwise the PRG shall be selected.

A12.2.3.2 Comparison to Tier 3 Concentrations

The concentration developed in accordance with section A12.2.3.1 above shall be compared to the Tier 3 concentrations for the compound, if any. For purposes of this comparison, only MRL- or REL-based concentrations shall be considered.

A12.2.3.2.1 If there is reasonable agreement between the Tier 2 concentration and the Tier 3 concentrations for the compound, the Tier 2 concentration shall be selected as the CAAC.

A12.2.3.2.2 If the Tier 2 concentration is not in reasonable agreement with the Tier 3 concentrations, and one of the Tier 3 concentrations is based on more recent or relevant studies, that concentration shall be selected as the CAAC. Otherwise the Tier 2 concentration shall be selected.

A12.2.3.3 If a Tier 2 concentration is selected in accordance with section A12.2.3, no further evaluation of Tier 3 concentrations is required.
A12.2.4 Evaluation of Tier 3 Values
A12.2.4.1 Calculation of Concentrations
A12.2.4.1.1 MRLs and RELs shall be multiplied by 1.04 to reflect an assumed exposure of 350, rather than 365, days per year.
A12.2.4.1.2 CalURFs shall be transformed into concentrations in milligrams per cubic meter (mg/m^3) by applying the following equation:

$$TR \times ATc/(EF \times IFA\ adj \times [CalURF \times BW/IR])$$

where: TR = 1E-06, ATc = 25,550 days, EF = 350 days/year,
IFA adj = 11 m^3-year/kg-day, BW = 70 kg, IR = 20 m^3/day
A12.2.4.2 Selection of Concentration
A12.2.4.2.1 If both an MRL and an REL exist for the compound, the most appropriate shall be selected after considering the relevance and timing of the studies on which the levels are based.
A12.2.4.2.2 If there is both a CalURF-based concentration and a concentration based on an MRL or REL for the compound, the more stringent of the two shall be selected.
A12.2.5 No Available Data
If there is no data available in any of the sources identified in section A12.2.1 for the compound, the applicant must perform a Tier 4 Risk Management Analysis under R18-2-1708 or forego the Risk Management Analysis option.
A12.3 Acute Ambient Air Concentrations
A12.3.1 Selection of Concentration
The first concentration identified by evaluating the following data sources in the order listed shall be adjusted, where required, and used as the AAAC for the compound:
A12.3.1.1 The level 2, four-hour average Acute Exposure Guideline Level developed by the EPA Office of Prevention, Pesticides and Toxic Substances.
A12.3.1.2 The level 2 Emergency Response Planning Guideline (ERPG) developed by the American Industrial Hygiene Association. The AAAC shall be the ERPG divided by 2.
A12.3.1.3 The level 2 Temporary Emergency Exposure Limit (TEEL) developed by the United States Department of Energy's Emergency Management Advisory Committee's Subcommittee on Consequence Assessment and Protective Action. The AAAC shall be the TEEL divided by 2.
A12.3.2 No Available Data
If there is no data available in any of the sources identified in section A12.3.1, the applicant must perform a Tier 4 Risk Management Analysis under R18-2-1708 or forego the Risk Management Analysis option.

NOTICE OF PROPOSED RULEMAKING

TITLE 20. COMMERCE, BANKING, AND INSURANCE

CHAPTER 4. BANKING DEPARTMENT

[R05-433]

PREAMBLE

1. Sections Affected	Rulemaking Action
R20-4-1501	Amend
R20-4-1503	Amend
R20-4-1506	Amend
R20-4-1507	Amend
R20-4-1508	Amend
R20-4-1509	Amend
R20-4-1510	Amend
R20-4-1511	Amend
R20-4-1512	Amend
R20-4-1513	Amend
R20-4-1514	Amend
R20-4-1515	Amend
R20-4-1516	Amend
R20-4-1517	Repeal

R20-4-1518	Amend
R20-4-1519	Amend
R20-4-1520	Amend
R20-4-1521	Amend

2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: A.R.S. § 6-123(2)

Implementing statute: A.R.S. §§ 6-123(1), 32-1021, 32-1023, 32-1051, 32-1055

3. A list of all previous notices appearing in the *Register* addressing the proposed rule:

Notice of Rulemaking Docket Opening: 8 A.A.R. 2177, May 17, 2002

Notice of Rulemaking Docket Opening: 10 A.A.R. 3193, August 13, 2004

Notice of Proposed Rulemaking: 10 A.A.R. 3181, August 13, 2004

Notice of Rulemaking Docket Opening: 11 A.A.R. 5131, December 2, 2005

4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name:	John P. Hudock
Address:	State Banking Department 2910 N. 44th St., Suite 310 Phoenix, AZ 85018
Telephone:	(602) 255-4421, ext. 167
Fax:	(602) 381-1225
E-mail:	jhudock@azbanking.gov

5. An explanation of the rule, including the agency's reasons for initiating the rule:

General explanation and reasoning: These Sections control the conduct of the collection agency business in Arizona. On November 7, 2000, the Council approved the Department's then current five-year review report. In the approved report the Department promised to revise or repeal several Sections of Article 15. This rulemaking is to fulfill that promise.

All but one of these Sections will be amended to streamline the writing style and enhance the clarity of each Section's language.

This rulemaking also repeals one Section. It repeals R20-4-1517 for several reasons. First, the rule is not enforced. Second, the agency lacks statutory authority to make the rule. Third, the rule is an unconstitutional violation of the Separation of Powers Doctrine. Fourth, the issue of whether a collection agency is a "holder in due course" in a given factual situation is not likely to be a matter the courts would decide by reliance on an administrative pronouncement. The status of "holder in due course" is a question of fact to be determined from an analysis of the facts rather than from a weighing of an agency's quasi-legislative acts.

Specific Reasons for publishing a second Notice of Proposed Rulemaking;

Internal review by Department staff has determined that appropriate, enforceable language for these Sections requires substantial changes to the language published in the original Notice of Proposed Rulemaking, in August 2004. During the internal review process, the original Notice lapsed due to the passage of time. This Notice is published to revive the rulemaking and to implement necessary changes in language. The Department proposes the following additional changes to the language of the following Sections or subsections, as they are numbered in the proposed rules:

R20-4-1507(2). The additional change in this subsection adds the words "directly or indirectly" so that the new proposed language reads:

> "2. A collection agency shall not directly or indirectly claim to be a credit reporting agency or credit bureau if it is not."

The Department determined that the original change in this language, by omitting reference to a collection agency's direct or indirect claims, implicitly permitted indirect claims that the Department intends to prohibit.

R20-4-1507(3). The additional change in this subsection adds the words "directly or indirectly" so that the new proposed language reads:

> "3. A collection agency shall not directly or indirectly claim to be a law enforcement agency."

The Department determined that the original change in this language, by omitting reference to a collection agency's direct or indirect claims, implicitly permitted indirect claims that the Department intends to prohibit.

R20-4-1507(4). The additional change in this subsection adds the words "directly or indirectly" so that the new proposed language reads:

> "4. A collection agency shall not directly or indirectly claim to be a law firm."

The Department determined that the original change in this language, by omitting reference to a collection agency's direct or indirect claims, implicitly permitted indirect claims that the Department intends to prohibit.

R20-4-1510(A). The additional change in this subsection substitutes the word "inform" for the originally proposed word "tell" so that the new proposed language reads:

> "A. A collection agency shall not inform a debtor that the debtor waives any legal right or legal defense by a failure to contact the collection agency."

The Department determined that the word "inform" correctly implies all means of communication while the word "tell" incorrectly implies that the collection agency is only prohibited to make oral statements about the waiver of rights or defenses.

R20-4-1510(B). The additional change in this subsection substitutes the word "inform" for the originally proposed word "tell" so that the new proposed language reads:

> "B. A collection agency shall not inform a debtor that the collection agency has the power or right to bypass the legal process."

The Department determined that the word "inform" correctly implies all means of communication while the word "tell" incorrectly implies that the collection agency is only prohibited to make oral statements about the collection agency's ability to bypass the legal process.

R20-4-1511(A). The additional change in this subsection reinstates references to "unauthorized" tactics and to tactics "designed to" harass so that the newly proposed language prohibits the same conduct proscribed by the existing rule. The new subsection reads:

> "A. A collection agency shall not use unauthorized or oppressive tactics designed to harass any person to pay a debt."

The Department determined that the broader prohibition implicit in this language was properly included in the existing rule and should be continued in the revised subsection.

R20-4-1511(B). The additional change in this subsection broadens the prohibition of the originally proposed language to include, as does the existing rule, not only communications that ridicule, disgrace, or humiliate but also those that tend to ridicule, disgrace, or humiliate. The new subsection reads:

> "B. A collection agency shall not use written or oral communications that either ridicule, disgrace, or humiliate any person or tend to ridicule, disgrace, or humiliate any person."

The Department determined that the broader prohibition implicit in this language was properly included in the existing rule and should be continued in the revised subsection.

R20-4-1511(C). The additional change in this subsection broadens the prohibitions of the originally proposed language by reinstating language contained in the existing rule that proscribes statements "tending to imply" that a debtor is guilty of fraud. The new subsection reads:

> "C. A collection agency shall not state, imply, or tend to imply, in written or oral communications that any person is guilty of fraud or any other crime."

The Department determined that the broader prohibition implicit in this language was properly included in the existing rule and should be continued in the revised subsection.

R20-4-1513(A). The additional change in the first sentence of this subsection reinstates references, contained in the existing rule, to "direct or indirect" contact with the debtor. The new first sentence reads:

> "A. A collection agency shall stop contacting a debtor, directly or indirectly, if the debtor tells the collection agency that the debtor is represented by a lawyer and wants the collection agency to communicate with the debtor through that lawyer."

The Department determined that the broader prohibition implicit in this language was properly included in the existing rule and should be continued in the revised subsection.

R20-4-1513(B). The additional change in the first clause of this subsection reinstates references, contained in the existing rule, to "direct or indirect" contact with the debtor. The newly proposed first clause reads

> "A collection agency shall stop contacting a debtor, directly or indirectly, if the debtor gives the collection agency written notice that the debtor:"

The Department determined that the broader prohibition implicit in this language was properly included in the existing rule and should be continued in the revised subsection.

R20-1514(A). The additional change in the first sentence of this Section revises the time within which a Collection Agency must obtain and provide certain information to a debtor. The originally proposed language was unduly burdensome on certain members of the regulated community who brought the problem to the Department's attention. The new language parallels the requirements of the federal Fair Debt Collection Practices Act, preserves the duty to inform, and relieves the burden of the earlier statement of the Collection Agency's duty to inform.

The new sentence reads:

> "A. Within five days after the initial communication with the debtor, a collection agency shall obtain, and be able to tell the debtor:"

R20-4-1514(A)(2). The additional change in this subsection reinstates reference to the "creation of a debt" using language that was deleted in the originally proposed revision of this Section. The originally proposed revision changed that reference to a time and place when the debtor "agreed to pay" a debt. The new subsection reads:

> "2. The time and place of the creation of the debt."

The Department recognizes that collection agencies are frequently called upon to collect debts, such as judgments, that are not created by a debtor's agreement to pay, but those collection efforts are still regulated by this Section.

R20-4-1515. The additional change in this subsection reinstates reference in the existing rule to direct or indirect aiding or abetting. The first clause of the new subsection reads:

> "A collection agency shall not help or encourage, directly or indirectly, any other person to evade or violate any provision of:"

The Department determined that the broader prohibition implicit in this language was properly included in the existing rule and should be continued in the revised subsection.

R20-4-1519(A)(1). The additional change in this subsection removes "deceptively," the first word of the clause. That adverb is redundant and extraneous given that R20-4-1519(A)(4) makes clear that a name may not be deceptive. The new clause reads:

> "Similar to, or that may be confused with, any federal, state, county, or municipal government function or agency;"

The Department does not believe the changes to this subsection are substantial but includes them in this Notice to bring them to the attention of the regulated community.

R20-4-1520(A). There are three additional changes in this subsection. All three reinstate provisions of the existing rule. First, the change to R20-4-1520(A)(2) inserts language prohibiting an implication that a person is a lawyer. Second, the change to R20-4-1520(A)(3) inserts language prohibiting an implication that a person is a public employee. Finally, in new language numbered R20-4-1520(A)(4), this notice reinstates language found in the existing rule prohibiting claims, or implications, that a person is any other third party other than a collector. The new subsections, R20-4-1520(A)(2) through (4), read:

> "2. Claim to be, or imply that the person is, an attorney unless the person is licensed to practice law, or
>
> (3) Claim to be, or imply that the person is, a public official, peace officer, or any other type of public employee, or
>
> (4) claim to be, or imply that the person is, any other third party."

The Department determined that the broader prohibition implicit in this language was properly included in the existing rule and should be continued in the revised subsection.

6. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on or not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

The Department has not reviewed, and does not propose to rely on, any study as an evaluator or justification for the proposed rule.

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

A. The Banking Department

The Department will incur the costs of completing this rulemaking and of putting the revised Sections into effect. It expects to receive the offsetting benefits of a more modern set of regulations, accurately describing current best practices, and a resultant ease of communication with all licensees.

B. Other Public Agencies

The state will incur normal publishing costs incident to rulemaking.

C. Private Persons and Businesses Directly Affected

Costs of services will not increase to any measurable degree; nor should these revisions increase any licensee's cost of doing business in compliance with these rules.

D. Consumers

No measurable effect on consumers is expected.

E. Private and Public Employment

The Department expects no measurable effect on private and public employment.

F. State Revenues

This rulemaking will not change state revenues.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name:	John P. Hudock
Address:	Banking Department 2910 N. 44th St., Suite 310 Phoenix, AZ 85018
Telephone:	(602) 255-4421, extension 167
Fax Number:	(602) 381-1225
E-mail:	jhudock@azbanking.gov

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

No oral proceeding is scheduled. The Department will schedule an oral proceeding on the proposed rules if it receives a written request for a proceeding within 30 days after the publication date of this notice, under the provisions of A.R.S. § 41-1023(C). Send requests for an oral proceeding to the Department personnel listed in items 4 and 9. The Department invites and will accept written comments on the proposed rules or the preliminary economic, small business, and consumer impact statement. Submit comments during regular business hours, at the address listed in item 9, until the close of the record for this proposed rulemaking. The record will close on the 31st day following publication of this notice, unless the Department schedules an oral proceeding.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

Not applicable

12. Incorporations by reference and their location in the rules:

There is no material incorporated by reference in these rules.

13. The full text of the rules follows:

TITLE 20. COMMERCE, BANKING, AND INSURANCE

CHAPTER 4. BANKING DEPARTMENT

ARTICLE 15. COLLECTION AGENCIES

Section

ARTICLE 15. COLLECTION AGENCIES

R20-4-1501. Definitions

In this Article, unless the context otherwise requires:

1. "Account" means a contractual arrangement between a client and a collection agency that obligates the collection agency to attempt to collect one or more debts on the client's behalf.
~~8.~~2. "Active Manager" means the ~~active manager~~ person who is ~~actually~~ in ~~charge~~ active management of the ~~conducting~~ conduct of the ~~office and~~ collection agency's business ~~of any licensee as defined herein~~, and who meets the qualifications ~~set forth~~ listed in A.R.S. § 32-1023(A).
~~1.~~3. "Client" means ~~any~~ a person who has ~~contracted with~~ hired a collection agency ~~with regard~~ to ~~the collection by the collection agency of~~ collect ~~any~~ a debt ~~for such person~~.
~~2.~~4. "Collection agency" ~~means all persons required to obtain a collection agency license under Chapter 9, Title 32, Arizona Revised Statutes~~ has the meaning in A.R.S. § 32-1001(A)(2).
5. "Contact" means to communicate with, and includes attempted communications.
~~3.~~6. "Credit bureau" or ~~and~~ "credit reporting agency" means any person engaged exclusively in the business of gathering, recording, and disseminating ~~favorable, as well as unfavorable,~~ information about ~~relative to~~ the credit-worthiness, financial responsibility, paying habits, and character of persons being considered for credit extension~~, so that a prospective creditor may be able to make a sound decision in the extension of credit~~.
~~4.~~7. "Creditor" means ~~any~~ a person who offers or extends credit creating a debt, or to whom a debt is owed ~~, but such~~ . The term does not include ~~any~~ a person ~~to the extent that he~~ that receives an assignment or transfer of a defaulted debt ~~in default~~ solely for ~~the purpose of facilitating collection of such~~ use in collecting the debt for ~~another~~ someone else.
~~5.~~8. "Debt" means ~~any~~ a debtor's actual or claimed obligation ~~or alleged obligation, of a debtor~~ to pay money, whether or not ~~such~~ the obligation has been reduced to judgment.
~~6.~~9. "Debtor" means ~~any~~ a person obligated~~, or allegedly obligated,~~ to pay a debt. The term also means a person claimed to be obligated to pay a debt.
~~7. "Licensee" means the person to whom a license has been issued pursuant to A.R.S. § 32-1026.~~
~~9.~~10. "Superintendent" ~~means the State Superintendent of Banks, or his authorized agent~~ has the meaning in A.R.S. § 6-851.

R20-4-1503. Reports

A. A ~~licensee~~ collection agency shall notify the Superintendent in writing of any change in the officers, directors, partners, or active manager of the ~~licensee~~ collection agency ~~within~~ not more than ten days ~~of such~~ after the change. With the notice, the collection agency shall provide the Superintendent with ~~and shall at the same time file~~ a Statement of Personal History for each ~~such~~ new officer, director, partner, or active manager on ~~the~~ a form ~~prescribed in R20-4-1410~~ obtained from the Department.

B. A ~~licensee~~ collection agency shall notify the Superintendent in writing of any change in its place of business ~~within ten~~ not more than 10 days ~~of such~~ after the change.

R20-4-1506. Articles of Incorporation; Bylaws ~~Governing~~ ; Organizing Documents

~~**A.** Each corporate licensee shall file with the Superintendent one copy, certified by an officer of the licensee, of each amendment to the articles of incorporation and bylaws if any of the licensee, within ten days after the amendment has been adopted.~~

~~**B.** Each noncorporate licensee shall file with the Superintendent one copy, certified by the licensee or a partner or manager thereof, of each amendment to the partnership agreement or other governing documents under which the licensee conducts business, within ten days after the amendment has been adopted.~~

A. A collection agency organized as a corporation shall file with the Superintendent a copy of each amendment to its articles of incorporation within 30 days after the amendment is adopted. Before filing with the Superintendent, an officer of the collection agency shall:

1. Certify the copy filed in compliance with this Section, in writing, signed by the certifying officer, attesting to the

completeness, accuracy, and authenticity of the certified copy; and

2. Ensure the copy bears a stamp affixed by the Arizona Corporation Commission to evidence filing with the Commission.

B. A collection agency organized as a corporation shall file with the Superintendent a copy of each amendment to its bylaws within 10 days after the amendment is adopted. An officer of the collection agency shall certify the copy filed in compliance with this Section, in writing, attesting to the completeness, accuracy, and authenticity of the certified copy.

C. A collection agency not organized as a corporation shall file with the Superintendent a copy of each amendment to its organizing documents within 10 days after the amendment is adopted. A partner, active manager, or agent of the collection agency shall certify the copy filed in compliance with this Section, in writing, attesting to the completeness, accuracy, and authenticity of the certified copy.

R20-4-1507. Representations of Collection Agency's Identity ~~of Licensee~~

~~Each collection agency shall at all times in its contacts with its debtors, whether such contacts are written or oral, represent itself as a collection agency, but it shall not represent, either directly or indirectly, that it is a credit reporting agency or credit bureau when it is not such an entity, nor shall it represent, either directly or indirectly, that it is a law enforcement agency or that it is a law firm.~~

In all communications with debtors, either orally or in writing, all the following rules apply:

1. A collection agency shall represent itself as a collection agency.
2. A collection agency shall not directly or indirectly claim to be a credit reporting agency or credit bureau if it is not.
3. A collection agency shall not directly or indirectly claim to be a law enforcement agency.
4. A collection agency shall not directly or indirectly claim to be a law firm.

R20-4-1508. ~~Representation~~ Representations of the Law

~~A collection agency shall not misrepresent to a debtor the state of the law, shall not send to any debtor any written material simulating legal process, and shall not represent or imply that the debtor is or may be subject to criminal prosecution or arrest as a result of his failure to pay the debt.~~

A collection agency shall not:

1. Misrepresent the state of the law to a debtor,
2. Send a debtor written material that simulates legal process, or
3. Represent or imply that a debtor is, or may be, subject to criminal prosecution or arrest because of a failure to pay the debt.

R20-4-1509. Representations as to Fees, Costs, and Legal Proceedings; Disinterested Counsel Required

~~A collection agency shall not threaten to collect or attempt to collect any attorney's fee, collection cost or other fee not provided for in the contract establishing the debt between the debtor and his creditor, and a collection agency shall neither inform a debtor that legal proceedings against him have been initiated in court when, in fact, they have not, nor shall a collection agency threaten to institute legal proceedings or threaten to turn the account over to a lawyer when, in fact, such action is not then intended. A collection agency shall not file a lawsuit against a debtor unless such a lawsuit is filed by an attorney who has no personal or financial interest in that collection agency.~~

A. A collection agency shall neither threaten to collect, nor attempt to collect, an attorney's fee, collection cost, or other fee that the debtor is not obliged to pay under the debtor's contract with the collection agency's creditor client.

B. A collection agency shall not tell a debtor that legal proceedings have been started unless, in fact, a lawsuit has been filed against the debtor.

C. A collection agency shall not threaten to start legal proceedings against a debtor unless the collection agency actually intends, at the time of the threat, to sue.

D. A collection agency shall not threaten to turn an account over to a lawyer unless the collection agency actually intends to do so at the time of the threat.

E. A collection agency shall not file a lawsuit against a debtor unless such a lawsuit is filed by an attorney who has no personal or financial interest in that collection agency.

R20-4-1510. Representations as to Rights Waived or Remedies Available

~~A collection agency shall not inform a debtor that, as a result of his failure to contact the collection agency, the debtor has waived, or will have waived, any right or defense legally due him, or that the collection agency may, by any process, circumvent the legal process, or otherwise misrepresent to the debtor any remedies available to the collection agency.~~

A. A collection agency shall not inform a debtor that the debtor waives any legal right or legal defense by a failure to contact the collection agency.

B. A collection agency shall not inform a debtor that the collection agency has the power or right to bypass the legal process.

C. A collection agency shall not misrepresent the remedies available to the collection agency.

R20-4-1511. Prohibition of Harassment

~~A collection agency shall not engage in unauthorized or oppressive tactics designed to harass the debtor or others to pay any~~

~~debt, including the use of any language, written or oral, tending to ridicule, disgrace or humiliate, or tending to imply, or actually implying, that the debtor is guilty of fraud or other crime. A collection agency shall not permit its agents, employees, representatives, or officers to employ obscene or abusive language against a debtor in connection with the attempt to collect any debt. A collection agency shall be liable for all the unlawful acts of its agents, employees, representatives or officers as provided for under A.R.S. § 32-1056(B).~~

A. A collection agency shall not use unauthorized or oppressive tactics designed to harass any person to pay a debt.

B. A collection agency shall not use written or oral communications that either ridicule, disgrace, or humiliate any person or tend to ridicule, disgrace, or humiliate any person.

C. A collection agency shall not state, imply, or tend to imply, in written or oral communications that any person is guilty of fraud or any other crime.

D. A collection agency shall not permit its agents, employees, representatives, debt collectors, or officers to use obscene or abusive language in efforts to collect a debt.

E. A collection agency or its agents, employees, representatives or officers are subject to penalties listed in A.R.S. § 32-1056(B) for any violation of this Article, as well as other liabilities imposed under any other provision of law.

R20-4-1512. Contacts with Debtors and Others

~~If a collection agency contacts, or attempts to contact, a debtor by telephone in connection with the collection of a debt, such contact or attempt shall be made during reasonable hours only. A collection agency shall not threaten to contact, or contact, a debtor's neighbors, friends, relatives, employers, or other third parties to inform them of the debt, to ask them to pressure or coerce the debtor into paying the debt, or to ask that they, themselves, pay the debt where they are not legally obligated to pay the debt. A collection agency shall not contact a debtor at his place of employment unless a reasonable attempt has been made to first contact the debtor at his place of residence, and such attempt has failed. This rule shall not be construed, however, to prevent the lawful service upon third parties, including employers, of any writ of garnishment obtained after judgment has been rendered against the debtor for the debt being collected.~~

A. A collection agency shall contact a debtor by telephone only during reasonable hours. A collection agency shall make a reasonable attempt to contact a debtor at the debtor's residence. A collection agency may contact a debtor at the debtor's place of employment if a reasonable attempt to contact the debtor at the debtor's residence has failed.

B. A collection agency shall not contact a third party including a debtor's friend, relative, neighbor, or employer and:

1. Inform the third party of the debt;
2. Ask the third party to pressure the debtor into paying the debt, or;
3. Ask the third party to pay the debt, unless the third party is legally obligated to pay the debt.

C. A collection agency shall not threaten to contact a third party listed in subsection (B) for any purpose listed in subsection (B).

D. Despite the other provisions of this Section, a collection agency may make lawful service on third parties, including employers, of a writ of garnishment or other writ in aid of execution after judgment has been entered against a debtor.

R20-4-1513. Cessation of ~~Contact~~ Communication with the Debtor

~~**A.** A collection agency shall cease all contacts, direct or indirect, with the debtor if and when the debtor informs the collection agency that he is represented by an attorney and that further communications relative to the debt should be directed to such attorney. If, upon contacting such attorney, it is discovered that no bona fide attorney-client relationship exists, the collection agency may resume lawful contacts with the debtor.~~

~~**B.** If a debtor notifies a debt collector in writing that the debtor refuses to pay a debt or that the debtor wishes the debt collector to cease further communication with the debtor, the debt collector shall not communicate further with the debtor with respect to such debt, except:~~

~~1. To advise the debtor that the debt collector's further efforts are being terminated;~~
~~2. To notify the debtor that the debt collector or creditor may invoke special remedies which are ordinarily invoked by such debt collector or creditor; or~~
~~3. Where applicable, to notify the debtor that the debt collector or creditor intends to invoke a specified remedy. If such notice from the debtor is made by mail, notification shall be complete upon receipt.~~

A. A collection agency shall stop contacting a debtor, directly or indirectly, if the debtor tells the collection agency that the debtor is represented by a lawyer and wants the collection agency to communicate with the debtor through that lawyer. The collection agency may later contact the debtor if the collection agency contacts the lawyer named by the debtor and learns that the lawyer does not represent the debtor.

B. A collection agency shall stop contacting a debtor, directly or indirectly, if the debtor gives the collection agency written notice that the debtor:

1. Refuses to pay the debt, or;
2. Wants the collection agency to stop all further communication with the debtor.

C. Despite the provisions of subsection (B), a collection agency may contact a debtor to tell the debtor that:

1. The collection agency has stopped trying to collect the debt, or

2. The collection agency or the creditor may invoke specific remedies that are customarily used by the collection agency or the creditor.

D. The debtor's written notice under subsection (B) is effective upon receipt by the collection agency if delivered by mail.

R20-4-1514. Disclosure of Information to Debtor

~~A collection agency must disclose to the debtor from whom it is attempting to collect the debt the name of the creditor, the time and place of the creation of the debt, the merchandise, services or other things of value underlying the debt, and the date when the account was turned over to the collection agency by the creditor. A debtor shall have the right of access to a collection agency's books and records concerning the debtor or the debt. Upon request, the collection agency shall provide to the debtor without cost, copies of any document relevant to the debt or its collection.~~

A. Within five days after the initial communication with the debtor, a collection agency shall obtain, and be able to tell the debtor:

1. The name of the creditor;
2. The time and place of the creation of the debt;
3. The merchandise, services, or other value provided in exchange for the debt; and
4. The date when the account was turned over to the collection agency by the creditor.

B. A collection agency shall give the debtor access to any of the collection agency's records that contain the information listed in subsection (A).

C. At the debtor's request, the collection agency shall give the debtor, free of charge, a copy of any document from its records that contains the information listed in subsection (A).

R20-4-1515. Aiding and Abetting

~~No person aid or abet, directly or indirectly, any other person in evading or violating any of the provisions of this Article or any of the provisions of Title 32, Arizona Revised Statutes.~~

A collection agency shall not help or encourage, directly or indirectly, any other person to evade or violate any provision of:

1. This Article, or
2. A.R.S. Title 32, Chapter 9.

R20-4-1516. Advertising

~~No collection agency shall, by the use of any letterhead, advertisement, agreement, form, circular or other printed matter, or otherwise, convey the impression that it is vouched for or is the Superintendent of an agency or instrumentality of the state of Arizona, or that it is authorized to practice law.~~

A collection agency shall not use any form of communication to state or imply that it is:

1. Approved, bonded by, or affiliated with the state of Arizona;
2. A state agency;
3. The director of any state agency; or
4. Authorized to practice law.

R20-4-1517. ~~Holder in Due Course~~ Repealed

~~A licensee shall not be deemed a holder in due course even if he is an assignee for value, or otherwise gives value for the debt.~~

R20-4-1518. Agreements with Clients

~~All accounts whereby one or more claims for a debt or debts are placed for collection with a collection agency by a client, shall be set forth in a written agreement between client and collection agency, or shall be set forth in the form of a written acknowledgment of every account assigned, whether there be one or more claims. The written agreement or written acknowledgment shall be specific, intelligible, and unambiguous and shall set forth in full the parties, terms, rates and/or conditions upon which the collection is undertaken. The terms of the written agreement or written acknowledgment shall not violate the laws governing the unauthorized practice of law.~~

A collection agency's records shall document each client's account in writing. The records for an account shall include either a written agreement between the client creditor and the collection agency, or a written direction from the creditor to the collection agency concerning a specific debt placed for collection. The collection agency shall keep records that are specific, easily understood, and unambiguous. A provision of a written agreement or written direction that suggests the collection agency has authority to represent the client in court or to practice law in any other way is void and prohibited by this Section. The records for an account shall separately state:

1. The names of the parties to the agreement or written direction,
2. The terms or rate of compensation paid to the collection agency,
3. The length of time the agreement or written direction is intended to be in effect, and
4. Any conditions regarding collection of a particular debt.

R20-4-1519. Licensee Names and Control

~~No license shall be issued in any name which may be confused with, or which is similar to, any federal, state, county or munic-~~

~~ipal governmental function or agency, or in any name which may tend to describe any business function or enterprise not actually engaged in by the applicant, or in any name which is the same as, or similar to, that of any existing licensee as would otherwise tend to be deceptive or misleading. The foregoing shall not necessarily preclude the use of a name which may be followed by a geographically descriptive title which would distinguish it from a similar name licensed but operating in a different geographical area. No licensee shall do business under more than one name, under the same license.~~

A. The Department shall not issue a license with a name that is:
1. Similar to, or that may be confused with, any federal, state, county, or municipal government function or agency;
2. Descriptive of any business activity that the applicant does not actually conduct;
3. The same as, or similar to, the name of any existing collection agency, or;
4. Otherwise deceptive or misleading.

B. The Department may permit the use of a name otherwise prohibited under subsection (A)(3) based on its analysis of whether the name includes geographic or other information that distinguishes it from the other collection agency.

C. A collection agency shall not use a collection agency license to do business under more than one name. Each collection agency shall apply for and obtain a separate license for each business name it intends to use in Arizona.

R20-4-1520. Representations of Collection Agency Employees' Identity or Position

~~**A.** A collection agency or licensee shall not allow its agent, representative, employees or officers to represent other than their true position with the collection agency, or to claim or imply that they are attorneys if in fact they are not or to claim that they are public officials, peace officers or any other third party other than their true position, debt collector.~~

~~**B.** Before using a name other than his true name while engaged in the collection of a claim, a licensee shall set forth in a separate record of the agency the following:~~
~~1. True name of debt collector.~~
~~2. Name used other than true name and inclusive dates the name is used.~~
~~3. True physical home address and true mailing address.~~
~~4. A copy of the record of fictitious names shall be filed with the state Banking Department on a semi-annual basis on July 1 and December 31 of each year. After the initial report is filed only changes need be reported to the Department.~~

A. A collection agency shall not allow its debt collector, agent, representative, employee, or officer to:
1. Misrepresent the person's true position with the collection agency,
2. Claim to be, or imply that the person is, an attorney unless the person is licensed to practice law, or
3. Claim to be, or imply that the person is, a public official, peace officer, or any other type of public employee, or
4. Claim to be, or imply that the person is, any other third party.

B. In any communication with a debtor, a person working for a collection agency shall indicate that the person is a debt collector.

C. A collection agency shall keep a record of all fictitious names used by its debt collectors during their employment. The collection agency shall record the information required by this subsection before permitting the use of a fictitious name. The collection agency shall file a copy of the record of fictitious names with the Department on July 1 and December 31 of each year. After filing the initial report, a collection agency shall identify all changes to the record on July 1 and December 31 of each year. The collection agency's record of fictitious names shall include:
1. The true name of each debt collector that uses a fictitious name;
2. Each fictitious name used by the debt collector, together with the dates when the name is used; and
3. The residential street address and residential mailing address of each debt collector that uses a fictitious name.

R20-4-1521. Duty of Investigation

~~A collection agency shall, prior to continuing its collection efforts against the debtor, investigate any claim made by the debtor or his attorney that he is the wrong party, that the debt has been paid, that the debt has been discharged in bankruptcy, or any other reasonable claim that the debt is not owing. A collection agency shall furnish evidence of the debt to the debtor or his attorney if and when so requested.~~

A collection agency shall give copies of its evidence of the debt to the debtor or the debtor's attorney on request. After providing the evidence, but before continuing its collection efforts against the debtor, the collection agency shall investigate any claim by the debtor or the debtor's attorney that:
1. The debtor has been misidentified;
2. The debt has been paid;
3. The debt has been discharged in bankruptcy; or
4. Based on any other reasonable claim, the debt is not owed.