

7. In newly redesignated § 9.4, paragraphs (a), (c), (d), (f), (h), (i), and (j) are removed; paragraphs (b), (e), and (g) are redesignated as paragraphs (a), (b), and (c), respectively; newly redesignated paragraph (c) is amended by removing "election of optional settlement" and adding, in its place, "settlement option election"; introductory text is added; and newly redesignated paragraph (a) is revised to read as follows:

**§ 9.4 Beneficiaries and options.**

Any designation of beneficiary or election of settlement options is subject to the provisions of 38 U.S.C. 1970 and 1977 and the following provisions:

(a) Any designation of beneficiary or settlement option election made by any member insured under Servicemen's Group Life Insurance for full-time coverage or part-time coverage will remain in effect until properly changed by the member or canceled automatically for any of the following reasons:

- (1) The insurance terminates following separation or release from all duty in a uniformed service.
- (2) The member enters on duty in another uniformed service.
- (3) The member reenters on duty in the same uniformed service more than 1 calendar day after separation or release from all duty in that uniformed service.

\* \* \* \* \*

8. In newly redesignated § 9.5, paragraphs (a), (b), (c), and (e) are removed; paragraphs (f), (g), and (h) are redesignated as paragraphs (a), (b), and (c), respectively; introductory text is added, and paragraph (d) is added to read as follows:

**§ 9.5 Payment of proceeds.**

Proceeds shall be paid in accordance with provisions set forth in 38 U.S.C. 1970 and the following provisions:

\* \* \* \* \*

(d) If a member whose coverage is extended due to total disability converts the group insurance to an individual policy which is effective before he or she ceases to be totally disabled or before the end of 1 year following termination of duty, whichever is earlier, and dies while group insurance would be in effect, except for such conversion, the group insurance will be payable, provided the individual policy is surrendered for a return of premiums and without further claim. When there is no such surrender, any amount of group insurance in excess of the amount of the individual policy will be payable.

(Authority: 38 U.S.C. 501)

**§ 9.7 [Amended]**

9. In newly redesignated § 9.7, paragraph (a)(1) is amended by removing "under § 9.5(b)(3)" and adding, in its place, "under 38 U.S.C. 1967(b)", and by removing "under § 9.7(b)". Paragraph (a)(4) is amended by removing "and § 9.34". Paragraph (a)(5) is amended by removing "under § 9.7 (a) and (b)" and adding, in its place, "under 38 U.S.C. 1968". Paragraph (b) is amended by removing "in § 9.34 of this part" and adding, in its place, "under 38 U.S.C. 1973", and by removing "as required by § 9.8(c) of this part" and adding, in its place, "as required under 38 U.S.C. 1967(c)". Paragraph (d) is amended by removing "Chief Benefits Director and/or" and adding, in its place, "Under Secretary for Benefits and".

10. In newly redesignated § 9.8, paragraphs (a), (b), (c), (d), and (e) are removed; paragraphs (f) and (g) are redesignated as paragraphs (a) and (b), respectively; newly redesignated paragraph (a) is amended by removing "§ 9.34,"; and newly redesignated paragraph (b) is amended by removing "under § 9.1(a)(3)" and adding, in its place, "under 38 U.S.C. 1968(a)(4)(B)"; and introductory text is added to read as follows:

**§ 9.8 Termination of coverage.**

Termination of coverage will be in accordance with the provisions of 38 U.S.C. 1968 and § 9.3 of this part and the following provisions:

\* \* \* \* \*

11. In newly redesignated § 9.9, paragraphs (a), (a)(1), (a)(3), (b)(1), (b)(2), (b)(3), and (d) are removed; paragraph (a)(2) is redesignated as paragraph (a). Newly redesignated paragraph (a) is amended by removing "§ 9.7(b)" and adding, in its place, "38 U.S.C. 1967(b) or 1968(a)"; and by removing ", in which event the insurance may be converted effective the day after the end of such 120-day period" and adding "" after "duty"; and paragraph (b) is revised to read as follows:

**§ 9.9 Conversion privilege.**

\* \* \* \* \*

(b) The individual policy of life insurance to which an insured may convert under 38 U.S.C. 1968(b) or 1977(e) shall not have disability or other supplementary benefits and shall not be term insurance or any policy which does not provide for cash values. Term riders providing level or decreasing insurance for which an additional premium is charged may be attached to an eligible basic conversion policy, but the rider will be excluded from the

conversion pool agreement under the policy.

\* \* \* \* \*

12. In newly redesignated § 9.12, paragraph (a) is removed, and paragraphs (b), (c), and (d) are redesignated as paragraphs (a), (b), and (c), respectively. Newly redesignated paragraph (a), is amended by removing "of the remaining balance", and by removing "on December 31, 1964,"; newly redesignated paragraph (b) is amended by removing "paragraph (b)" and adding, in its place, "paragraph (a)"; newly redesignated paragraph (c) is amended by removing "§ 9.28" and adding, in its place, "§ 9.11"; and the introductory text is revised to read as follows:

**§ 9.12 Reinsurance formula.**

The allocation of insurance to the insurer and each reinsurer will be based upon the following:

\* \* \* \* \*

**§ 9.13 [Amended]**

12. In newly redesignated § 9.13, the first sentence is removed.

[FR Doc. 96-11157 Filed 5-3-96; 8:45 am]  
BILLING CODE 8320-01-P

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**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 52**

[CA 162-2-0002a FRL-5466-1]

**Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, San Joaquin Valley Unified Air Pollution Control District, Santa Barbara County Air Pollution Control District, South Coast Air Quality Management District**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Direct final rule.

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**SUMMARY:** EPA is taking direct final action on revisions to the California State Implementation Plan. The revisions concern rules from the following districts: San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD), Santa Barbara County Air Pollution Control District (SBCAPCD), and South Coast Air Quality Management District (SCAQMD). This approval action will incorporate these rules into the federally approved SIP. The intended effect of approving these rules is to regulate emissions of volatile organic compounds (VOCs) in accordance with the requirements of the Clean Air Act, as amended in 1990

(CAA or the Act). The revised rules control VOC emissions from aerospace assembly and component manufacturing operations, motor vehicle and mobile equipment coating operations, crude oil production and separation, and storage of reactive organic compound liquids (ROC). Thus, EPA is finalizing the approval of these revisions into the California SIP under provisions of the CAA regarding EPA action on SIP submittals for national primary and secondary ambient air quality standards and plan requirements for nonattainment areas.

**DATES:** This action is effective on July 5, 1996 unless adverse or critical comments are received by June 5, 1996. If the effective date is delayed, a timely notice will be published in the Federal Register.

**ADDRESSES:** Copies of the rule revisions and EPA's evaluation report for each rule are available for public inspection at EPA's Region IX office during normal business hours. Copies of the submitted rule revisions are available for inspection at the following locations:  
 Rulemaking Section (A-5-3), Air and Toxics Division, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105.

Environmental Protection Agency, Air Docket (6102), 401 "M" Street, S.W., Washington, D.C. 20460.

California Air Resources Board, Stationary Source Division, Rule Evaluation Section, 2020 "L" Street, Sacramento, CA 92123-1095.

San Joaquin Valley Unified Air Pollution Control District, 1999 Tuolumne Street, Suite #200, Fresno, CA 93721.

Santa Barbara County Air Pollution Control District, 26 Castilian Drive, B-23, Goleta, CA 93117.

South Coast Air Quality Management District, 21865 E. Copley Drive, Diamond Bar, CA 91765-4182.

**FOR FURTHER INFORMATION CONTACT:** Helen Liu, Rulemaking Section (A-5-3), Air and Toxics Division, U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105, Telephone: (415) 744-1199.

#### SUPPLEMENTARY INFORMATION:

##### Applicability

The rules being approved into the California SIP include: SJVUAPCD Rule 4602—Motor Vehicle and Mobile Equipment Coating Operations, SBAPCD Rule 325—Crude Oil Production and Separation, SBAPCD Rule 326—Storage of Reactive Organic Compound Liquids, and SCAQMD Rule

1124—Aerospace Assembly and Component Manufacturing Operations.

##### Background

On March 3, 1978, EPA promulgated a list of ozone nonattainment areas under the provisions of the Clean Air Act, as amended in 1977 (1977 Act or pre-amended Act), that included the San Joaquin Valley Area, the Santa Barbara Area, and the South Coast Air Basin. 43 FR 8964, 40 CFR 81.305. On May 26, 1988, EPA notified the Governor of California, pursuant to section 110(a)(2)(H) of the 1977 Act, that the above districts' portions of the California SIP were inadequate to attain and maintain the ozone standard and requested that deficiencies in the existing SIP be corrected (EPA's SIP-Call). On November 15, 1990, the Clean Air Act Amendments of 1990 were enacted. Pub. L. 101-549, 104 Stat. 2399, codified at 42 U.S.C. 7401-7671q. In amended section 182(a)(2)(A) of the CAA, Congress statutorily adopted the requirement that nonattainment areas fix their deficient reasonably available control technology (RACT) rules for ozone and established a deadline of May 15, 1991 for states to submit corrections of those deficiencies.

Section 182(a)(2)(A) applies to areas designated as nonattainment prior to enactment of the amendments and classified as marginal or above as of the date of enactment. It requires such areas to adopt and correct RACT rules pursuant to pre-amended section 172(b) as interpreted in pre-amendment guidance.<sup>1</sup> EPA's SIP-Call used that guidance to indicate the necessary corrections for specific nonattainment areas. The San Joaquin Area is classified as severe, Santa Barbara Area as moderate, and the South Coast Air Basin as extreme;<sup>2</sup> therefore, these areas were subject to the RACT fix-up requirement and the May 15, 1991 deadline.

The State of California submitted many revised RACT rules for incorporation into its SIP. The following table includes the dates of when the districts adopted the rules, the dates that California submitted them to EPA,

<sup>1</sup> Among other things, the pre-amendment guidance consists of those portions of the proposed post-1987 ozone and carbon monoxide policy that concern RACT, 52 FR 45044 (November 24, 1987); "Issues Relating to VOC Regulation Cutpoints, Deficiencies, and Deviations, Clarification to Appendix D of November 24, 1987 Federal Register Notice" (Blue Book) (notice of availability was published in the Federal Register on May 25, 1988); and the existing control technique guidelines (CTGs).

<sup>2</sup> San Joaquin Valley, Santa Barbara, and South Coast retained their designation of nonattainment and were classified by operation of law pursuant to sections 107(d) and 181(a) upon the date of enactment of the CAA. See 55 FR 56694 (November 6, 1991).

and the dates that they were found to be complete pursuant to EPA's completeness criteria that are set forth in 40 CFR part 51 Appendix V:<sup>3</sup>

Rule	Adoption	Submittal	Completeness
SJVUAP-CD 4602 ...	6/15/95	10/13/95	11/28/95
SBAPCD 325 .....	1/25/94	3/29/94	6/3/94
SBAPCD 326 .....	12/14/93	3/29/94	6/3/94
SCAQMD 1124 ...	1/13/95	2/24/95	3/10/95

This notice addresses EPA's direct-final approval action for the above-mentioned rules.

All of these rules control VOC emissions from the operations listed above. VOCs contribute to the production of ground level ozone and smog. These rules were originally adopted by SJVUAPCD, SBAPCD, and SCAQMD as part of an effort to achieve the National Ambient Air Quality Standard (NAAQS) for ozone and in response to EPA's SIP-Call and the section 182(a)(2)(A) CAA requirement. The following is EPA's evaluation and final action for these rules.

##### EPA Evaluation and Action

In determining the approvability of a VOC rule, EPA must evaluate the rule for consistency with the requirements of the CAA and EPA regulations, as found in section 110 and part D of the CAA and 40 CFR part 51 (Requirements for Preparation, Adoption, and Submittal of Implementation Plans). The EPA interpretation of these requirements, which forms the basis for today's action, appears in the various EPA policy guidance documents listed in footnote 1. Among those provisions is the requirement that a VOC rule must, at a minimum, provide for the implementation of RACT for stationary sources of VOC emissions. This requirement was carried forth from the pre-amended Act.

For the purpose of assisting state and local agencies in developing RACT rules, EPA prepared a series of Control Technique Guideline (CTG) documents. The CTGs are based on the underlying requirements of the Act and specify the presumptive norms for what is RACT for specific source categories. Under the CAA, Congress ratified EPA's use of these documents, as well as other Agency policy, for requiring States to

<sup>3</sup> EPA adopted the completeness criteria on February 16, 1990 (55 FR 5830) and, pursuant to section 110(k)(1)(A) of the CAA, revised the criteria on August 26, 1991 (56 FR 42216).

“fix-up” their RACT rules. See section 182(a)(2)(A). The CTGs applicable to some of these rules are as follows: EPA-450/2-83-007, “Control of Volatile Organic Compound Equipment Leaks from Natural Gas/Gasoline Processing Plants,” EPA-450/2-78-047, “Control of Volatile Organic Emissions From Petroleum Liquid Storage in External Floating Roof Tanks,” and EPA-450/2-77-036, “Control of Volatile Organic Emissions From Storage of Petroleum Liquid in Fixed-Roof Tanks.” Rules 4602 and 1124 control emissions from source categories for which EPA has not yet finalized CTGs. Accordingly, these rules were evaluated against the interpretations of EPA policy found in the Blue Book, referred to in footnote 1, and against other EPA policy. In general, these guidance documents have been set forth to ensure that VOC rules are fully enforceable and strengthen or maintain the SIP.

SVUAPCD’s submitted Rule 4602—Motor Vehicle and Mobile Equipment Coating Operations includes the following major provisions:

- Exempts operations involved with touch-up coating, graphic art, and radiator coating.
- Includes the maximum allowable VOC contents for Group I and II vehicle and equipment coatings.
- Specifies the requirements for using add-on control equipment.
- Includes a list of acceptable methods to apply coatings.
- Limits the VOC content and usage of specialty coatings.

SBCAPCD’s submitted Rule 325—Crude Oil Production and Separation includes the following major provisions:

- The conditions under which a tank would be exempt from the standards portion of this rule.
- The control measures required for storage tanks and any produced gas.
- The test methods that are to be used to determine compliance. This includes an alternative test method that is to be used to measure vapor pressure of an oil whose API gravity is less than 20 degrees.
- Details as to how an inspection will be conducted.

SBCAPCD’s submitted Rule 326—Storage of Reactive Organic Compound Liquids includes the following major provisions:

- Exempts storage tanks with a capacity of less than 5,000 gallons and storage tanks containing an ROC liquid having a vapor pressure less than 0.5 psia from requirements of this rule.
- Specifies that certain control measures must be in place on the tank

in order to control emissions or that vapor loss control devices may be installed.

- Lists the allowable vapor loss control devices.
- Lists the criteria for the closure device on any external or internal floating roof tank.
- Lists the requirements for inspection and reporting.

SCAQMD’s submitted Rule 1124—Aerospace Assembly and Component Manufacturing Operations includes the following major provisions:

- Includes a comprehensive list of coatings, their corresponding VOC limits, and the phase-in compliance schedule of when facilities must use coatings that meet certain VOC content limits.
- Includes solvent use, clean-up, and stripping requirements.
- Includes a list of the different acceptable methods to apply coatings that ensure a certain level of transfer efficiency.
- If control equipment is used, it must have a destruction efficiency of at least 95% and a capture efficiency of at least 90%.
- Prohibits a person from requiring the use of any non-compliant coating.
- Requires a person who performs qualification acceptance testing on coatings to submit a status report describing the progress toward the development of coatings that satisfy future compliance dates.
- Lists which facilities and what coatings are exempt from this rule.

EPA has evaluated the submitted rules and has determined that they are consistent with the CAA, EPA regulations, and EPA policy. Therefore, SVUAPCD 4602—Motor Vehicle and Mobile Equipment Coating Operations, SBCAPCD 326—Storage of Reactive Organic Compound Liquids, and SCAQMD 1124—Aerospace Assembly and Component Manufacturing Operations are being approved under section 110(k)(3) of the CAA as meeting the requirements of section 110(a) and part D.

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

EPA is publishing this notice without prior proposal because the Agency views this as a noncontroversial amendment and anticipates no adverse

comments. However, in a separate document in this Federal Register publication, the EPA is proposing to approve the SIP revision should adverse or critical comments be filed. This action will be effective July 5, 1996, unless, by June 5, 1996, adverse or critical comments are received.

If the EPA receives such comments, this action will be withdrawn before the effective date by publishing a subsequent document that will withdraw the final action. All public comments received will then be addressed in a subsequent final rule based on this action serving as a proposed rule. The EPA will not institute a second comment period on this action. Any parties interested in commenting on this action should do so at this time. If no such comments are received, the public is advised that this action will be effective July 5, 1996.

#### Regulatory Process

Under the Regulatory Flexibility Act, 5 U.S.C. 600 et seq., EPA must prepare a regulatory flexibility analysis assessing the impact of any proposed or final rule on small entities. 5 U.S.C. §§ 603 and 604. Alternatively, EPA may certify that the rule will not have a significant impact on a substantial number of small entities. Small entities include small businesses, small not-for-profit enterprises and government entities with jurisdiction over population of less than 50,000.

SIP approvals under sections 110 and 301(a) and subchapter I, Part D of the CAA do not create any new requirements, but simply approve requirements that the State is already imposing. Therefore, because the Federal SIP-approval does not impose any new requirements, I certify that it does not have a significant impact on any small entities affected. Moreover, due to the nature of the Federal-state relationship under the CAA, preparation of a regulatory flexibility analysis would constitute Federal inquiry into the economic reasonableness of state action. The CAA forbids EPA to base its actions concerning SIPs on such grounds. *Union Electric Co. v. U.S. E.P.A.*, 427 U.S. 246, 256-66 (S. Ct. 1976); 42 U.S.C. 7410(a)(2).

#### Unfunded Mandates

Under Sections 202, 203, and 205 of the Unfunded Mandates Reform Act of 1995 (“Unfunded Mandates Act”), signed into law on March 22, 1995, EPA must undertake various actions in association with proposed or final rules that include a Federal mandate that may result in estimated costs of \$100 million or more to the private sector or to State,

local, or tribal governments in the aggregate.

Through submission of this state implementation plan or plan revision, the State and any affected local or tribal governments have elected to adopt the program provided for under Part D of the Clean Air Act. These rules may bind State, local, and tribal governments to perform certain actions and also require the private sector to perform certain duties. The rules being approved by this action will impose no new requirements because affected sources are already subject to these regulations under State law. Therefore, no additional costs to State, local, or tribal governments or to the private sector result from this action. EPA has also determined that this direct-final action does not include a mandate that may result in estimated costs of \$100 million or more to State, local, or tribal governments in the aggregate or to the private sector.

This action has been classified as a Table 3 action for signature by the Regional Administrator under the procedures published in the Federal Register on January 19, 1989 (54 FR 2214-2225), as revised by a July 10, 1995 memorandum from Mary Nichols, Assistant Administrator for Air and Radiation. The Office of Management and Budget (OMB) has exempted this regulatory action from Executive Order 12866 review.

#### List of Subjects in 40 CFR Part 52

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

Note: Incorporation by reference of the State Implementation Plan for the State of California was approved by the Director of the Federal Register on July 1, 1982.

Dated: April 18, 1996.

Felicia Marcus,

*Regional Administrator.*

Subpart F of part 52, chapter I, title 40 of the Code of Federal Regulations is amended as follows:

#### **PART 52—[AMENDED]**

1. The authority citation for part 52 continues to read as follows:

Authority: 42 U.S.C. 7401-7671q.

#### **Subpart F—California**

2. Section 52.220 is amended by adding paragraphs (c)(196)(i)(C)(2), (215)(i)(A)(5), and (225)(i)(D) to read as follows:

#### **§ 52.220 Identification of Plan.**

\* \* \* \* \*

(c) \* \* \*  
(196) \* \* \*

(i) \* \* \*  
(C) \* \* \*

(2) Rules 325 & 326, adopted on January 25, 1994 and December 14, 1993, respectively.

\* \* \* \* \*

(215) \* \* \*  
(i) \* \* \*

(A) \* \* \*

(5) Rule 1124, adopted January 13, 1995.

\* \* \* \* \*

(225) \* \* \*  
(i) \* \* \*

(D) San Joaquin Valley Unified Air Pollution Control District.

(1) Rule 4602, adopted June 15, 1995.

\* \* \* \* \*

[FR Doc. 96-11205 Filed 5-3-96; 8:45 am]

BILLING CODE 6560-50-W

#### **40 CFR Part 52**

[OH93-1-7290a; FRL-5467-3]

#### **Approval and Promulgation of Implementation Plans; Ohio**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Direct final rule.

**SUMMARY:** The EPA is approving the Particulate Matter contingency measures State implementation plan (SIP) revisions submitted by the State of Ohio on July 17, 1995. This submittal addresses the Federal Clean Air Act requirement to submit contingency measures for particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers (PM) for the areas designated as nonattainment for the PM National Ambient Air Quality Standards (NAAQS). In Ohio, Cuyahoga County and portions of Jefferson County are designated as nonattainment for PM. Contingency measures are emission reductions which are to be implemented, with no further action, in the event that an area fails to meet air quality standards. This submittal would result in an emissions reduction of 34 pounds of PM per hour in Cuyahoga County, and 2.9 pounds of PM per hour in Jefferson County if implementation of the contingency measures becomes necessary.

**DATES:** This action is effective on July 5, 1996, unless EPA receives adverse or critical comments by June 5, 1996. If the effective date is delayed, timely notice will be published in the Federal Register.

**ADDRESSES:** Copies of the revision request are available for inspection at the following address: U.S. Environmental Protection Agency, Region 5, Air and Radiation Division 77 West Jackson Boulevard, Chicago, Illinois 60604. (It is recommended that you telephone David Pohlman at (312) 886-3299 before visiting the Region 5 Office.)

Written comments should be sent to: J. Elmer Bortzer, Chief, Regulation Development Section, Air Programs Branch (AR-18J), U.S. Environmental Protection Agency, 77 West Jackson Boulevard, Chicago, Illinois 60604.

**FOR FURTHER INFORMATION CONTACT:** David Pohlman (312) 886-3299.

#### **SUPPLEMENTARY INFORMATION:**

##### **I. Background**

In Ohio, Cuyahoga County and portions of Jefferson County are designated as nonattainment for PM and classified as moderate under sections 107(d)(4)(B) and 188(a) of the Clean Air Act. See 56 FR 56694 (Nov. 6, 1991); 40 CFR 81.336. The air quality planning requirements for moderate PM nonattainment areas are set out in subparts 1 and 4 of part D, Title I of the Clean Air Act. The EPA has issued a "General Preamble" describing EPA's preliminary views on how EPA intends to review SIPs and SIP revisions submitted under Title I of the Clean Air Act, including those State submittals containing moderate PM nonattainment area SIP requirements (see generally 57 FR 13498 (April 16, 1992) and 57 FR 18070 (April 28, 1992)). Because EPA is describing its interpretations here only in broad terms, the reader should refer to the General Preamble for a more detailed discussion of the interpretations of Title I advanced in this action and the supporting rationale.

Those States containing initial moderate PM nonattainment areas were required to submit contingency measures by November 15, 1993 (see 57 FR 13543). This contingency plan supplements the attainment plan, and must include measures that become effective, without further action by the State or EPA, upon a determination by EPA that the area has failed to achieve reasonable further progress (RFP) or to attain the PM NAAQS by the applicable statutory deadline. See section 172(c)(9) of the Clean Air Act and 57 FR 13510-13512 and 13543-13544.

##### **II. Analysis of State Submittal**

The Ohio Environmental Protection Agency (OEPA) submitted a requested SIP revision to the EPA with a letter dated July 17, 1995. The submittal