impact on the number of brake jobs performed. Since the cost of complying with the revised asbestos standard is not significant when compared with the current differential in the out-of-pocket costs between having a professional do the job or doing the job oneself, OSHA believes that these costs will not have an impact on the behavior of consumers. The situation is similar in ship repair and new construction where the added compliance costs are a small percentage of the total cost of the job.

The impact of the additional compliance costs associated with routine construction maintenance should also be small. While in the short run, firms may decide to forego or reduce certain maintenance tasks (e.g., the cleaning of equipment containing asbestos material), in the long run the affected firms will have two options. The first would be to continue normal maintenance practices that involve asbestos materials and products and to comply with the revised requirements. The second option would be to remove asbestos materials from the building. As the cost of the second option could be high and would involve considerable disruption, most firms will probably choose the first option.

Since the demand for asbestos abatement is based primarily on public health and not on economic considerations, OSHA does not believe that the additional costs associated with the compliance requirements will diminish the demand for these specialized services. These activities frequently are conducted at schools and other public buildings, where the occupants' health and well-being are the major priorities. In fact, since the actual risk of removing asbestos is lessened through more stringent controls and regulations, the demand for asbestos abatement may be accelerated.

It also appears probable that the compliance costs associated with demolition can be passed on to the site developer. The circumstances surrounding a building demolition usually imply a favorable economic outlook (e.g., a major downtown development project, high office occupancy rates, etc.). Any incremental costs associated with compliance requirements are likely to be negligible when compared to the total costs of the project, and normally would not impose a major obstacle that would prevent the demolition of the existing structure and the eventual construction of a new building.

The only construction activity that may be affected by the revised standard is building renovation, because in some cases, compliance requirements may cause the renovation project to be postponed. Firms performing renovation activities, however, also do other construction work, and OSHA does not anticipate any significant impact on firms in the renovation industry.

Regulatory Flexibility Analysis

In accordance with the Regulatory Flexibility Act of 1980 (5 U.S.C. 601 et seq.), OSHA also assessed the economic burden of the revised standard on small businesses and has determined that the revised standard will not have a differential impact of them. The assessment for the automotive repair and construction sectors were based on the fact that these industries are dominated by small firms. In the automotive repair sector, for example, over 80 percent of the service stations are franchise owned [1983 Fact Book, National Petroleum News]. Similarly, data from the 1982 Census of Construction indicate that a typical firm in this industry averaged slightly under 10 employees in 1982. In particular, special trade contractors (SIC 17) averaged only eight workers per establishment in 1982. The assessment for ship repair was based on the fact that the compliance costs for both small and large shipyards were a negligible percentage of total revenue (i.e., less than 0.4 percent).

Conclusion

Based on this analysis, OSHA has determined that with two exceptions (i.e., secondary asbestos gasket manufacturing and renovation activities in construction), the revised asbestos standard will not have a significant economic impact nor will it impose an adverse differential impact on small firms. OSHA anticipates that most small firms in the secondary asbestos gasket manufacturing market will leave the industry and shift entirely to the production of non-asbestos gaskets. This will concentrate the production of secondary asbestos gaskets among the medium-sized and larger firms which are better able to afford the required capital expenditures. Given the high compliance costs associated with renovation activities (primarily due to the requirement to establish negative-pressure regulated areas), OSHA believes that some owners of buildings may forego or delay renovation activities. Since firms performing renovation activities currently perform other construction activities, OSHA believes that the impact of these firms will be small.

VIII. Environmental Impact Assessment

This assessment has been prepared in accordance with the provisions of the National Environmental Policy Act (NEPA) (42 U.S.C. 4325 et seq.) as well as the regulations of the Council on Environmental Quality (CEQ) (40 CFR Part 1500), and DOL-NEPA Compliance Procedures (29 CFR Part 11).

OSHA has reviewed the responses to the 1984 Notice of Proposed Rulemaking (NPRM) contained in the OSHA docket, as well as the revisions to the asbestos standard, and has concluded that no significant environmental impacts are likely to occur as a result of this action. The preceding description of the final rule and its supporting rationale, together with the discussion and arguments presented in the 1984 Notice (49 FR 70:14141-14144, April 10, 1984), constitute a finding of no significant impact. This is consistent with OSHA's earlier assessment, which provides a detailed discussion of the potential environmental effects of OSHA's regulatory action. Copies of that assessment are available from the OSHA Docket Office (Docket No. H-033C, Exhibit No. 84-477).

As indicated in OSHA's earlier environmental assessment, two environments may be affected by an OSHA regulatory action: (1) The workplace environment and (2) the general human environment external to the workplace, including impacts on air and water pollution, solid waste, and energy, and land use. Usually, OSHA regulations have their most significant impacts on the workplace environment, because this environment is under the Agency's jurisdiction. These regulations are beneficial to the workplace environment because they reduce worker exposure to toxic and carcinogenic substances. An in-depth discussion and analysis of the occupational nature of asbestos disease, the workplace environment, and the benefits to workers as a result of this rule are presented in earlier sections of this Notice.

In most cases, the effects of previous OSHA regulations on the external environment have been negligible because of their limited scope and application. Similarly, there is no evidence to indicate that there would be any significant adverse impacts to the external environment as a result of the standard on asbestos. As with other OSHA regulations in the past, however, there may be a potential benefit to the environment. The potential benefits and other impacts are briefly summarized here.

Air Pollution

As asbestos is used extensively in a variety of processes and products, the