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same form and at the same values as such securities would have been presented prior to the transaction.

[(a) Each insurer shall identify in its annual statement the collateral or any reinvestment of such collateral. If not reinvested, the collateral consisting of cash is presented at face amount and the collateral consisting of United States Government securities is reflected at fair market value at the date of the transaction. If the insurer has reinvested the collateral, the assets representing such reinvestment shall be presented in accordance with the principles of statutory accounting approved by the State Board of Insurance for similar assets.

[(b) The insurance company presents the difference between the fair market values of the collateral and the securities loaned as a separate item on the asset side of the annual statement, which values are determined as of the date the securities and collateral are originally transferred. The difference between the fair market values of the collateral and securities loaned is shown as a deduction from the asset as described in subsection (a) of this section.

[(c) The book value of the securities loaned to the broker is treated as a nonadmitted asset in exhibits relating to assets in the annual statement.

[(d) Income received during the year on the collateral or received on any reinvestment of the collateral is reported in the investment income exhibit as a separate item specifically identified as such. Amounts remitted to the broker as compensation are reported as an investment expense in the appropriate exhibit.

[(e) The entries in the annual statement referring to the items described in subsections (a)-(d) of this section are identified with a mark and described in a footnote referring to the schedules providing detailed information concerning securities loaned to brokers and not returned before year end. An illustrative example of these schedules is available at the offices of the State Board of Insurance.

[(f) Upon return to the insurance company of the loaned securities, such securities are presented in the annual statement in the same form and at the same values as such securities would have been presented prior to the transaction.

[(g) An illustration of a sample annual statement reflecting the accounting procedures required by this section for "securities lending" is available at the offices of the State Board of Insurance. A comparable prior year annual statement identical in every way to Exhibit B-1 except for the recording of the securities loans is available at the offices of the State Board of Insurance.]

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on July 9, 1993.

TRD-9325553 Linda K. von Quintus-Dom
Chief Clerk
Texas Department of
Insurance

Earliest possible date of adoption: August 16, 1993

For further information, please call: (512) 463-6328

Chapter 15. Surplus Lines of Insurance

Subchapter A. General Regulation of Surplus Lines of Insurance

• 28 TAC §15.17

The State Board of Insurance of the Texas Department of Insurance at a public hearing under Docket Number 2023, scheduled for 9:00 a.m. August 25, 1993, in Room 100 of the Texas Department of Insurance Building, 333 Guadalupe Street in Austin will consider proposed amendment to §15.17. The amendment would add a new subsection (d) which would require the records of a surplus lines agent to be maintained in one location. The amendment is necessary to assure efficient audits of surplus lines agents.

Sandra Autry, associate commissioner for the financial program, has determined that for the first five-year period the new subsection is in effect, there will be no fiscal implications for state and local government as a result of enforcing or administering this subsection, and there will be no effect on local employment or local economy.

Ms. Autry also has determined that for each year of the first five years the amendment as proposed is in effect, the public benefit anticipated as a result of enforcing the amendment will be the conduct of the efficient and effective examinations. There will be no effect on small business. There is no anticipated economic cost to persons who are required to comply with the subsection as proposed.

Comments on the proposal, to be considered by the State Board of Insurance, must be submitted in writing within 30 days after the publication of the proposed section in the Texas Register to Linda K. von Quintus-Dom, Chief Clerk, Mail Code 113-2A, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78781-49104. An additional copy of the comments should be submitted to Sandra Autry, Associate Commissioner, Mail Code 305-2A, Texas Department of Insurance, P.O. Box 149104, Austin, Texas 78714-9104.

The amendment is proposed under the Insurance Code, Article 1.14-2 and Article 1.04, and Texas Civil Statutes, Article 6252-13a, §4 and §5. The Insurance Code, Article 1.14-2, §3A, provides the State Board of In-

surance with the authority to adopt rules to enforce Article 1.04(b), authorizes the State Board of Insurance to determine rules in accordance with the laws of this state for uniform application. Texas Civil Statutes, Article 6252-13a, §4 and §5, authorize and require each state agency to adopt rules of practice setting forth the nature and requirements of available procedures and prescribe the procedures for adoption of rules of a state administrative agency.

CROSS REFERENCE TO STATUTE. The following is the Article of the Insurance Code that is affected by this rule: §15.17(d), Insurance Code, Article 1. 14-2

§15.17. General.

(a)-(c) (No change.)

(d) Location of Records. The records required by subsection (a) of this section and §15.20 of this title (relating to agency accounting records) shall be located at only one location which shall be designated in writing to Texas Department of Insurance.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on July 9, 1993.

TRD-9325554 Linda K. von Quintus-Dom
Chief Clerk
Texas Department of
Insurance

Earliest possible date of adoption: August 16, 1993

For further information, please call: (512) 463-6328

TITLE 31. NATURAL RESOURCES AND CONSERVATION

Part III. Texas Air Control Board

Chapter 115. Control of Air Pollution From Volatile Organic Compounds

Subchapter D. Petroleum Refining and Petrochemical Processes

Fugitive Emission Control in Petroleum Refineries

The Texas Air Control Board (TACB) proposes amendments to §§115.324, 115.334, and 115.344, concerning Inspection Requirements for Fugitive Monitoring. The proposed changes have been developed in response to a request by the Texas Chemical Council. The proposed rule would allow credit for previously earned skip credits required by New Source Performance Standards (NSPS) or

National Emission Standards for Hazardous Air Pollutants (NESHAPS).

The proposed §§115.324, 115.334, and 115.344, concerning Inspection Requirements for Fugitive Emission Control in Petroleum Refineries, Chemical Plants, and Natural Gas/Gasoline Processing Operations all add a clause (iii) which allows for the substitution of leak detection skip period requirements required by any NSPS or NESHAPS for the requirements in clauses (i) and (ii) of those subparagraphs dealing with leak detection skip periods.

Lane Hartsock, deputy director of air quality planning, has determined that for the first five-year period the rules are in effect, the annual cost to state and local governments are estimated to be minimal.

Mr. Hartsock also has determined that for each year of the first five years the rules are in effect the public benefit anticipated as a result of enforcing the rules will be in minimizing the cost to the regulated community while maintaining the same level of emission control.

Public hearings on this proposal are scheduled for the following times and places: August 4, 1993, 6:30 p.m., City of El Paso Council Chambers, Second Floor, 2 Civic Center Plaza, El Paso; August 5, 1993, 2:30 p.m., City of Arlington Council Chambers, 101 West Abram Street, Arlington; August 5, 1993, 6:30 p.m., Houston-Galveston Area Council, Second Floor, Conference Room A, 3555 Timmons Lane, Houston; August 6, 1993, 11:30 a.m., John Gray Institute, 855 Florida Avenue, Beaumont.

Staff members will be available to discuss the proposal 30 minutes prior to each hearing. Public comments, both oral and written, on the proposed changes are invited at the hearings. Interrogation or cross-examination is not permitted.

Written comments not presented at the hearings must be submitted to the TACB Central Office in Austin no later than August 13, 1993. Material received by the Regulation Development Division by 4:00 p.m. on that date will be considered by the Board prior to any final action on the proposed revisions. Copies of the proposed revisions are available at the Regulation Development Division of the TACB Air Quality Planning Annex located at 12118 North IH-35, Park 35 Technology Center, Building A, Austin, Texas 78753, and at all TACB regional offices. For further information, contact Eddie Mack at (512) 908-1488.

Persons with disabilities who have special communication or other accommodation needs who are planning to attend the hearings should contact the agency at (512) 908-1815. Requests should be made as far in advance as possible.

• 31 TAC §115.324

The amendment is proposed under the Texas Health and Safety Code, (Vernon 1990), the Texas Clean Air Act (TCAA), §382.017, which provides the TACB with the authority to adopt rules consistent with the policy and

purposes of the TCAA.

§115.324. Inspection Requirements.

(a) For the Beaumont/Port Arthur, Dallas/Fort Worth, El Paso, and Houston/Galveston Areas, the owner or operator of a petroleum refinery shall conduct a monitoring program consistent with the following provisions:

(1)-(7) (No change.)

(8) the monitoring schedule of paragraphs (1)-(3) of this subsection may be modified as follows.

(A) After completion of the required annual and quarterly inspections for a period of at least 2 years, the operator of a refinery may request in writing to the Texas Air Control Board (TACB) that the monitoring schedule be revised based on the percent of valves leaking. The percent of valves leaking shall be determined by dividing the sum of valves leaking during current monitoring and valves for which repair has been delayed by the total number of valves subject to the requirements. This request shall include all data that have been developed to justify the following modifications in the monitoring schedule.

(i)-(ii) (No change.)

(iii) Leak detection skip period requirements for any New Source Performance Standard or National Emission Standard for Hazardous Air Pollutants may be substituted for clauses (i) and (ii) of this subparagraph.

(B) (No change.)

(b) (No change.)

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on July 12, 1993.

TRD-8325575 Lane Hartsock
Deputy Director, Air Quality
Planning
Texas Air Control Board

Proposed date of adoption: November 12, 1993

For further information, please call: (512) 908-1451

◆ ◆ ◆
Fugitive Emission Control in Synthetic, Organic, Chemical Polymer, Resin, and Methyl Tert-Butyl Ether Manufacturing Processes

• 31 TAC §115.334

The amendment is proposed under the Texas

Health and Safety Code, (Vernon 1990), the Texas Clean Air Act (TCAA), §382.017, which provides the TACB with the authority to adopt rules consistent with the policy and purposes of the TCAA.

§115.334. Inspection Requirements. For all affected persons in the Beaumont/Port Arthur, Dallas/Fort Worth, El Paso, and Houston/Galveston Areas, the following inspection requirements shall apply.

(1)-(2) (No change.)

(3) The monitoring schedule of paragraph (1)(A)-(C) of this section may be modified as follows.

(A) After completion of the required annual and quarterly inspections for a period of at least 2 years, the operator of a synthetic organic chemical, polymer, resin, or methyl tert-butyl ether manufacturing facility may request in writing to the Texas Air Control Board (TACB) that the monitoring schedule be revised based on the percent of valves leaking. The percent of valves leaking shall be determined by dividing the sum of valves leaking during current monitoring and valves for which repair has been delayed by the total number of valves subject to the requirements. This request shall include all data that have been developed to justify the following modifications in the monitoring schedule.

(i)-(ii) (No change.)

(iii) Leak detection skip period requirements for any New Source Performance Standard or National Emission Standard for Hazardous Air Pollutants may be substituted for clauses (i) and (ii) of this subparagraph.

(B) (No change.)

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on July 12, 1993.

TRD-8325576 Lane Hartsock
Deputy Director, Air Quality
Planning
Texas Air Control Board

Proposed date of adoption: November 12, 1993

For further information, please call: (512) 908-1451

◆ ◆ ◆
• 31 TAC §115.344

The amendment is proposed under the Texas Health and Safety Code (Vernon 1990), the Texas Clean Air Act (TCAA), §382.017, which provides the TACB with the authority to adopt rules consistent with the policy and purposes of the TCAA.

§115.344. Inspection Requirements. For all affected persons in the Beaumont/Port Arthur, Dallas/Fort Worth, El Paso, and Houston/Galveston Areas, the following inspection requirements shall apply.

(1)-(2) (No change.)

(3) The monitoring schedule of paragraph (1)(A)-(C) of this section may be modified as follows.

(A) After completion of the required annual and quarterly inspections for a period of at least 2 years, the operator of a natural gas/gasoline processing facility may request in writing to the Texas Air Control Board (TACB) that the monitoring schedule be revised based on the percent of valves leaking. The percent of valves leaking shall be determined by dividing the sum of valves leaking during current monitoring and valves for which repair has been delayed by the total number of valves subject to the requirements. This request shall include all data that have been developed to justify the following modifications in the monitoring schedule.

(i)-(ii) (No change.)

(iii) Leak detection skip period requirements for any New Source Performance Standard or National Emission Standard for Hazardous Air Pollutants may be substituted for clauses (i) and (ii) of this subparagraph.

(B) (No change.)

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on July 12, 1993.

TRD-9325577 Lane Hartsock
Deputy Director, Air Quality
Planning
Texas Air Control Board

Proposed date of adoption: November 12, 1993

For further information, please call: (512) 908-1451

Subchapter J. Administrative Provisions

Alternate Means of Control

• 31 TAC §115.910

The Texas Air Control Board (TACB) proposes an amendment to §115.910, concerning Alternate Means of Control. The TACB proposes to delete Hardin and Montgomery Counties from the list of ozone attainment or unclassified counties in subsection (b). Subsection (b) allows the executive director to exempt specific compounds or specific vent

gas streams from the application of Chapter 115 (Regulation V, concerning Control of Air Pollution From Volatile Organic Compounds) if it can be demonstrated that the emissions from the compound or specific vent gas stream will not make a significant contribution to air contaminants in the atmosphere. The United States Environmental Protection Agency (EPA) will not approve rules which provide the availability of such exemptions for Hardin and Montgomery Counties because these two counties have been designated by EPA as part of the Beaumont/Port Arthur and Houston/Galveston ozone nonattainment areas. Ozone nonattainment counties are not allowed to use the exemption identified in subsection (b) because of the potential for exceedances of the ozone standard. The TACB also proposes to amend §115.901(a) to delete the requirement for EPA approval of alternate means of control equivalency approvals issued by the executive director.

Lane Hartsock, deputy director of air quality planning, has determined that for the first five-year period the rule is in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the rule.

Mr. Hartsock also has determined that for each year of the first five-years the rule is in effect the public benefit anticipated as a result of implementing the rule will be clarification of existing requirements. There will be no fiscal implications for small businesses or facilities affected by the proposed rule.

Public hearings on this proposal are scheduled for the following times and places: August 4, 1993, 6:30 p.m., City of El Paso Council Chambers, Second Floor, 2 Civic Center Plaza, El Paso; August 5, 1993, 2:30 p.m., City of Arlington Council Chambers, 101 West Abram Street, Arlington; August 5, 1993, 6:30 p.m., Houston-Galveston Area Council, Second Floor, Conference Room A, 3555 Timmons Lane, Houston; August 6, 1993, 11:30 a.m., John Gray Institute, 855 Florida Avenue, Beaumont.

Staff members will be available to discuss the proposal 30 minutes prior to each hearing. Public comments, both oral and written, on the proposed changes are invited at the hearings. Interrogation or cross-examination is not permitted.

Written comments not presented at the hearings must be submitted to the TACB Central Office in Austin no later than August 13, 1993. Material received by the Regulation Development Division by 4:00 p.m. on that date will be considered by the Board prior to any final action on the proposed revisions. Copies of the proposed revisions are available at the Regulation Development Division of the TACB Air Quality Planning Annex located at 12118 North IH-35, Park 35 Technology Center, Building A, Austin, Texas 78753, and at all TACB regional offices. For further information, contact Eddie Mack at (512) 908-1488.

Persons with disabilities who have special communication or other accommodation needs who are planning to attend the hearings should contact the agency at (512) 908-1815. Requests should be made as far in

advance as possible.

The amendment is proposed under the Texas Health and Safety Code (Vernon 1990), the Texas Clean Air Act (TCAA), §382.017, which provides the TACB with the authority to adopt rules consistent with the policy and purposes of the TCAA.

§115.910. Procedure.

(a) Any person affected by any control requirement of this chapter may request the Executive Director to approve alternate methods of control. The Executive Director shall approve such alternate methods of control if it can be demonstrated that such control will result in substantially equivalent emission reductions as the methods of control specified in this regulation. Approval by the United States Environmental Protection Agency is not required. [Executive Director approval does not necessarily constitute satisfaction of all federal requirements nor eliminate the need for approval by the United States Environmental Protection Agency in cases where specified criteria for determining equivalency have not been clearly identified in applicable sections of this chapter.]

(b) For persons in Aransas, Bexar, Calhoun, [Hardin,] Matagorda, [Montgomery,] San Patricio, and Travis Counties, the Executive Director, after consultation with appropriate local governmental agencies, may exempt a specific compound or a specific vent gas stream from the application of this chapter (Regulation V) if it can be demonstrated that the emissions from the compound or specific vent gas stream will not make a significant contribution to air contaminants in the atmosphere.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's authority to adopt.

Issued in Austin, Texas, on July 12, 1993.

TRD-9325578 Lane Hartsock
Deputy Director, Air Quality
Planning
Texas Air Control Board

Proposed date of adoption: November 12, 1993

For further information, please call: (512) 908-1451

Compliance and Control Plan Requirements

• 31 TAC §§115.930, 115.932, 115.940

The Texas Air Control Board (TACB) proposes amendments to §115.930 and §115.932 and new §115.940, concerning Compliance and Control Plan Requirements. The changes have been proposed to clarify that control plans developed by affected in-