

the results of which are discussed previously in this preamble.

#### 4. Effects on the National Economy

The Unfunded Mandates Act requires that we estimate the effect of the proposed rule on the national economy. To the extent feasible, we must estimate the effect on productivity, economic growth, full employment, creation of productive jobs, and international competitiveness of the U.S. goods and services, if we determine that accurate estimates are reasonably feasible and that such effect is relevant and material.

The nationwide economic impact of the proposed rule is presented in the "Economic Impact Analysis for the Industrial Boilers and Process Heaters MACT" in the docket. This analysis provides estimates of the effect of the proposed rule on some of the categories mentioned above. The results of the economic impact analysis are summarized previously in this preamble. The results show that there will be little impact on prices and output from the affected industries, and little impact on communities that may be affected by the proposed rule. In addition, there should be little impact on energy markets (in this case, coal, natural gas, petroleum products, and electricity). Hence, the potential impacts on the categories mentioned above should be minimal.

#### 5. Consultation with Government Officials

The Unfunded Mandates Act requires that we describe the extent of the Agency's prior consultation with affected State, local, and tribal officials, summarize the officials' comments or concerns, and summarize our response to those comments or concerns. In addition, section 203 of the UMRA requires that we develop a plan for informing and advising small governments that may be significantly or uniquely impacted by a proposal. Although the proposed rule does not affect any State, local, or Tribal governments, we have consulted with State and local air pollution control officials. We also have held meetings on the proposed rule with many of the stakeholders from numerous individual companies, environmental groups, consultants and vendors, labor unions, and other interested parties. We have added materials to the Air Docket to document these meetings.

In addition, we have determined that the proposed rule contains no regulatory requirements that might significantly or uniquely affect small governments. While some small governments may have some sources affected by the

proposed rule, the impacts are not expected to be significant. Therefore, today's proposed rule is not subject to the requirements of section 203 of the UMRA.

#### *F. Regulatory Flexibility Act (RFA), as Amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), 5 U.S.C. 601 et seq.*

The RFA generally requires an agency to prepare a regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements under the Administrative Procedure Act or any other statute unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. Small entities include small businesses, small organizations, and small governmental jurisdictions.

For purposes of assessing the impacts of today's proposed rule on small entities, small entity is defined as: (1) A small business according to Small Business Administration (SBA) size standards by the North American Industry Classification System category of the owning entity. The range of small business size standards for the 40 affected industries ranges from 500 to 1,000 employees, except for petroleum refining and electric utilities. In these latter two industries, the size standard is 1,500 employees and a mass throughput of 75,000 barrels/day or less, and 4 million kilowatt-hours of production or less, respectively; (2) a small governmental jurisdiction that is a government of a city, county, town, school district or special district with a population of less than 50,000; and (3) a small organization that is any not-for-profit enterprise which is independently owned and operated and is not dominant in its field.

After considering the economic impact of the proposed rule on small entities, EPA certifies that this action will not have a significant impact on a substantial number of small entities. Based on SBA size definitions for the affected industries and reported sales and employment data, the Agency identified 185 of the 576 companies, or 32 percent, owning affected facilities as small businesses. Although small businesses represent 32 percent of the companies within the source category, they are expected to incur 4 percent of the total compliance costs of \$862.7 million (1998 dollars). There are only ten small firms with compliance costs equal to or greater than 3 percent of their sales. In addition, there are 24 small firms with cost-to-sales ratios between 1 and 3 percent.

An economic impact analysis was performed to estimate the changes in product price and production quantities for the proposed rule. As mentioned in the summary of economic impacts, the estimated changes in prices and output for affected firms is no more than 0.05 percent.

This analysis indicates that the proposed rule should not generate a significant impact on a substantial number of small entities for following reasons. First, there are 34 small firms (or 18 percent of all affected small firms) with compliance costs equal to or greater than 1 percent of their sales. Of these, ten small firms (or 5 percent of all affected small firms) with compliance costs equal to or greater than 3 percent of their sales. Second, the results of the economic impact analysis show minimal impacts on prices and output from affected firms, including small entities, due to the implementation of the proposed rule. For more information, consult the docket for the proposed rule.

The proposed rule will not have a significant economic impact on a substantial number of small entities as a result of several decisions EPA made regarding the development of the rule which resulted in limiting the impact of the rule on small entities. First, as mentioned earlier in this preamble, EPA identified small units (heat input of 10 MMBtu/hr or less) and limited use boilers (operate less than 10 percent of the time) as separate subcategories different from large units. Many small and limited use units are located at small entities. As also discussed earlier, the results of the MACT floor analysis for these subcategories of existing sources was that no MACT floor could be identified except for the limited use solid fuel subcategory which is less stringent than the MACT floor for large units. Furthermore, the results of the beyond-the-floor analysis for these subcategories indicated that the costs would be too high to consider them feasible options. Consequently, the proposed rule contains no emission limitations for any of the existing small and limited use subcategories except the existing limited use solid fuel subcategory. In addition, the proposed alternative metals emission limit resulted in minimizing the impacts on small entities since some of the potential entities burning a fuel containing very little metals are small entities. We continue to be interested in the potential impacts of the proposed rule on small entities and welcome comments on issues related to such impacts.