

or loan programs of the rights and obligations of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Order.

This rule is not a "significant regulatory action" under the terms of Executive Order 12866 and is therefore not subject to OMB review.

#### *B. Paperwork Reduction Act*

This final rule does not contain any information collection requirements subject to review by OMB under the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.*

#### *C. 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.

EPA has determined that it is not necessary to prepare a regulatory flexibility analysis in connection with this final rule. EPA has also determined that this rule will not have a significant economic impact on a substantial number of small entities. For purposes of assessing the impact of today's rule on small entities, small entities are defined as: (1) A small business that meets the RFA default definitions for small business (based on Small Business Administration size standards), as described in 13 CFR 121.201; (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 impacts of today's final rule on small entities, EPA has concluded that this action will not have a significant economic impact on a substantial number of small entities. This final rule will not impose any requirements on small entities. Today's rule will not have any impacts on small entities because existing and new sources of air emissions that model air quality for State Implementation Plans and the prevention of significant deterioration

are typically not small entities. The modeling techniques described today are primarily used by state air control agencies and by industry.

To the extent that any small entities would ever have to model air quality using the modeling techniques described in today's rule, the impacts of using updated modeling techniques would be minimal, if not non-existent. The action promulgated today incorporates comments received at the 7th Conference on Air Quality Modeling in June 2000 in Washington, DC. The rule features a new modeling system for calculating PSD increment consumption—CALPUFF—and serves to increase efficiency and accuracy. This system employs procedural concepts that are very similar to those currently used, changing only mathematical formulations and specific data elements. No impacts on small entities in the use of CALPUFF are anticipated. We do not believe that CALPUFF's use poses a significant or unreasonable burden on any small entities. This final action imposes no new regulatory burdens and, as such, there will be no additional impact on small entities regarding reporting, recordkeeping, compliance requirements.

#### *D. Unfunded Mandates Reform Act of 1995*

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. Under section 202 of the UMRA, EPA generally must prepare a written statement, including a cost-benefit analysis, for proposed and final rules with "Federal mandates" that may result in expenditures to State, local, and tribal governments, in the aggregate, or to the private sector, of \$100 million or more in any one year. Before promulgating an EPA rule for which a written statement is needed, section 205 of the UMRA generally requires EPA to identify and consider a reasonable number of regulatory alternatives and adopt the least costly, most cost-effective or least burdensome alternative that achieves the objectives of the rule. The provisions of section 205 do not apply when they are inconsistent with applicable law. Moreover, section 205 allows EPA to adopt an alternative other than the least costly, most cost-effective or least burdensome alternative if the Administrator publishes with the final rule an explanation why that alternative was not adopted. Before EPA establishes any regulatory requirements that may significantly or uniquely affect small

governments, including tribal governments, it must have developed under section 203 of the UMRA a small government agency plan.

The plan must provide for notifying potentially affected small governments, enabling officials of affected small governments to have meaningful and timely input in the development of EPA regulatory proposals with significant Federal intergovernmental mandates, and informing, educating, and advising small governments on compliance with the regulatory requirements.

Today's rule recommends a new modeling system for calculating PSD increment consumption—CALPUFF—that increases efficiency and accuracy. CALPUFF has been used for these purposes on a case-by-case basis (per *Guideline subsection 3.2.2*) for several years, as has its predecessor—MESOPUFF II. While *Guideline subsection 3.2.2* still allows for alternative models to be used, EPA is now sufficiently confident in CALPUFF's technical formulation and performance to adopt it in appendix A of the *Guideline*. Since the two modeling systems are comparable in scope and purpose, use of CALPUFF itself does not involve any increase in costs. The optional use of prognostic meteorological data (e.g., MM5) input files, however, may result in a small incremental cost increase. To the extent that the use of more refined models with comprehensive input data bases reduces the potential for over- or underprediction of air quality impacts, air quality management programs become more economically efficient. Moreover, modeling costs (which include those for input data acquisition) are typically among the implementation costs that are considered as part of the programs (*i.e.*, PSD) that establish and periodically revise requirements for compliance. Any incremental modeling costs attributable to today's rule do not approach the \$100 million threshold prescribed by UMRA. EPA has determined that this rule contains no regulatory requirements that might significantly or uniquely affect small governments. This rule therefore contains no Federal mandates (under the regulatory provisions of Title II of the UMRA) for State, local, or tribal governments or the private sector.

#### *E. Executive Order 13132: Federalism*

Executive Order 13132, entitled "Federalism" (64 FR 43255, August 10, 1999), requires EPA to develop an accountable process to ensure "meaningful and timely input by State and local officials in the development of regulatory policies that have federalism