

State, local, or tribal government. The recordkeeping and reporting requirements are the only mandates imposed on those members of the private sector that choose to take advantage of the exemption to the methyl bromide phaseout established by this rulemaking, which EPA calculated to be under \$100 million per year. Thus, today's rule is not subject to the requirements of sections 202 and 205 of the UMRA. EPA has also determined that this rule contains no requirements

that might significantly or uniquely affect small governments. Thus, today's rule is not subject to the requirements of section 203 of the UMRA.

B. Regulatory Flexibility Analysis

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 impacts of today's rule

on small entities, small entity is defined as: (1) A small business that is identified by the North American Industry Classification System code (NAICS) in the Table below; (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.

Type of enterprise	NAICS Code	Size standard (number of employees)	Size standard (millions of dollars)
Pesticide and Other Agricultural Chemical Manufacturing	32532	500
Support Activities for Agriculture and Forestry	115	\$6.0
Exterminating and Pest Control Services	56171	\$6.0

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. We have determined that although some small percentage of distributors may be small entities and many of the applicators are too, that all entities regulated by today's action receive a benefit through the exemption, which allows them to continue to obtain quantities of methyl bromide outside of the reduction schedule and phaseout controls. We estimate that these benefits are equal to approximately 7 to 10% of the U.S. baseline of methyl bromide, annually, or about 1,787 to 2,552 metric tonnes, which at current prices for methyl bromide of approximately \$3.00/pound would be equal to an estimated annual benefit of \$12 to \$17 million. The costs of this exemption arise from the limited recordkeeping and reporting requirements which are estimated to be less than \$53 thousand per year for the entire industry that uses methyl bromide for quarantine and preshipment applications.

Although this final rule will not have a significant economic impact on a substantial number of small entities, EPA nonetheless has tried to reduce the impact of this rule on small entities. EPA held several stakeholder meetings to explore options for establishing a reasonable record keeping and reporting system that would allow the Agency to monitor and collect information for the U.S. reporting obligations to the Montreal Protocol. One option considered would have asked for certifications from applicators to be submitted to producers or importers

prior to exempted production or import. This and other options were not only administratively too burdensome, but would also be too disruptive of normal commerce. In today's action, for each level in the methyl bromide market chain, the Agency chose the least burdensome method for collecting the minimum amount of information that would allow the U.S. to accurately fulfill its Protocol reporting requirements.

C. Executive Order 12866

Under Executive Order 12866, (58 FR 51735 (October 4, 1993)), the Agency must determine whether this regulatory action is "significant" and therefore subject to OMB review and the requirements of the Executive Order. The Order defines "significant regulatory action" as one that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more, or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) raise novel legal mandates, the President's priorities, or the principles set forth in the Executive Order.

Pursuant to the terms of Executive Order 12866, OMB has notified EPA that it considers this a "significant regulatory action" within the meaning of the Executive Order. EPA has

submitted this action to OMB for review. Changes made in response to OMB suggestions or recommendations on the original rule submitted to them will be documented in the public record.

D. Applicability of Executive Order 13045 (Children's Health Protection)

Executive Order 13045: "Protection of Children from Environmental Health Risks and Safety Risks" (62 FR 19885 (April 23, 1997)) applies to any rule that: (1) Is determined to be "economically significant" as defined under Executive Order 12866, and (2) concerns an environmental health or safety risk that EPA has reason to believe may have a disproportionate effect on children. If the regulatory action meets both criteria, the Agency must evaluate the environmental health or safety effects of the planned rule on children, and explain why the planned regulation is preferable to other potentially effective and reasonably feasible alternatives considered by the Agency.

EPA interprets Executive Order 13045 as applying only to those regulatory actions that are based on health or safety risks, such that the analysis required under section 5-501 of the Order has the potential to influence the regulation. This rule is not subject to Executive Order 13045 because it implements a specific exemption set forth by Congress in section 604(d)(5) of the Clean Air Act.

E. Paperwork Reduction Act

The Office of Management and Budget (OMB) has approved the information collection requirements contained in this rule for three years under the provisions of the Paperwork Reduction