

TABLE VIII-6.—NUMBER OF GOVERNMENT-OWNED FACILITIES BY TYPE AND SIZE OF GOVERNMENT ENTITY

Size of government	Municipal government	State government	County government	Regional governmental authority	Total
Large Governments (population >50,000)	618	377	781	46	1,823
Small Governments (population ≤ 50,000)	1,750	212	1,962
All Governments	2,368	377	993	46	3,785

TABLE VIII-7.—NUMBER OF REGULATED GOVERNMENT-OWNED FACILITIES, COMPLIANCE COSTS AND BUDGETARY IMPACTS BY REGULATORY OPTION

Total Number of Government-Owned Facilities	3,785
Number of Facilities exempted by subcategory exclusions	3,327
Number of Facilities subject to regulation	458
Compliance costs (\$2001 million)	\$8.99
Number of Facilities with compliance costs > one percent of baseline cost of service*	162
Number of Governments failing the "impact on taxpayers" criterion**	0
Number of Governments failing the "impacts on government debt" criterion***	0
Number of Governments failing all three impacts criteria†	0

* Annualized compliance costs as a percent of total facility costs and expenditures, including operating, overhead and debt service costs and expenses.

** Based on comparison of compliance costs for all facilities owned by the government to the income of households that are served by the relevant government. A government is judged to experience impacts if the regulation results in a ratio of total annualized pollution control costs per household to median household income that exceeds one percent, post-compliance. Includes existing pollution control costs plus the compliance costs due to the MP&M rule.

*** Based on comparison of total debt service costs (including costs to finance MP&M capital costs entirely with debt) with baseline government revenue. A government is judged to experience impacts if the rule causes its total debt service payments to exceed 25% of baseline revenue.

† A government is judged to experience major budgetary impacts if it has one or more facilities with costs of compliance above 1% of baseline cost of service and fails both the taxpayers impact and government debt impact tests.

Under the final rule, an estimated 162 government-owned facilities (4.3 percent of the total) would incur costs exceeding one percent of their baseline cost of service. The residual 95.7 percent of government-owned facilities incur no costs or incur costs so low as to be readily absorbed within existing budgets. None of the governments incur costs that cause them to exceed the thresholds for impacts on taxpayers or for government debt burden. EPA therefore concludes that the regulation will not impose major budgetary burdens on any of the governments that own MP&M facilities.

F. Community Level Impacts

EPA considered the potential impacts of changes in employment due to the regulation on the communities where MP&M facilities are located. EPA does not expect any adverse community employment effects because it anticipates no rule-driven facility closures and accordingly no job losses from the rule.

G. Foreign Trade Impacts

The foreign trade impacts analysis allocates the value of changes in output, for each facility that is projected to close, to exports, imports or domestic sales, based on the dominant source of competition in each market as reported in the surveys. EPA does not expect any material foreign trade impacts as a result of the final rule because no facility closures are expected. See Chapter 8 in

the EEBA for a more detailed discussion of the foreign trade impact analysis and the resulting impacts of the alternative regulatory options on foreign trade.

H. Administrative Costs

EPA also assessed the costs incurred by governments to administer the rule. The final rule only regulates direct dischargers; therefore, EPA does not expect increases in administrative costs because the National Pollution Discharge Elimination System (NPDES) permit program requires that these facilities already hold permits. However, EPA did estimate costs to POTWs for alternative options that would have regulated indirect dischargers. See Chapter 7 in the EEBA for a discussion of these estimates.

I. Social Costs

1. Components of Social Costs

The social costs of regulatory actions are the opportunity costs to society of employing scarce resources in pollution control activity. The largest component of economic costs to society is the cost incurred by MP&M facilities for the labor, equipment, material, and other economic resources needed to comply with the regulation. EPA accounts for these costs on a pre-tax basis.

Social costs may also include lost producers' and consumers' surplus that result when the quantity of goods and services produced decreases as a result of the rule. Lost producers' surplus is

measured as the difference between revenues earned and the cost of production for the lost production. Lost consumers' surplus is the difference between the price paid by consumers for the lost production and the maximum amount they would have been willing to pay for those goods and services. To accurately calculate lost producers' and consumers' surplus requires knowledge of the characteristics of market supply and demand for each affected industry. EPA instead calculated an upper-bound estimate of social compliance costs using the simplifying assumption that all facilities continue operating in compliance with the rule, and pay the associated compliance costs (*i.e.*, assuming that there are no regulation-related closures.) This framework provides an upper-bound estimate of social costs, because, for facilities predicted to close, continuing to operate and to incur compliance costs is more costly than closing the facility with associated lost producers' and consumers' surplus. For the final regulation, EPA estimated that no facilities would close because of the rule. As a result, the potential effect of consumers' and producers' surplus should not be of consequence in assessing social costs.

In addition to the resource costs to society associated with compliance, the estimated social cost also includes two other elements: the cost to local governments of implementing the rule