

with today's final rule are approximately \$9.0 million annually (\$2001), which is below the threshold specified in § 202. EPA, nevertheless, assessed the impacts on State and local governments during the course of development of the rule. Generally, governments may incur two types of costs as a result of the proposed regulation: (1) Direct costs to comply with the rule for facilities owned by government entities; and (2) administrative costs to implement the

regulation. Both types of costs are discussed below.

a. Compliance Costs for Government-Owned MP&M Facilities

As previously explained, EPA surveyed government-owned facilities to assess the cost of the regulation on these facilities and the government entities that own them. The survey responses support EPA's analysis of the budgetary impacts of the regulation. Survey information includes: The size and income of the populations served

by the affected government entities; the government's current revenues by source, taxable property, debt, pollution control spending, and bond rating; and the costs, funding sources, and other characteristics of the MP&M facilities owned by each government entity. Table XII-1 provides national estimates of the government entities that operate MP&M facilities potentially subject to the regulation by size.

Table XII-2 summarizes the annualized compliance costs incurred by government entities by size.

TABLE XII-1.—NUMBER OF GOVERNMENT-OWNED FACILITIES BY TYPE AND SIZE OF GOVERNMENT ENTITY

Size of government and status under final option	Municipal government	State government	County government	Regional government authority	Total
Large Governments (population >50,000)					
Number of regulated government entities	26	129	23	0	178
Number of government entities with exclusions	592	248	758	46	1,645
Small Governments (population <=50,000)					
Number of regulated government entities	280	0	0	0	280
Number of government entities with exclusions	1,470	0	212	0	1,682
All Governments					
Number of regulated government entities	306	129	23	0	458
Number of government entities with exclusions	2,062	248	970	46	3,327
Total	2,368	377	993	46	3,785

TABLE XII-2.—NUMBER OF REGULATED GOVERNMENT-OWNED FACILITIES AND COMPLIANCE COSTS BY SIZE OF GOVERNMENT
[million, 2001\$]

	Number of facilities	Costs
Regulated Facilities Owned by Large Governments	178	\$5.5
Regulated Facilities Owned by Small Governments	280	\$3.5
All Regulated Government-Owned Facilities	458	\$9.0

The table shows that 280 regulated facilities (or 61 percent) of the regulated government entities are owned by small governments. These facilities incur \$3.5 million annually in compliance costs with an average cost of \$12,575 per facility. Larger governmental entities own the remaining 178 regulated facilities (or 39 percent). EPA estimates that facilities owned by the larger governmental entities incur \$5.5 million in annual compliance costs with an average cost of \$30,700 per facility.

EPA used the analysis described in Section VIII.E to estimate the impacts on government owned facilities. EPA judged a government to experience significant budgetary impacts if: (1) One or more facilities incur compliance costs exceeding 1% of the baseline cost of

service, (2) total debt service costs—post-compliance, and including costs to finance MP&M capital costs entirely with debt—exceed 25% of baseline revenue, and (3) total annualized pollution control costs per household, post-compliance, exceed one percent of median household income. EPA estimated no significant impacts for any of these facilities, based on these budgetary criteria. Thus, EPA concluded that none of the affected governments are expected to incur significant budgetary impacts as a result of the regulation. However, EPA also considered whether the MP&M regulation may significantly or uniquely affect small governments.

b. Small Government Impacts

EPA estimates that small governments (*i.e.*, governments with a population of less than 50,000) own 1,962 MP&M facilities. The decision not to regulate indirect facilities will exclude 1,682 small government-owned MP&M facilities from additional requirements. Thus, the final regulation covers 280 small government-owned facilities. Of these facilities, 140 incur no compliance costs under the final rule, and the remaining 140 incur annualized costs that average approximately \$25,000 per facility. The total compliance cost for all the small government-owned facilities incurring costs under this regulation is \$3.5 million. Of the 280 facilities owned by small governments, 140 have costs greater than 1 percent of baseline cost of