

unless it displays a currently valid OMB control number. The OMB control numbers for EPA's rules are listed in 40 CFR part 9 and 48 CFR chapter 15. The OMB control number for the information collection requirements in this final rule will be listed in an amendment to 40 CFR part 9 in a subsequent **Federal Register** document after OMB approves the ICR.

C. Regulatory Flexibility Act

The EPA has determined that it is not necessary to prepare a regulatory flexibility analysis in connection with the final rule. The EPA has also determined that the final rule will not have a significant economic impact on a substantial number of small entities. For the purposes of assessing the impacts of today's final rule on small entities, small entity is defined as: (1) A small business according to Small Business Administration (SBA) size standards by NAICS code ranging from 500 to 1,000 employees; (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.

We applied the definition of a small business as provided by the SBA at 13 CFR 121, and classified by the NAICS. The firms owning sources directly affected by the final rule are generally classified by the NAICS codes 313210 (Broadwoven Fabric Mills), 313311 (Broadwoven Fabric Finishing Mills), 313320 (Fabric Coating Mills), and 313312 (Textile and Fabric Finishing (except Broadwoven Fabric) Mills).

The SBA defines small businesses in NAICS codes 313210, 313311, and 313320 as those with fewer than 1,000 employees (as described in (1) above). In NAICS code 313312, the SBA defines a small business as one with fewer than 500 employees. In the past several years, production in the textile manufacturing industry has become more capital intensive, thus utilizing smaller numbers of employees. This leads a substantial fraction of the companies in the fabric and other textiles coating, printing, finishing, dyeing, and slashing source category to be considered small businesses based on SBA's small business size standards.

After considering the economic impacts of today's final rule on small entities, EPA has concluded that this action will not have a significant impact on a substantial number of small entities. We have identified 40 small companies classified as owning coating

operations by NAICS 313320. Of these 40 small coating companies, 22 (55 percent) are projected to face zero compliance costs. Fifteen (37.5 percent) face costs less than 1 percent of their sales, and two (5 percent) have cost-to-sales ratios between 1 and 3 percent. One (2.5 percent) of these companies has a cost-to-sales ratio that exceeds 3 percent (3.2 percent).

For the dyeing and finishing subcategory, the engineering analysis determined that at most five finishing businesses representing seven facilities, would face positive compliance costs in order to meet the requirements specified by the final rule. Of these five firms, we were able to identify one company as large. Therefore, four small businesses face compliance costs associated with the final rule.

We did not possess sufficient data to identify the five finishing facilities expected to face compliance costs, so the small business analysis for finishers consisted of a sensitivity analysis of cost-to-sales ratios using minimum, mean, median, and maximum estimated compliance costs for finishing facilities. Sales data were available for 58 percent of all small entities subject to the final rule. Using median compliance cost estimates for finishing sources, we found that three companies had cost-to-sales ratios between 1 and 3 percent and none had a cost-to-sales ratio exceeding 3 percent.

For the small and large companies that engage in dyeing and slashing, compliance costs are limited to monitoring, recordkeeping, and reporting costs. Based on a qualitative analysis, we conclude that the cost will be minimal.

D. Unfunded Mandates Reform Act

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 1 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.

The EPA has determined that the final rule does not contain a Federal mandate that may result in expenditures of \$100 million or more for State, local, and tribal governments, in the aggregate, or the private sector in any 1 year. The maximum total annualized cost of the final rule for any year has been estimated to be \$14.5 million. Thus, today's final rule is not subject to the requirements of sections 202 and 205 of the UMRA. In addition, EPA has determined that the final rule contains no regulatory requirements that might significantly or uniquely affect small governments because it contains no requirements that apply to such governments or impose obligations upon them. Therefore, today's final rule is not subject to the requirements of section 203 of the UMRA.

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 implications." "Policies that have federalism implications" are defined in the Executive Order to include regulations that have "substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government."

The final rule does not have federalism implications. It will not have substantial direct effects on the States, on the relationship between the national