

and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information.

An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. The OMB control numbers for EPA's regulations in 40 CFR are listed in 40 CFR part 9.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the use of automated collection techniques, EPA has established a public docket for this rule, which includes this ICR, under Docket ID No. OW-2002-0039. Submit any comments related to the ICR for this proposed rule to EPA and OMB. See **ADDRESSES** section at the beginning of this notice for where to submit comments to EPA. Send comments to OMB at the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, NW., Washington, DC 20503,

Attention: Desk Office for EPA. Since OMB is required to make a decision concerning the ICR between 30 and 60 days after August 11, 2003, a comment to OMB is best assured of having its full effect if OMB receives it by September 10, 2003. The final rule will respond to any OMB or public comments on the information collection requirements contained in this proposal.

#### C. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) generally requires an agency to prepare a regulatory flexibility analysis for any rule subject to notice and comment rulemaking requirements under the Administrative Procedure Act or 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.

The RFA provides default definitions for each type of small entity. It also authorizes an agency to use alternative definitions for each category of small entity, "which are appropriate to the activities of the agency" after proposing the alternative definition(s) in the **Federal Register** and taking comment. 5 U.S.C. secs. 601(3)-(5). In addition to the above, to establish an alternative small business definition, agencies must consult with SBA's Chief Council for Advocacy.

For purposes of assessing the impacts of today's proposed rule on small entities, EPA considered small entities to be public water systems serving 10,000 or fewer persons. This is the cut-off level specified by Congress in the 1996 Amendments to the Safe Drinking Water Act for small system flexibility provisions. In accordance with the RFA requirements, EPA proposed using this alternative definition in the **Federal Register**, (63 FR 7620, February 13, 1998), requested public comment, consulted with the Small Business Administration (SBA), and expressed its intention to use the alternative definition for all future drinking water regulations in the Consumer Confidence Reports regulation (63 FR 44511, August 19, 1998). As stated in that final rule, the alternative definition is applied to this proposed regulation.

After considering the economic impacts of today's proposed rule on small entities, I certify that this action will not have a significant economic impact on a substantial number of small entities. We have determined that 274 small systems, which are 2.32% of the 11,820 small systems regulated by the LT2ESWTR, will experience an impact of one percent or greater of average annual revenues; further, 31 systems, which are 0.26% of the systems regulated by this rule, will experience an impact of three percent or greater of average annual revenues (see Table VII-1).

TABLE VII-1.—ANNUALIZED COMPLIANCE COST AS A PERCENTAGE OF REVENUES FOR SMALL ENTITIES (\$2000)

Entity by system size	Number of small systems (Percent)	Average annual estimated revenues per system (\$)	Systems experiencing costs of >% their revenues		Systems experiencing costs of >% of their revenues	
			Percent of system	Number of systems	Percent of systems	Number of systems
	A	B	E	F=A*E	G	H=A*G
Small Governments .....	5,910 50	2,434,200	2.4	140	0.3	15
Small Businesses .....	4,846 41	2,391,978	2.4	115	0.3	13
Small Organizations .....	1,064 9	4,446,165	1.2	13	0.1	1
All Small Entities .....	11,820 100	2,597,966	2.3	274	0.3	31

**Note:** Detail may not add due to independent rounding. Data are based on the means of the highest modeled distributions using Information Collection Rule occurrence data set. Costs are discounted at 3 percent, summed to present value, and annualized over 25 years. Source: Chapter 7 of the LT2ESWTR EA (USEPA 2003a).

The LT2ESWTR contains provisions that will affect systems serving fewer than 10,000 people that use surface water or GWUDI as a source. In order to meet the LT2ESWTR requirements, approximately 1,382 to 2,127 small systems would need to make capital improvements. Impacts on small entities

are described in more detail in Chapters 6 and 7 of the Economic Analysis for the LT2ESWTR (USEPA 2003a). Table VII-2 shows the annual compliance costs of the LT2ESWTR on the small entities by system size and type based on a three percent discount rate (other estimates based on different data sets and

discount rates produce lower costs). EPA has determined that in each size category, fewer than 20% of systems and fewer than 1000 systems will experience an impact of one percent or greater of average annual revenues (USEPA 2003a).