

TABLE IV-2. ESTIMATED COST PER FACILITY TO PREPARE ANTIDEGRADATION REVIEW

Cost	Municipal facilities (POTWs)		Industrial facilities	
	Major	Minor	Major	Minor
Installed Controls <sup>1</sup> .....	\$1,000,000	\$230,000	\$2,400,000	\$1,000,000
Low Estimate of Review Cost <sup>2</sup> —(1% of Installed Capital Cost) .....	10,000	2,300	24,000	10,000
High Estimate of Review Cost <sup>2</sup> —(3% of Installed Capital Cost) .....	30,000	6,900	72,000	30,000

<sup>1</sup> Average capital costs to facilities that EPA identified as requiring additional pollution controls in analyses of recent water quality standards actions, including establishing criteria for toxic pollutants and upgrading receiving water use classifications, in the States of Alabama, Iowa, California, and Idaho (U.S. EPA, 2001a; 2001b; 1999; 1997).

<sup>2</sup> Use of 1 and 3 percent of Installed Capital Cost based on EPA's best professional judgment.

Costs for the proposed antidegradation provision will include the cost of the State review. EPA assumed that the State's review of the engineering cost analysis and financial impact analysis could require up to 24 hours, and that the notification and response to comments activities will require an average of 100 hours. Thus, based on a national average hourly compensation rate of \$42.24 for State and local government workers in professional speciality and technical occupations, the average cost per review is \$5,200.

### C. Results

EPA estimated the potential costs associated with the temperature, IGDO, and antidegradation provisions of the proposed rule separately. For the temperature provision, there are 48 potentially affected facilities. EPA estimated costs for all affected major facilities individually, and estimated costs for affected minor facilities by extrapolating costs from a sample. EPA estimated that the potential total Statewide annual cost associated with proposed temperature criteria will be approximately \$198,900.

EPA estimated that the potential cost associated with the proposed IGDO criterion is zero. This estimate is based on compliance with current State standards.

For the antidegradation provision, EPA estimated that the potential annual costs range from \$22,500 to \$50,900. This estimate is based on combined entity and State costs for two antidegradation reviews per year.

### D. Total Statewide Costs Associated with NPDES Permitted Entities

The following table summarizes the total estimated potential Statewide costs of today's proposed rule associated with NPDES permitted entities.

TABLE IV-3. TOTAL ESTIMATED ANNUAL STATEWIDE COSTS ATTRIBUTABLE TO THE PROPOSED RULE (\$2003/YR)

Provision	Estimated annual cost <sup>1</sup>
Temperature Uses and Criteria .....	\$198,900
IGDO Criteria .....	\$0
Antidegradation Procedures .....	\$22,500–\$50,900
Total .....	\$221,400–\$249,800

<sup>1</sup> Costs are annualized at 7 percent over 20 years.

EPA recognizes that the potential indirect costs to nonpoint sources associated with the State's implementation of these proposed water quality standards may be higher than the costs EPA has estimated since temperature exceedences on the affected water bodies could also result from nonpoint source activities. Major categories of sources that may be affected by the State's implementation of this proposed rule include forestry and agriculture, as well as dams. EPA has not quantified these costs.

### E. Small Government and Business Analysis

Today's proposed rule establishes no requirements applicable to small entities, and so is not susceptible to regulatory flexibility analysis as prescribed by the Regulatory Flexibility Act. EPA has nonetheless considered the potential effects of this rule on small entities to the extent that it can, and has included that analysis in the administrative record of this rulemaking. EPA evaluated the potential economic impacts for the facilities that discharge to waters of the State of Oregon and used this information to develop the cost estimate for the proposed rule. EPA estimates that, depending on Oregon's implementation, as many as 128 small municipal entities and 85 business entities could be affected by one or more provisions of

the proposed rule. Data are not available to determine if those 85 businesses potentially affected by the proposed rule would be classified as small, or what percent of revenues the estimated costs would represent. Nonetheless, EPA's analysis indicates that, depending on Oregon's implementation, only 29 small municipal entities and 13 business entities could incur costs under the temperature provision, and only 1 to 2 small municipal or business entities could incur antidegradation costs in an average year.

EPA calculated the ratio of potential compliance costs to estimated revenues for the small municipalities using the annualized facility-specific cost estimates described above, actual municipal revenues for facilities potentially affected by the temperature provision, and estimates of annual municipal revenues for facilities affected by other provisions. The estimates are based on 2002 municipal population data and a mean per capita municipal revenue estimate of \$860 that EPA derived from the municipalities potentially affected by the temperature provision.

Based on its estimated costs of the proposed rule, and possible Oregon implementation, EPA observed that three small municipal entities could incur costs that equal or exceed 1 percent of revenues. For two of these entities, costs may equal or exceed 3 percent of revenues (the ratios are 4.5 percent and 8.3 percent).

## V. Alternative Regulatory Approaches and Implementation Mechanisms

### A. Background

Data and information may become available after the date of this rulemaking that will be material to water quality standards for Oregon. There are several mechanisms available to ensure that the water quality standards and their implementing mechanisms appropriately take into account such new information. These