

analysis, EPA also examined the economic impacts for Options A, B, 2, and 3 with and without activated carbon costs (DCN 20443), assuming earnings based on cash flow analysis. These options include BMPs, but not treatment for drugs and chemicals. Activated carbon could be used to treat CAAP effluent for drugs. We estimated the costs for activated carbon treatment to analyze the impacts of requiring treatment as well. When we add activated carbon costs (costs for drug and chemical BMPs subtracted to avoid double-counting costs), direct employment losses are about four times higher, and company closure and financial health impacts are roughly double. About one in four companies would have difficulty raising the capital to meet the activated carbon costs (e.g., six to nine companies fail the credit test with the activated carbon costs).

2. Economic Results for Non-commercial Facilities

The non-commercial category includes four types of facilities: Federal and State hatcheries, tribal operations,

academic or research facilities, and Alaska non-profit organizations. We performed the economic analysis on 302 Federal and State facilities, 14 Tribal operations, one academic/research, and seven Alaska non-profits. These facilities are not operated commercially, and the types of tests used to examine impacts on commercial facilities are not applicable. Each group is slightly different, and we will discuss the economic tests performed on each group within each section.

a. Federal and State Facilities. For Federal and State facilities, EPA compared the pre-tax annualized costs to the 2001 operating budget ("budget test"). Table VI.B.4 summarizes the results by production system, test threshold, and size. Of the 302 Federal and State facilities, 39 have Option A costs that we project will exceed one percent of the budget (35 flow-through and four mixed flow-through and recirculating facilities). We project that 27 of these 39 facilities have costs that will exceed 3 percent of budget. For Option B, 120 have costs that we project will exceed one percent of the budget.

We project that 75 of these 120 facilities have costs that will exceed three percent of budget. For Option 1, we project that 112 have costs that will exceed one percent of the budget. Fifty-nine of these 112 facilities have costs that we project will exceed three percent of budget. For Option 2, 123 have costs that we project will exceed one percent of the budget. We project that 71 of these 123 facilities have costs that will exceed three percent of budget. For Option 3, 223 (nearly three-fourths of the population) have costs that we project will exceed one percent of the budget. Of these 223 facilities, 108 have costs that we project will exceed three percent of budget.

The threshold levels shown in Table VI.B.4 (i.e., 1% and 3%) do not necessarily reflect the threshold levels that EPA will use to measure regulatory impacts for the final rule using a budget test. For the Agency's final analysis, EPA anticipates using the same thresholds that are used to evaluate impacts a revenue test: greater than 3 percent, greater than 5 percent, and greater than 10 percent. EPA solicits comment on these threshold levels.

TABLE VI.B.4.—BUDGET TEST NON-COMMERCIAL FACILITIES

Production technology	Budget threshold	Size (1,000 lbs/yr)	Estimated number of facilities in analysis	Number of facilities estimated to exceed budget threshold by option ¹				
				A	B	1	2	3
Flow Through	1%	20–100	135	20	55	51	55	89
		100–475	121	15	49	46	49	88
		475+	46	0	8	11	11	39
	3%	20–100	135	16	40	32	40	48
		100–475	121	12	27	19	23	45
		475+	46	0	4	4	4	11
Recirculating	1%	20–100	n.d.	0	0	0	0	0
		475+	n.d.	0	0	0	0	0
		20–100	n.d.	0	0	0	0	0
	3%	475+	n.d.	0	0	0	0	0
		20–100	11	4	8	4	8	8
		20–100	11	0	4	4	4	4

n.d. not disclosed to protect confidentiality.

¹ Numbers in Table may not sum to numbers in text due to rounding

Part C of the detailed survey asked the respondent for the portion of the budget due from user fees, such as angler licenses, commercial fishing licenses, car vanity plates, and special purpose stamps. EPA examined the number of facilities that could pass through increased costs to the public by increasing user fees. Where user fees were already in place, we estimated the size of the increase they would need to cover the incremental costs ("User Fee"

analysis, see Section V.C.3.c) (see Table VI.B.5). Costs for thirty-nine facilities exceed one percent of the operating budget under Option A (20 flow-through facilities that produce between 20,000 and 100,000 lb/yr, 15 flow-through facilities that produce between 100,000 and 475,000 lb/yr, and 4 mixed facilities producing between 20,000 and 100,000 lb/yr, shown in Table VI.B.4). Twenty-three of the 39 facilities do not have user fees. Of the remaining 16 facilities,

eight can offset the increased costs by increasing user fees by less than five percent. The other eight facilities would need more than a five percent increase in user fees to offset the incremental costs incurred under Option A. Between 60 percent and 70 percent of the facilities that have costs that exceed one percent of budget do not have user fees through which to offset increased pollution control costs.