

EXHIBIT C
Second Amended Petition

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT: Arkansas Department of Environmental Quality

DIVISIONS: Water Division

PERSON COMPLETING THIS STATEMENT: Jamie Ewing, Attorney Specialist

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To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE: Regulation No. 2, Water Quality Standards

1. Does this proposed, amended, or repealed rule or regulation have a financial impact?
Yes No

This proposed rule will most likely have both negative and positive financial impacts. Positively, the proposed rule will provide continued protection for waters of the State of Arkansas, therefore benefiting tourism and recreational usage. Negatively, approximately 57 point source dischargers may have revised permit requirements in the form of reporting or permit limits for parameters being revised under Reg 2.508.

2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.

At this time it is not possible to estimate the costs associated with parameters being revised under Reg 2.508 and Reg 2.511. Cost estimates would have to be developed for each individual point source discharger. This effort would be unduly cumbersome due to the numerous factors differentiating each discharger. These factors include, but are not limited to: type of discharge; chemicals, processes, and mechanics used during production; characteristics of receiving waterbody; age and size of facility; economic viability of surrounding region. Additionally, EPA does not consider cost for aquatic life criteria during development or when applying to an NPDES permit.

3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation. Please indicate if the cost provided is the cost of the program.

Pursuant to the Federal Water Pollution Control Act ("Clean Water Act"), 33 U.S.C. §1251 et seq., Arkansas has been delegated the authority to establish and administer water quality standard. The Clean Water Act ("CWA") requires states to review their water quality standards on a triennial basis and to amend those standards as necessary. The manpower and associated resources required to implement this proposed rule is funded through the Environmental Protection Agency through the delegated CWA program. Thus, implementation of the federal rule is anticipated and there are no additional costs at this time.

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4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation? Identify the party subject to the proposed regulation, and explain how they are affected.

Current Fiscal Year

Next Fiscal Year

Please see the answer to #2, above. Total costs are too speculative to estimate at this time.

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

Current Fiscal Year

Next Fiscal Year

Please see the answer to #3, above. There are no additional costs to the agency to implement this rule.