

**ARKANSAS POLLUTION CONTROL & ECOLOGY COMMISSION
ECONOMIC IMPACT/ENVIRONMENTAL BENEFIT ANALYSIS**

Rule Number & Title:

Regulation No. 14, Regulations and Administrative Procedures for the Waste Tire Program

Petitioner: ADEQ

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Analysis Prepared by:

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Answer to best of the proponent's ability, as required by APC&EC Regulation 8, Chapter 3.5

**STEP 1: DETERMINATION OF ANALYSIS REQUIREMENT
(to be included in petition to initiate rulemaking)**

**APC&EC REGULATION NO. 14
REGULATIONS AND ADMINISTRATIVE PROCEDURES FOR THE WASTE TIRE PROGRAM**

1A. Is the proposal expressly addressed by a Federal requirement? **No.**

If yes, see 1B.

If no, an Economic Impact/Environmental Benefit Analysis is not required.

1B. If 1A is YES, is proposed regulation equivalent, or more stringent, or less stringent than federal requirement? **N/A**

- If equivalent -- Economic Impact/Environmental Benefit Analysis is not required
- If more stringent - Economic Impact/Environmental Benefit Analysis is required
- If less stringent - Economic Impact/Environmental Benefit Analysis is not required, but does require federal agency approval prior to adoption if the proposal is part of an authorized state program.

STEP 2: THE ANALYSIS
(to be included in petition to initiate rulemaking, if required)

2A. ECONOMIC IMPACT

1. Who will be affected economically by this proposed rule?

State: a) the specific public and/or private entities affected by this rulemaking, indicating for each category if it is a positive or negative economic effect; and b) provide the estimated number of entities affected by this proposed rule.

Ark. Code Ann. § 25-15-302(a)(2)(C) exempts from the required analysis rules that “substantially codify existing state or federal law.” Since most of the changes proposed in this rulemaking codifies into the regulation new and existing state laws as outlined above, this rulemaking should be exempt from the analysis. Those changes that do not codify new and existing laws are minor administrative and stylistic changes that should not affect small businesses.

- a) All tire retailers and all regional solid waste management boards (that are recipients of waste tire grant funds) will be affected by this proposed rule. For those tire retailers that are not currently being charged a disposal fee out of their profits, the effect will be neutral. The impact will be positive for tire retailers who are currently paying for disposal of wide-base or extra-wide single tires out of their profits because the fees collected from the consumer will cover disposal costs. The regional solid waste management boards (that are recipients of waste tire grant funds) that currently do not charge for accepting wide-base or extra-wide single tires will no longer have to stretch funds received for disposal of other types of tires in order to cover the costs associated with disposal of wide-base or extra-wide single tires. Those that currently do charge tire retailers to accept these types of tires will have those fees offset by the extra grant monies that will become available.*
- b) There are approximately 1,500 tire retailers currently registered with the Arkansas DF&A as Waste Tire Fee Collecting Agents. There are 18 regional solid waste management boards.*

Sources and Assumptions: *Arkansas DF&A estimate of currently active accounts for registered Waste Tire Fee Collecting Agents. ADEQ Waste Tire Grant Database – number of tire grant recipients.*

2. What are the economic effects of the proposed rule? State: 1) the estimated increased or decreased cost for an average facility to implement the proposed rule; and 2) the estimated total cost to implement the rule.

- 1) Unknown. The Department doesn't have sufficient data to determine an estimated increase or decrease. However, to cover administrative costs, tire retailers retain five percent (5%) of the waste tire fees collected at retail on the sale of automobile and truck tires. Therefore, they will receive administrative funding on the additional fees collected on retail sales of wide-base and extra-wide single tires. Additionally, the regional solid waste management boards, as waste tire grant recipients, are allowed to utilize up to ten percent (10%) of their waste tire grant disbursements for administrative costs. Therefore, an increase in the amount of funding available through grants by fees assessed on wide-base or extra-wide single tires will result in an increase in their administrative*

funding.

2) *Total cost to the tire retailers and the regional solid waste management boards to implement this rule is unknown due to lack of sufficient data. There is no additional cost to the Department to implement this rule.*

Sources and Assumptions: n/a

3. List any fee changes imposed by this proposal and justification for each.

This proposal calls for the assessment of both a \$2.00 automobile waste tire fee and a \$3,00 additional truck tire fee to be assessed on wide-base and extra-wide single tires. Act 744 of 2011 defines wide-base tire or extra-wide single tire and amends the definition of truck tire to include wide-base tire or extra-wide single tire as a type of truck tire. Therefore, Act 744 of 2011 assesses the same fees on the newly defined wide-base or extra-wide single tires as heretofore have been charged on truck tires.

4. What is the probable cost to ADEQ in manpower and associated resources to implement and enforce this proposed change, and what is the source of revenue supporting this proposed rule?

There is expected to be no additional cost to ADEQ in manpower or resources to implement and enforce this proposal.

Sources and Assumptions: Act 744 of 2011

5. Is there a known beneficial or adverse impact to any other relevant state agency to implement or enforce this proposed rule? Is there any other relevant state agency's rule that could adequately address this issue, or is this proposed rulemaking in conflict with or have any nexus to any other relevant state agency's rule? Identify state agency and/or rule.

There is no known impact to another state agency nor is there another state agency's rule that could address any of the proposed changes. This rulemaking is not in conflict with, nor has any nexus to, any other relevant state agency's rule.

Sources and Assumptions: n/a

6. Are there any less costly, non-regulatory, or less intrusive methods that would achieve the same purpose of this proposed rule?

No.

Sources and Assumptions: n/a

2B. ENVIRONMENTAL BENEFIT

1. What issues affecting the environment are addressed by this proposal?

While the rule is mostly administrative, it is expected to provide indirect long-term positive effects on the environment. Specifically, it may result in preventing the illegal dumping of wide-base or extra-

wide single tires since the infra-structure will be in place to pay for disposal of these types of tires. Additionally, tire retailers may dispose of these types of tires more frequently thereby eliminating the potential fire hazards associated with the large stockpiling of waste tires, as well as reducing and/or eliminating the accumulation of mosquitoes and other vectors.

2. How does this proposed rule protect, enhance, or restore the natural environment for the well being of all Arkansans?

As stated above, it may result in preventing the illegal dumping of wide-base or extra-wide single tires since the infra-structure will be in place to pay for disposal of these types of tires. Additionally, tire retailers may dispose of these types of tires more frequently thereby eliminating the potential fire hazards associated with the large stockpiling of waste tires, as well as reducing and/or eliminating the accumulation of mosquitoes and other vectors.

As stated above,

Sources and Assumptions: *n/a*

3. What detrimental effect will there be to the environment or to the public health and safety if this proposed rule is not implemented?

Failure to provide adequate funding for the management of tires within the state could result in inadequate services for the management of waste tires.

Sources and Assumptions: *n/a*

4. What risks are addressed by the proposal and to what extent are the risks anticipated to be reduced?

Unknown.

Sources and Assumptions: *n/a*