

Exhibit E:

**Economic Impact/
Environmental Benefit Analysis**

**ECONOMIC IMPACT STATEMENT
OF PROPOSED RULES OR REGULATIONS
EO 05-04: Regulatory Flexibility**

Department Arkansas Division of Environmental Quality

Divisions Office of Water Quality

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Title or Subject: Arkansas Pollution Control and Ecology Commission Regulation No. 5

Benefits of the Proposed Rule or Regulation

1. Explain the need for the proposed change(s). Did any complaints motivate you to pursue regulatory action? If so, Please explain the nature of such complaints.

The public and several conservation groups have long fought to make permanent the prohibition of confined animal operations of a certain size in the Buffalo National River Watershed.

2. What are the top three benefits of the proposed rule or regulation?

Protection of the historical, cultural, and recreational significance of the Buffalo National River as the nation's first national river.

Preserving the water quality of the Buffalo National River and its watershed tributaries.

General protection of human health and the environment.

3. What, in your estimation, would be the consequence of taking no action, thereby maintaining the status quo?

Continued degradation of the Buffalo National River and its watershed tributaries and continued threat to human health and the environment.

4. Describe market-based alternatives or voluntary standards that were considered in place of the proposed regulation and state the reason(s) for not selecting those alternatives.

NA

Impact of Proposed Rule or Regulation

5. Estimate the cost to state government of *collecting information, completing paperwork, filing recordkeeping, auditing and inspecting* associated with this new rule or regulation.

This rule will not result in any cost to state government.

6. What types of small businesses will be required to comply with the proposed rule or regulation? Please estimate the number of small businesses affected.

This proposed rule will not impact small business.

7. Does the proposed regulation create barriers to entry? If so, please describe those barriers and why those barriers are necessary.

No.

8. Explain the additional requirements with which small business owners will have to comply and estimate the costs associated with compliance.

This proposed rule will not impact small businesses.

9. State whether the proposed regulation contains different requirements for different sized entities, and explain why this is, or is not, necessary.

This proposed rule prohibits the permitting of confined animal operations of a certain size in the Buffalo National River Watershed while still allowing small confined animal operations to operate within the watershed. Small confined animal operations that comply with current regulatory requirements pose a lesser threat to the Buffalo National River Watershed.

10. Describe your understanding of the ability of small business owners to implement changes required by the proposed regulation.

This proposed rule will not impact small businesses.

11. How does this rule or regulation compare to similar rules and regulations in other states or the federal government?

In 1997, North Carolina implemented a moratorium on new and expanded swine farms. That moratorium was made permanent in 2007 for farms that use anaerobic waste lagoons as primary waste treatment.

Texas Administrative Code prohibits new confined animal feeding operations within the Edwards Aquifer recharge zone. 30 Tex. Admin. Code § 321.33.

12. Provide a summary of the input your agency has received from small business or small business advocates about the proposed rule or regulation.

This proposed rule will not impact small businesses.