

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. 6—Regulations for Implementation of the National Pollutant Discharge Elimination System (NPDES)

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.

Incorporation of the revisions to 40 C.F.R. §§ 136,122, 123, 127, and 125 will keep the regulations consistent with federal rules in order to properly implement the NPDES program. The public and several conservation groups have long fought for a permanent 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?

Incorporation of the revisions to 40 C.F.R. §§ 136,122, 123, 127, and 125 will keep the regulations consistent with federal rules in order to properly implement the NPDES program. 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 and 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?

Taking no action would lead to inconsistencies between federal and state laws and this regulation. 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.

The changes to the regulation based on state law are expected to have a positive economic effect on businesses because they will not be required to maintain individual financial assurance for each facility. The number of small businesses is unknown.

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.

There will be no additional requirements.

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 citing 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 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.

There will be no change in costs for facilities to incorporate the revised federal rules. The regulations changes will not require implementation on the part of the small business owner.

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

All states with delegated authority to administer an NPDES program must incorporate the revised federal rules.

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.

ADEQ has not received input from small business or small business advocates about this proposed rule.