

EXHIBIT E:

**ENVIRONMENTAL IMPACT/ECONOMIC
BENEFIT ANALYSIS**

ARKANSAS POLLUTION CONTROL & ECOLOGY COMMISSION

ECONOMIC IMPACT/ENVIRONMENTAL BENEFIT ANALYSIS

Rule Number & Title: Regulation No. 30, Arkansas Remedial Action Trust Fund Hazardous Substances Site Priority List, 2009 Annual Update
Petitioner: ADEQ Hazardous Waste Division
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STEP 1: DETERMINATION OF ANALYSIS REQUIREMENT

Is the proposed rule exempt from economic impact/environment benefit analysis for one of the following reasons?	YES	NO
► The proposed rule incorporates the language of a federal statute or regulation without substantive change		X
► The proposed rule incorporates or adopts the language of an Arkansas state statute or regulation without substantive change	X	
► The proposed rule is limited to matters arising under Regulation No. 8 regarding the rules of practice or procedure before the Commission		X
► The proposed rule makes only <i>de minimis</i> changes to existing rules or regulations, such as the correction of typographical errors, or the renumbering of paragraphs or sections; or		X
► The proposed rule is an emergency rule that is temporary in duration.		X

If the proposed rulemaking does not require the following Analysis due to one or more of the exemptions listed above, state in the Petition to Initiate Rulemaking which exemptions apply, and explain specifically why each is applicable.

RULE SUMMARY:

A.C.A. § 8.7.509(f)(1) requires the Department to annually update the state priority list of hazardous substance sites eligible for investigation and remedial actions through use of moneys from the Remedial Action Trust Fund. ADEQ is explicitly required by this state statute to update Regulation No. 30 at least annually. This revision to Regulation No. 30 accomplishes the annual update to the priority lists for hazardous substance sites where the Pollution Control & Ecology Commission has authorized expenditures from the Remedial Action Trust Fund for investigation, cleanup, and/or long term maintenance in order to eliminate or mitigate unacceptable risks to human health or the environment from hazardous substance contamination at the listed sites. This revision does not have a corresponding federal rule or requirement. These amendments to Regulation No. 30 included in this proposed rulemaking substantially codify existing state law.

STEP 2: THE ANALYSIS

2A. ECONOMIC IMPACT

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

State: a) the specific public 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.

Investigative and remedial action costs will be paid from public funds, the Hazardous Substance Remedial Action Trust Fund. Upon completion of remedial actions, the Department has historically sought to recover these costs from the responsible parties, if these parties are still viable.

Sources and Assumptions: N/A

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.

A detailed cost estimate for investigation and remedial actions to be carried out at each of the three hazardous substance sites has not yet been prepared. This action provides authorization for the Department to initiate the investigative process to determine the scope of contamination at each site and the potential remedial actions necessary to address and abate the risks posed at each site. Development of site-specific costs estimates is a task performed during a remediation feasibility study, performed following the delineation of the scope and extent of contamination at the site.

Sources and Assumptions: N/A

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

None.

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?

ADEQ will carry out investigative and remedial action work using current staff and site investigation contractors. Detailed cost estimates have not been prepared, pending authorization for the use of the state trust fund to carry out this work. Funding will be derived from the Hazardous Substance Remedial Action Trust Fund.

Sources and Assumptions: N/A

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.*

No.

Sources and Assumptions: N/A

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

Remedial actions implemented by the responsible parties. However, these sites are either abandoned, with no viable responsible parties to carry out needed investigation and clean up activities, or where the responsible parties have refused to carry out the necessary actions. In the latter case, ADEQ will carry out the necessary work and subsequently seek recovery of these costs from the land owner and other responsible parties.

Sources and Assumptions: N/A

2B. ENVIRONMENTAL BENEFIT

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

Contamination of ground waters at Star/Starrett and Walgreens facilities, abandoned hazardous materials and potential surface and groundwater contamination at the Norphlet site. Specific risks at each site are described in the attached site summary reports (Exhibit "G" of the rulemaking packet).

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

By identifying and addressing hazardous substance contamination at each of these sites, and taking necessary actions to remove or control human exposure to these hazards, and to restore or mitigate degradation of the integrity of the environment at each site.

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?

Human health and the integrity of the environment will continue to be at risk through exposure to abandoned chemical and surface contamination, as well as continued contamination and

degradation of ground water quality. Groundwater contamination may prevent or restrict use of these resources for future drinking, irrigation, or industrial use.

Sources and Assumptions: N/A

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

Necessary actions are described in the summary sheet prepared for each site proposed to be added to the State Priority List. (See Exhibit "G" of the rulemaking packet).

Sources and Assumptions: N/A