

EXHIBIT C:

FINANCIAL IMPACT STATEMENT

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PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Arkansas Department of Environmental Quality
DIVISION Hazardous Waste Division
PERSON COMPLETING THIS STATEMENT Tom Ezell
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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 APC&EC Regulation No. 30

1. Does this proposed, amended, or repealed rule have a financial impact? Yes ☒ No ☐
2. Does this proposed, amended, or repealed rule affect small businesses? Yes ☐ No ☒
If yes, please attach a copy of the economic impact statement required to be filed with the Arkansas Economic Development Commission under Arkansas Code § 25-15-301 et seq.

See Attachment "F" to Rulemaking petition.

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

N/A

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

Current Fiscal Year

General Revenue	<u>\$ 0.00</u>
Federal Funds	<u>\$ 0.00</u>
Cash Funds	<u>\$ 0.00</u>
Special Revenue	<u>\$ 0.00</u>
Other (Identify)	<u>\$ 0.00</u>
Total	<u>\$ 0.00</u>

Next Fiscal Year

General Revenue	<u>\$ 0.00</u>
Federal Funds	<u>\$ 0.00</u>
Cash Funds	<u>\$ 0.00</u>
Special Revenue	<u>\$ 0.00</u>
Other (Identify)	<u>\$ 0.00</u>
Total	<u>\$ 0.00</u>

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 What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule?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

Current Fiscal Year

\$ \$ 0.00

Next Fiscal Year

\$ \$ 0.00

Site characterization, feasibility studies, and remedial design under CERCLA are 100% federal funded (or funded by any viable responsible parties), and average from three to four years for similar Superfund projects, and slightly more than two years in the case of Cedar Chemical due to the previous investigative work accomplished by the State. Therefore, no state costs pursuant to this rule are anticipated during the 2-year window addressed in this impact statement. Upon selection and approval of a final remedy for the Cedar Chemical site, (several years from now) the State (via the RATFA) will be responsible for 10% of the total remedial action costs, as well as 100% of the costs for post-closure, long term care of the site if there are no remaining viable responsible parties. Such remedial action costs will be substantial (multi-million \$); long term care for similar sites average \$50,000 per year for an indefinite, multi-year period (minimum 30 years).

Current cost estimates for cleanup at the Cedar Chemical site range up to \$37 million, which is more than four times the current balance of the Arkansas Remedial Action Trust Fund, which must address the needs at all abandoned sites within the state. While the state will retain a sizable responsibility for matching

cleanup costs as well as for long term care, addressing this site under the federal Superfund program will realize an approximately \$33 million reduction in the State's obligations for cleanup costs for the Cedar site.

6. What is the total estimated cost by fiscal year to the agency to implement this rule? Is this the cost of the program or grant? Please explain.

Current Fiscal Year

\$ 1.401 million

Next Fiscal Year

\$ 1.4 million

(Total costs of implementing investigations, cleanup, and long-term care of sites listed in this regulation.)